

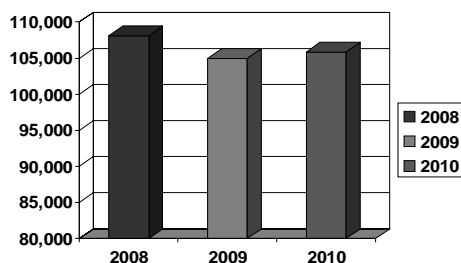
Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

Second Quarter, 2010

Total Employment

Second Quarter Comparison



Total Employment

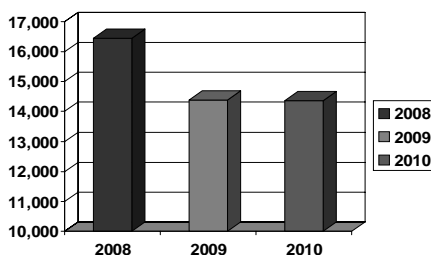
Nonagricultural wage and salary employment for the Rochester MSA grew at a rate of 3.7 percent during the second quarter of 2010. The gain of 3,781 jobs brought the total employment figure up to 105,867 from the March level of 102,086. Both the Goods Producing and Service Providing sectors reported growth for the quarter. Employment totals for April, May and June were 103,552, 104,841 and 105,867 respectively.

In the last 12 months, total employment figures have increased by 906 jobs since second quarter 2009.

Goods Producing

Goods Producing Employment Second Quarter Comparison

The Goods Producing sector experienced employment growth this quarter as 1,354 jobs were added for an increase of 10.4 percent over first quarter. Natural Resources/Construction/Mining showed a gain of 785 jobs while Manufacturing added 569 jobs. Goods Producing employment totals for April, May and June were 13,342, 13,727 and 14,369 respectively.

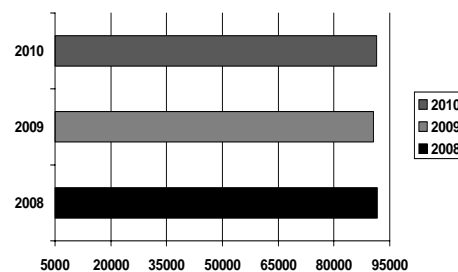


Overall, the Goods Producing sector is down slightly with a loss of 12 jobs in the past 12 months.

Service Providing

Second Quarter Service Providing Comparison

The Service Providing sector created 2,427 jobs this quarter for an increase of 2.72 percent over first quarter, bringing the Service Providing employment number to 91,498. Leisure & Hospitality added 860 jobs while Retail and Education and Health Services added 558 and 408 respectively.



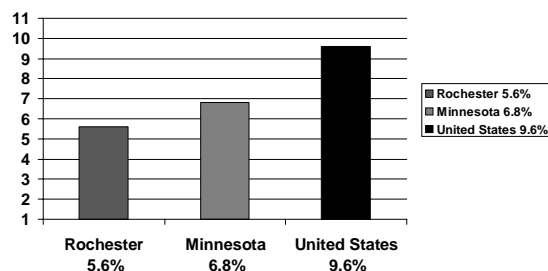
Service Providing payroll levels have increased by 918 jobs or one percent in the last 12 months.

Unemployment

The Rochester MSA unemployment rate decreased by 1.2 percent from first quarter, ending the second quarter rate in June at 5.6 percent. The rates for April and May were 5.7 percent and 5.3 percent respectively. The Rochester average remains well below the state and U.S. averages of 6.8 and 9.6 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 6.1 percent.

The June labor force figure of 108,592 represents an increase of seven tenths of one percent from the March figure of 107,808.

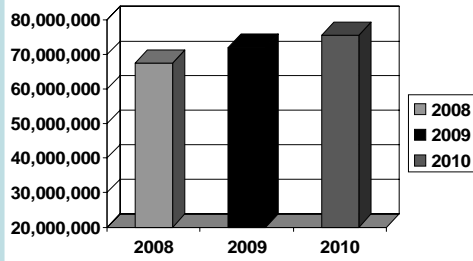
First Quarter Unemployment 2010 Comparison Percentage



Source: Minnesota Workforce Center

Second Quarter

Second Quarter Commercial & Residential Valuation Comparison



Permits over \$1 million for second quarter 2010 included: interior alterations at Walmart, interior alterations to the passenger terminal building at the Rochester International Airport, gym addition and interior remodel at LongFellow School, alterations (Mayo Eisenberg bldg (floors 3-7), Macken Funeral Home new building, new childcare center, mechanical HVAC addition and renovation at Samaritan Bethany, Willow Creek Middle School alterations and HVAC modifications, new Public Works Operations Center, new Walgreens building, new Public Works wash building, and electrical work on a nine story apartment building.

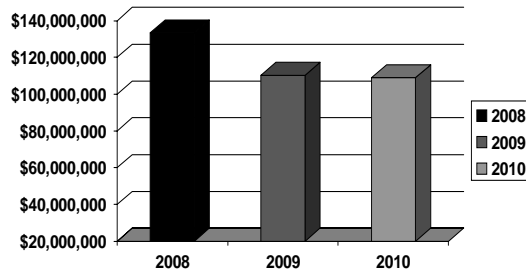
Source: Rochester Building Safety Department

Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2010 totaled \$75,492,298. This represents increases of 4.9 percent over second quarter 2009 (\$71,993,301) and 11.9 percent over second quarter 2008 (\$67,444,011). Year-to-date, building activity is up by 9.8 percent compared to the first half of 2009.

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Second Quarter MLS Sales



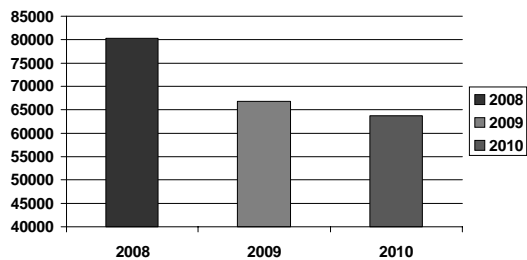
Second Quarter Home Sales

Second quarter sales of single family homes in Rochester were \$109,065,877. This represents a decrease of one percent (\$110,126,759) over second quarter 2009 and a 22 percent (\$133,200,435) decrease over second quarter 2008.

The average home in Rochester sold for \$175,347 during the second quarter of 2009 and the median sale price was \$151,250. There were 622 units sold during the second quarter. The average time on the market was 111 days.

Source: SE Minnesota Association of Realtors

Airport Passenger Traffic Second Quarter Comparisons



Quarterly Airport Traffic

The Rochester Airport serviced 63,803 passengers during the second quarter of 2010. This represents decreases of 3.8 percent over second quarter 2009 (66,803 passengers) and 20.6 percent over second quarter 2008 (80,315 passengers). Passenger totals for April, May and June were 19,861, 22,077 and 21,865 respectively.

Air cargo shipments were up 5.4 percent from second quarter 2009.

Source: Airport Manager

RAEDI

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