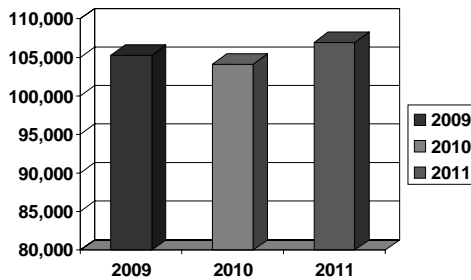


Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

Second Quarter, 2011

Total Employment Second Quarter



Total Employment Up for Quarter and Year

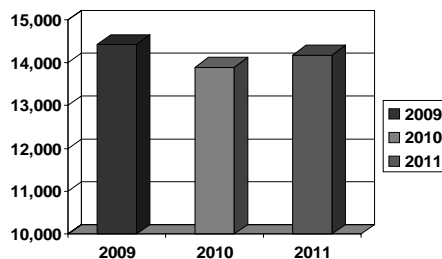
Nonagricultural wage and salary employment for the Rochester MSA grew at a rate of 5.7 percent during the second quarter of 2011. The gain of 5,774 jobs brought the total employment figure up to 106,891 from the March level of 101,117. Both the Goods Producing and Service Providing sectors reported growth for the quarter. Employment totals for April, May and June were 102,094, 104,343 and 106,891 respectively.

In the last 12 months, total employment figures have increased by 2,779 jobs since second quarter 2010.

Goods Producing

Goods Producing Employment
Second Quarter

The Goods Producing sector experienced employment growth this quarter as 1,107 jobs were added for an increase of 8.5 percent over first quarter. Natural Resources/Construction/Mining showed a gain of 928 jobs while Manufacturing added 179 jobs. Goods Producing employment totals for April, May and June were 13,197, 13,599 and 14,181 respectively.

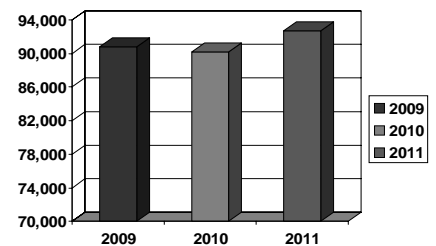


Overall, the Goods Producing sector is up with a gain of 283 jobs in the past 12 months.

Service Providing

The Service Providing sector created 4,667 jobs this quarter for an increase of 5.7 percent over first quarter, bringing the Service Providing employment number to 92,710. Education and Health Services and Leisure & Hospitality showed the largest gains for the quarter, adding 1,533 and 1,274 jobs respectively.

Service Providing Employment



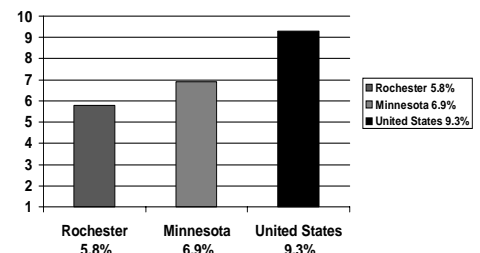
Service Providing payroll levels have increased by 2,496 jobs or 2.8 percent in the last 12 months.

Unemployment

The Rochester MSA unemployment rate decreased by four-tenths of one percent from first quarter, ending the second quarter rate in June at 5.8 percent. The rates for April and May were 5.6 percent and 5.4 percent respectively. The Rochester average remains well below the state and U.S. averages of 6.9 and 9.3 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 5.7 percent.

The June labor force figure of 108,575 represents an increase of 2.6 percent from the March figure of 105,821.

Second Quarter Unemployment

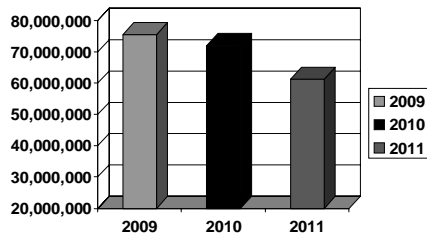


Source: Minnesota Workforce Center

Second Quarter

Second Quarter Building Activity

Second Quarter Commercial & Residential Valuation Comparison



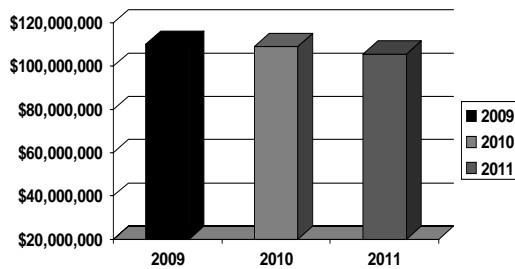
Commercial and residential building permits issued for second quarter 2011 totaled \$61,306,622. This represents decreases of 18.8 percent over second quarter 2010 (\$75,492,298) and 14.8 percent over second quarter 2009 (\$71,993,301).

Permits over \$1 million for second quarter 2011 included: SEMCIL & Choice Home Care office building, alterations and HVAC modifications at Willow Creek Middle School, Long Fellow Elementary School and Washington Elementary School.

Source: Rochester Building Safety Department

Second Quarter Home Sales

Second Quarter MLS Sales

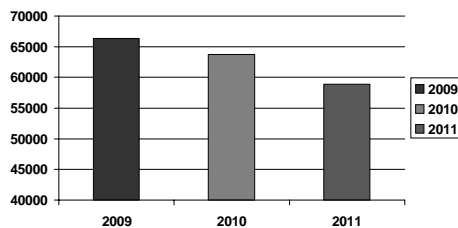


Second quarter sales of single family homes in Rochester were \$105,614,325. This represents a decrease of 3.2 percent (\$109,065,877) over second quarter 2010 and a 4.1 percent (\$110,126,759) decrease over second quarter 2009.

The average home in Rochester sold for \$181,267 during the second quarter of 2010 and the median sale price was \$149,900. There were 563 units sold during the second quarter. The average time on the market was 139 days.

Source: SE Minnesota Association of Realtors

Airport Passenger Traffic Second Quarter Comparison



Quarterly Airport Traffic

The Rochester Airport serviced 58,902 passengers during the second quarter of 2011. This represents decreases of 7.7 percent over second quarter 2010 (63,803 passengers) and 11.2 percent over second quarter 2009 (66,347 passengers). Passenger totals for April, May and June were 19,216, 20,720 and 18,966 respectively.

Air cargo shipments were up 2.2 percent from second quarter 2010.

Source: Airport Manager

RAEDI

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