

Community Profile

Rochester, Minnesota MSA



RAEDI Staff

Gary Smith Executive Vice President
gsmith@raedi.com

Tonya Bernard Administrative Assistant
tbernard@raedi.com

Dwayne Lee Director of Business Development
dwayne@504corporation.com

Molly Schmidt Marketing/Communications Specialist
mschmidt@raedi.com

Laura Hart Loan Services Specialist
laura@504corporation.com

Jim Snackenber Senior Business Development Officer
scbf@hickorytech.net

RAEDI Address:

Rochester Area Economic Development, Inc.
220 South Broadway, Suite 100
Rochester, MN 55904
(507) 288-0208
Fax: (507) 282-8960
Website: www.raedi.com

RAEDI

Rochester Area Economic Development, Inc.

Table of Contents

	<u>Page Number</u>
Business Service Organizations Phone Numbers	1A
Overview	1B
Rochester MSA Population	1B
Business Climate	2
Basic Business Taxes	3
Governmental Structure	3
Pro Forma Tax Computation	4
City of Rochester	5
Development Incentives	6
Labor Force	7
Employers in Rochester MSA	8
Counties Near Rochester MSA	9
Commercial Real Estate	10
Utilities	11-13
Transportation	14
Education	15
Quality of Life	16-17
Housing & Real Estate	18-20
Population	21
Personal and Per Capita Income	22
Retail Sales History and Forecast	23
Diversity	24

Business Service Organizations Numbers

Rochester Area Economic Development, Inc.	507-288-0208
504 Corporation - federal loan program for small businesses looking to expand	507-288-0208
Rochester Area Chamber of Commerce	507-288-1122
City of Byron	507-775-3400
City of Chatfield	507-867-3810
City of Dover	507-932-3384
City of Eyota	507-545-2135
City of Rochester	507-328-2000
City of Stewartville	507-533-4745
Rochester/Olmsted County Planning Dept.	507-328-7100
Internal Revenue Services - Business Identification Number (EIN)	866-816-2065
MN Dept. of Revenue (DOR) Tax identification number	651-296-3781
MN Secretary of State - Registration of a business name	651-296-2803
MN Workforce Center - Rochester Branch	507-285-7315
Service Corp. of Retired Executives (SCORE) Start-up business guidance	507-288-8103
Small Business Development Center Business plans/loan packaging assistance	507-285-7536
State of MN Small Business Assistance Office (SBA)	651-296-3871
State Workers Compensation	651-296-2432
Dept. of Employment & Economic Development (DEED)	1-800-657-3858

Overview

Rochester MSA Population Count

The Rochester, Minnesota, Metropolitan Statistical Area (MSA) comprises Olmsted, Dodge and Wabasha Counties. Olmsted County includes the cities of Byron, Dover, Eyota, Oronoco, Rochester, Stewartville, and a portion of the cities of Chatfield and Pine Island. Dodge County includes the cities of Dodge Center, Kasson, Mantorville, Hayfield and Claremont. Wabasha County includes Wabasha, Lake City, Elgin, Mazeppa and Kellogg. The Minnesota State Demographer's Office reported the 2010 population of the Rochester MSA at 186,011.

Located in the southeastern section of Minnesota, the Rochester MSA's strong diverse economy is built around health care, high technology, and agriculture.

For over 140 years, the city of Rochester has remained the regional center for industry and commerce in southeastern Minnesota. The transportation infrastructure in the MSA includes Interstate and U.S. highways, rail freight, and international air passenger and cargo facilities. The city of Rochester is 32,096.2 acres and 50.15 square miles while Olmsted County is 654.8 square miles and 419,093.4 acres.

The Rochester MSA continually ranks high in polls relating to quality of life and worker productivity. *Money* magazine reported that the city of Rochester "radiates cosmopolitan style without big city ills." The smaller cities surrounding Rochester represent rural living at its best. Whether you are searching for a new corporate home, a place to expand your business, or a new place to live, the Rochester MSA offers the finest in business climate, labor force, real estate, utilities, transportation, education, and quality of life.

The overall structure of the Rochester area economy has not changed much over the past 15 years. While many significant events have occurred during this time period testing the resiliency of the local economy, the net result has been that the Rochester economy remains strong and viable. The economy here continues to grow at a pace faster than that of the state and nation as a whole.

Olmsted County

<u>City</u>	<u>Population</u>
Byron	4,914
Chatfield	1,206
Dover	735
Eyota	1,977
Oronoco	1,300
Pine Island (part)	703
Rochester	106,769
Stewartville	5,916
Rural Townships	20,728
Total	144,248

Dodge County

<u>City</u>	<u>Population</u>
Kasson	5,931
Dodge Center	2,670
Hayfield	1,340
Mantorville	1,197
West Concord	782
Claremont	548
Rural Townships	7,619
Total	20,087

Wabasha County

<u>City</u>	<u>Population</u>
Lake City (part)	4,316
Wabasha	2,521
Elgin	1,089
Mazeppa	842
Plainview	3,340
Kellogg	456
Rural Townships & Other	8,488
Hammond	132
Millville	182
Zumbro Falls	207
Bellechester	42
Minnieska city (part)	61
Total	21,676

*Source: Minnesota Demographer's Office
August 2011*



Business Climate

Olmsted County Tax Extension Rates - 2011

Taxing Entity	City	County	School District	Total Tax Extension
Byron	51.000	56.551	37.196	144.747
Chatfield	66.333	54.011	27.841	148.185
Dover	44.588	56.610	36.418	137.616
Eyota	51.268	56.499	36.283	144.050
Oronoco	38.933	56.610	24.158	117.460
Pine Island	68.243	54.017	24.917	146.418
Rochester	44.141	54.017	27.800	125.958
Stewartville	49.825	53.985	27.757	131.567

Source: Olmsted County Assessor, 2011

TAXES: Minnesota's taxes support a superior infrastructure that includes an outstanding educational system, a well-trained labor force, excellent transportation facilities, and a myriad of quality of life amenities. In 2004, Rochester became eligible to participate in Minnesota's JOBZ project, a tax incentive program. JOBZ gives qualifying businesses an opportunity to operate their business in a tax-free environment in designated areas throughout the Rochester MSA. Contact Gary Smith, Rochester Area Economic Development, Inc., at 507-288-0208, to learn more about this program.

Basic Business Taxes

Corporate Income Tax: 9.8 percent of taxable income or an alternative tax of 5.8 percent of Minnesota alternative minimum income.

Sales and Use Taxes: 6.875 percent of gross receipts of retail sales, use, storage, or consumption of tangible personal property. No sales tax on new capital equipment used for manufacturing, fabricating, or refining a product. Replacement capital used for manufacturing, fabricating, or refining a product incurs no sales tax. A refund method is used to relieve tax burden. The city of Rochester currently has a ½ percent sales tax. There are also state-imposed liquor, lodging, and rental taxes.

For a complete listing of fees, go to:
www.sos.state.mn.us/docs/filingfeesall.pdf

State of Minnesota Business Fee Schedule

<u>Business Entity</u>	<u>Registration Fee</u>
Assumed Name Certificate	\$25
Business, Professional, Financial & Insurance Corp.	\$160
Limited Liability Companies	\$160
Foreign Corporation & Cert. of Authority	\$225
Foreign Limited Liability Companies	\$185
Minnesota Limited Liability Companies	\$135
Cooperatives - Articles of Incorporation	\$ 60
Non-Profit Corporations	\$ 70

For further information, contact:
Minnesota Secretary of State (651) 296-2803
www.sos.state.mn.us

Governmental Structure

OLMSTED COUNTY: The city of Rochester serves as the county seat for Olmsted County and has a seven-member Board of Commissioners and a county administrator. This board set the annual budget for governmental funds at \$155,000,000 for 2011. The County has a bond rating of AAA from Standard & Poor's and Aaa from Moody's.

Land development, zoning rules, and approval procedures vary within the county. Olmsted County (Rochester MSA) has adopted a countywide land use plan. This plan details development zones and regulations. If a planned development in a township or city within the county departs from this plan, the developer must make an application for the change through Consolidated Planning and Zoning. The change is then petitioned before the township and/or county planning

Olmsted County Contacts

Administrator	507-328-6001
Assessor	507-328-7670
Auditor/Treasurer	507-328-7636
Building Inspectors	507-328-7111
Highway Department	507-328-7060
Human Resources	507-328-7700
Planning Department	507-328-7100
Public Works	507-328-7070
Sheriff	507-328-6750

commissions. Some development projects require the consent of the respective city council or county Board of Commissioners, depending where the development will take place.

Olmsted County Taxes

Tax Estimate for ROCHESTER in 2011 **Residential Property**

City/township - Rochester City 0535
School District - ISD 535 Rochester
Property Type - Residential Homestead
Market Value - \$175,000
Estimated Tax - \$2,078.83

Tax Estimate for ROCHESTER in 2011 **Commercial/Industrial Property**

City/township - Rochester City 0535
School District - ISD 535 Rochester
Property Type - Commercial/Industrial
Market Value - \$2,000,000
Estimated Tax - \$68,577.82

Tax Estimate for BYRON in 2011 **Residential Property**

City/township - Byron City 0531
School District - ISD 531 Byron
Property Type - Residential Homestead
Market Value - \$175,000
Estimated Tax - \$2,418.97

Tax Estimate for BYRON in 2011 **Commercial/Industrial Property**

City/township - Byron City 0531
School District - ISD 531 Byron
Property Type - Commercial/Industrial
Market Value - \$2,000,000
Estimated Tax - \$77,214.58

Tax Estimate for STEWARTVILLE in 2011 **Residential Property**

City/township - Stewartville City 0534
School District - ISD 534 Stewartville
Property Type - Residential Homestead
Market Value - \$175,000
Estimated Tax - \$2,539.09

Tax Estimate for STEWARTVILLE in 2011 **Commercial/Industrial Property**

City/township - Stewartville City 0534
School District - ISD 534 Stewartville
Property Type - Commercial/Industrial
Market Value - \$2,000,000
Estimated Tax - \$76,050.23

Tax Estimate for PINE ISLAND in 2011 **Residential Property**

City/township - Pine Island 0255
School District - ISD 255 Pine Island
Property Type - Residential Homestead
Market Value - \$175,000
Estimated Tax - \$2,579.03

Tax Estimate for PINE Island in 2011 **Commercial/Industrial Property**

City/township - Pine Island 0255
School District - ISD 255 Pine Island
Property Type - Commercial/Industrial
Market Value - \$2,000,000
Estimated Tax - \$79,365.44

To check tax estimates on a specific market value in Olmsted County, go to
www.co.olmsted.mn.us/prl/propertyrecords/PropertyTaxes/Pages/PropertyTaxEstimator.aspx

City of Rochester

Rochester has a strong council/weak mayor form of city government under Home Rule Charter with an executive city administrator. The City Council is composed of seven councilpersons, the mayor, and the city administrator. The council oversees and grants authority on all aspects of business within the city limits.

The budget to operate the city is approved by the council and is obtained from a tax levy, local government aid, hotel/motel tax, utility in lieu of tax, music fees and grants, park department revenues, fines and penalties, cable television franchise fees, inspection permit fees, sewer service charges, parking lots and ramp revenues, sales tax, and parking meter fees. The total budget for 2011 is \$175,148,862. Rochester has a AAA bond rating from Moody's and Standard & Poor's rating services.

The city, as a service to its residents, provides professional fire and police protection. Also, the city operates the electrical, water, and sewage utilities within the city limits.

The following is a list of contacts for each of the smaller cities within the Rochester MSA:

City of Byron
680 Byron Main Court SE
Byron, MN 55920
(507) 775-3400

City of Oronoco
P.O. Box 195
Oronoco, MN 55960
(507) 367-4405

City of Chatfield
21 SE Second St.
Chatfield, MN 55923
(507) 867-3810

City of Pine Island
250 South Main Street
Pine Island, MN 55963
(507) 356-4591

City of Dover
221 North Chatfield St.
Dover, MN 55929
(507) 932-3384

City of Stewartville
P.O. Box 275
105 East First St.
Stewartville, MN 55976
(507) 533-4745

City of Eyota
P.O. Box 328
Eyota, MN 55934
(507) 545-2135

Each city has a volunteer fire department and the county sheriff's department provides police protection. The city of Chatfield maintains their own police department.

City of Rochester Contacts

Administrator	507-328-2000
Building & Safety	507-281-6133
City Clerk	507-328-2900
Fire Department	507-285-8072
Housing & Redevelopment	507-285-8224
Mayor's Office	507-328-2700
Personnel	507-328-2565
Planning & Zoning	507-285-8232
Police Department	507-285-8300
Public Works	507-287-7800
Public Utilities	507-280-1500

For businesses planning regarding building industrial use buildings, Rochester Area Economic Development, Inc. (RAEDI) will assist by fast-tracking the process. Please **contact RAEDI at (507) 288-0208.**

Development Incentives

All cities within the Rochester MSA, including Olmsted County, have access to development incentives from state and local sources. The primary development tools used at local governments disposal include Tax Increment Financing (TIF) and Industrial Development Revenue Bonds.

Rochester Area Economic Development, Inc. (RAEDI) administers the RAEDI SEED/Venture Fund. This fund is available for qualifying businesses who are relocating, expanding, or starting in the Rochester MSA.

The primary programs offered by the state of Minnesota include:

Tax Increment Financing: This is a method local governments use to pay for the costs of qualifying improvements necessary to create new development, redevelopment, or publicly assisted housing. The financing of the qualifying improvements is paid from the increased property taxes generated from the new development, redevelopment, or housing that would not occur “but for” such assistance. Tax increment is the difference between the existing property taxes on a parcel of land before development occurs and the increased property taxes created by the new development. The tax increment revenue is used by the local government for a term of years to assist the financing of qualifying projects.

Industrial Development Revenue Bonds: Cities and counties are authorized to issue industrial development bonds, commonly referred to as industrial revenue bonds or “IRBs”, for the purpose of “paying all or part of the cost of purchasing, acquiring, constructing, improving, equipping, or remodeling facilities for commercial and manufacturing purposes.” This financing tool is designed to provide a vehicle whereby local governments can assist private companies with economic development in their community.

Jobz: This project is available to businesses which start, expand or re-locate into the Zone. Tax exemptions include property tax on new development, sales tax on goods and services and corporate income tax or individual income tax on investments.

The Minnesota Investment Fund: This program assists expanding businesses in creating and retaining high quality jobs with an emphasis on manufacturing, technology, and professional service employment. Grants are awarded to local governments which, in turn, make loans for specific business projects or finance public infrastructure improvements.

The Minnesota Jobs Skills Partnership: This program awards grants for cooperative education and training projects between Minnesota businesses and educational institutions.

In addition to these state programs, there are two non-profit corporations who provide gap financing for qualifying projects. They include:

The Initiative Foundation: This program provides funding of up to \$200,000 to businesses retaining or creating living wage jobs or providing assistance to welfare-to-work participants. The loan must be equal to or less than project bank financing. The Southern Minnesota Initiative Foundation is located at 540 West Hills Circle, Suite 201, Owatonna, Minnesota 55060. Their phone number is (507) 455-3215.

Southeastern Minnesota 504 Development, Inc.: This certified SBA company provides assistance to expanding businesses through the SBA 504 Loan Program. The program provides up to 40% of project financing at a very competitive interest rate and term. The 504 Corporation, located in Rochester, can be reached at (507) 288-6442.

For more information regarding incentives, companies looking to develop in the Rochester MSA should **contact Rochester Area Economic Development, Inc. (RAEDI) at (507) 288-0208.**

Labor Force

ROCHESTER MSA POPULATION BY AGE

	0-19 Years Old		20-64 Years Old		65 Years & Over		Median Age
1990	44,190	1990	82,560	1990	15,910	2000	31.82
2000	48,990	2000	96,540	2000	18,880	2000	35.42
2008	50,760	2008	109,430	2008	23,000	2008	36.68
2009	50,780	2009	110,940	2009	23,890	2009	36.80
2010	51,470	2010	112,650	2010	24,690	2010	36.81
2015	55,860	2015	119,610	2015	29,550	2015	37.03
2020	61,180	2020	124,430	2020	36,000	2020	37.85
2025	65,500	2025	128,650	2025	44,260	2025	38.70

Source: Woods & Poole Economics, Inc., 2011 State Profile
Rochester MSA includes Olmsted, Wabasha and Dodge Counties

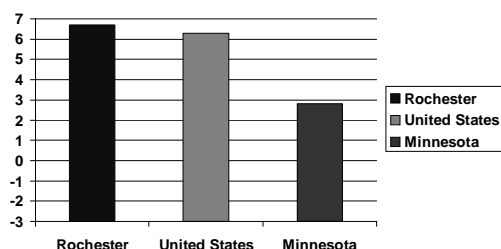
The labor force of the Rochester MSA is often misunderstood. At a first glance, the MSA draws qualified workers from 30 to 50 miles away. We have estimated that the true labor force willing to commute and work in the Rochester MSA is closer to 150,000 people. There are 45 two and four-year colleges within 90 miles of Rochester. Students from these institutions show a strong tendency of seeking employment after graduation within this region.

The Rochester MSA, historically, has maintained a steady rate of population growth. As a result, the labor force has continued to grow as well. The

Rochester MSA, not unlike many upper Midwest cities of similar size, has experienced record low unemployment.

These tables summarize current and historic trends for the Rochester MSA population, the types and numbers of jobs produced, and the labor force.

Labor Force Growth Rates Average Rate of Growth 2001-2010



From 2001-2010, the Rochester area's labor force grew 6.7 percent while the U.S. and Minnesota's rates were 6.3 percent and 2.8 percent respectively.

Sources:
Minnesota Dept. of Employment & Economic Development

SECTOR EMPLOYMENT Annual Averages - Rochester MSA

	2004	2005	2006	2007	2008	2009	2010
Total Non Farm	102,342	104,205	105,789	106,883	105,964	103,553	102,031
Goods Producing	18,029	18,003	17,494	16,789	15,789	14,123	13,526
Manufacturing	13,232	13,390	12,877	12,403	11,887	10,791	10,467
Construction	4,797	4,614	4,617	4,387	3,902	3,332	3,059
Service Providing	84,313	86,202	88,295	90,094	90,176	89,430	88,508
Wholesale Trade	2,246	2,521	2,519	2,472	2,385	2,268	2,184
Retail Trade	11,253	11,048	11,056	11,170	11,122	10,915	10,867
Transportation	2,193	2,220	2,236	2,332	2,384	2,316	2,317
Information	1,586	1,619	1,574	1,557	1,548	1,487	1,531
Financial Activities	2,747	2,722	2,810	2,792	2,783	2,719	2,575
Prof/Business Serv	5,373	5,363	5,565	5,355	5,040	4,484	4,479
Educational/Health	35,995	37,371	38,925	40,747	41,518	42,232	41,794
Leisure/Hospitality	8,605	9,980	9,033	9,225	9,003	8,676	8,441
Other Services	3,753	3,584	3,650	3,583	3,350	3,441	3,471
Government	10,563	10,774	10,927	10,861	11,043	10,891	10,846

Source: Minnesota Dept. of Employment & Economic Development, June 2011

UNEMPLOYMENT - SE MN COUNTIES 2011

	Labor Force	Number Employed	Number Unemployed	Percentage Unemployed	Comparable MN	U.S.
Dodge	11,410	10,732	738	6.4%	6.9%	9.3%
Fillmore	11,985	11,183	802	6.7%	6.9%	9.3%
Goodhue	26,304	24,525	1,779	6.8%	6.9%	9.3%
Mower	21,472	20,136	1,336	6.2%	6.9%	9.3%
Olmsted	84,521	79,706	4,815	5.7%	6.9%	9.3%
Steele	21,411	19,905	1,506	7.0%	6.9%	9.3%
Wabasha	12,583	11,793	790	6.3%	6.9%	9.3%

Source: Minnesota Dept. of Employment & Economic Development, June 2011

For salary survey information for southeastern Minnesota, go to www.raedi.com

Larger Employers in the Rochester MSA

Minnesota is not a right-to-work state. Although organized labor is prevalent in the state of Minnesota, Rochester traditionally has lower union employment than other areas of the state. Besides the usual labor organizations representing hotels, teachers, nurses, construction, and government employees, very few employees are represented by organized labor. These numbers below reflect full and part-time employees.

Updated May 2011

Estab.	Firm	Employees	Type of Business
1914	Mayo Clinic	32,000	Medical/Hospital
1911	IBM	not avail.	Electronics/Computer
1868	Rochester Public Schools	2,144	Education Services
1855	Olmsted County	1,177	Government
1949	Olmsted Medical Center	1,063	Medical/Hospital Services
1970	McNeilus Truck & Manuf.	850	Mobile concrete mixers, garbage trucks
1858	City of Rochester	834	Local Government
1993	Charter Communications	690	Cable Television/High Speed Internet
1951	Crenlo	640	Fabricated Metal
1917	Interstate Hotels & Resorts	590	Hotel/Restaurant Services
1915	RCTC	500	Post Secondary Education
1984	Federal Medical Center	460	Corrections/Medical
1949	Seneca Food (255 regular)	450 (seasonal)	Food Processing
1994	Benchmark Electronics	420	Contract Mfg/Design/Engineering
1997	Reichel Foods	400	Refrigerated lunch & snacks
1976	Hiawatha Homes	380	Res. Services/Dev. Disabilities
1922	Samaritan Bethany, Inc.	360	Health Care of the Aging
1928	Kemps	345	Food Processing
1970	Pace Dairy	320	Food Processing
1912	Schmidt Printing	300	Printing/Publishing
1995	Cardinal of Minnesota, Ltd.	280	Res. Services/Dev. Disabilities
1855	Rochester Post Office	269	Postal/Delivery Service
1961	Think Mutual Bank	260	Banking
1971	Rochester Meat Company	250	Meat Processor
1948	McNeilus Steel, Inc.	243	Steel Fabrication
1989	Rochester Medical Corp.	232	Medical Device Manufacturer
1965	Lawrence Transportation Co.	230	Refrigerated over-the-road trucking
1978	Halcon	226	Furniture Manufacturer
1877	Rochester Catholic Schools	207	Education Services
1956	Ability Building Center (600 w/clients)	200 (staff only)	Rehabilitation Services
1859	Post Bulletin Company	187	Printing/Publishing
2003	Home Instead Senior Care	165	Home Care Services
1934	Home Federal Savings Bank	161	Banking
1852	Wells Fargo	160	Banking
1972	Child Care Resource & Referral	160	Child Care Oversight
1966	Zumbro Valley Mental Health	150	Human Services
1982	Superior Mechanical Systems	125	Air Conditioning, Refrigeration, Heating
1964	Tuohy Furniture	115	Wood Office Furniture Manufacturer
1938	Pepsi-Cola Bottling Co.	112	Distribution Center
1969	Associated Milk Producers	100	Dairy Marketing Cooperative
1976	Himec	92	Mechanical Contractor

Counties Near Rochester MSA

Counties within 30 minutes of Rochester

<u>Minnesota</u>	<u>Population</u>
Olmsted	144,248
Dodge	20,087

Counties within 45-60 minutes of Rochester

<u>Minnesota</u>	<u>Population</u>
Dodge	20,087
Fillmore	20,866
Goodhue	46,183
Mower	39,163
Olmsted	144,248
Steele	36,576
Wabasha	21,676
Winona	51,461
<u>Iowa</u>	<u>Population</u>
Howard	9,556
Winneshiek	21,056

Counties within 75 minutes of Rochester

<u>Minnesota</u>	<u>Population</u>
Dodge	20,087
Fillmore	20,866
Freeborn	31,255
Goodhue	46,183
Houston	19,027
Mower	39,163
Olmsted	144,248
Rice	64,142
Steele	36,576
Wabasha	21,676
Winona	51,461

<u>Iowa</u>	<u>Population</u>
Howard	9,566
Mitchell	10,776
Winneshiek	21,056

<u>Wisconsin</u>	<u>Population</u>
LaCrosse	114,638

Counties within 90 minutes of Rochester

<u>Minnesota</u>	<u>Population</u>
Carver	91,042
Dakota	398,552
Dodge	20,087
Fillmore	20,866
Freeborn	31,255
Goodhue	46,183
Houston	19,027
Le Sueur	27,703
Mower	39,163
Olmsted	144,248
Rice	64,142
Scott	129,926
Steele	36,576
Wabasha	21,676
Waseca	19,136
Washington	238,136
Winona	51,461
<u>Iowa</u>	<u>Population</u>
Allamakee	14,330
Cerro Gordo	44,151
Chickasaw	12,439
Floyd	16,303
Howard	9,566
Mitchell	10,776
Winneshiek	21,056
<u>Wisconsin</u>	<u>Population</u>
Buffalo	13,587
LaCrosse	114,638
Pierce	41,019
Trempealeau	28,816

Total population within 30 minutes:	164,335
Total population within 45-60 minutes:	410,872
Total population within 75 minutes:	640,720
Total population within 90 minutes:	1,725,860

Sources: U.S. Census Bureau
2010 Estimates
August 2011

Commercial Real Estate

INDUSTRIAL DEVELOPMENT

The city of Rochester has over 300 acres of industrial and commercially zoned development land. In addition, each of the smaller cities within the Rochester MSA have industrial and commercial land available for development projects.

For a complete listing of commercial/industrial realtors, **please contact Rochester Area Economic Development, Inc. or the Southeast Minnesota Association of Realtors at (507) 285-9833.** Each city also has one or more contacts that may be helpful when searching for property. For confidential site location searches, **contact RAEDI at (507) 288-0208.**

Existing buildings are available for lease or purchase. Below is a listing of average gross rates for office space.

Average gross rate per square foot (triple net)	Class A \$11-\$20	Class B \$7-\$12	Class C \$5-\$10
---	-----------------------------	----------------------------	----------------------------

Source: Commercial Leasing Services, Rochester, Minnesota, June 2011

Commercial building activities in the Rochester MSA over the past few years have set several record dollar levels. Below is a five-year study of Rochester city commercial and industrial permits issued and their associated dollar values.

New Commercial Developments					
Dollar Value of Permits	2006	2007	2008	2009	2010
	\$201,605,859	\$153,028,311	\$172,133,268	\$163,968,709	\$199,855,733
Number of Permits	558	532	585	310	322

Source: Building and Safety Department, 2005-2009, June 2011

Communication Providers

Internet Access Providers

Access High Speed Internet
877-432-7103

Centurylink
800-475-7526
www.centurylink.com

Charter Business
1-877-460-3278
www.charter.com

Computer Smartz
507-281-9568

Corecomm
866-672-2673

Cp Internet
507-281-2507

Earthlink
877-242-0239

Localnet
507-280-1957

Marco, Inc.
507-252-5944
www.marconet.com

Mediacom Online
800-332-0245

TDS
877-837-0682
www.tdsbusiness.com

Telecommunication Companies

Centurylink
800-475-7526
www.centurylink.com

Charter Business
1-877-460-3278
www.charter.com

Eventis
507-287-8559
www.enventis.com

HBC
507-932-8000

Jaguar Communications
800-250-1517
www.jagcom.com

Mediacom Communications
800-332-0245
www.mediacomcc.com

TDS
877-837-0682
www.tdsvoip.com

Telecommunication Equipment & Systems

Data Smart
507-288-3619

Eventis Telecom
507-287-8559
www.eventis.com

Five Star Telecom
507-288-5555

Ideacom Mid America
507-288-2294
www.ideacom-ma.com

Phone Station, Inc.
507-281-2122
www.phonestation.com

Marco, Inc.
507-252-5944
www.marconet.com

Cable & Direct TV

Charter Communications
1-800-581-0081

About Dish TV
800-984-4533

Dish Installation, Inc.
877-258-0452

Dish 2 U
877-497-1140

Satellite Country
866-331-7140

Natural Gas Utilities

Throughout the Rochester MSA, natural gas service is provided by Minnesota Energy. Gas rates are available in the classifications of residential, commercial, small volume interruptible, large volume interruptible, and industrial firm. Small volume interruptible is defined as using less than 200 MCF per day. Large volume interruptible is defined as using more than 200 MCF per day. Very large volume and new development incentives are available.

The table below represents a five-year tracking of cents per 100 cubic feet averaged for the months of January, February, and March.

	2007	2008	2009	2010	2011	5-Year Average
Residential/Commercial Rate	.9420	1.0240	.95297	.7750	.7956	.8979
Small Volume Interruptible	.7590	.8710	.81636	.6000	.5557	.7204
Large Volume Interruptible	.6950	.8070	.72794	.5150	.4661	.6422

Minnesota Rate Schedule: Minnesota Energy

CONTACT FOR MINNESOTA ENERGY

Rory Lenton, External Relations Manager

507-529-5117

Electrical Utilities

The Rochester MSA is covered by four electrical utilities. The city of Rochester operates its own utility, **Rochester Public Utilities (RPU)**, with power supplied by Southern Minnesota Municipal Power Agency (SMMPA) and its own generation plants. RPU's transmission lines encompass over 45 miles within the city of Rochester.

Alliant Energy provides electric service to the cities of Chatfield, Dover, Eyota, and Stewartville in Olmsted County. **Excel Energy** provides electrical service for Byron and Pine Island, and **Peoples Cooperative Power**, a touchstone energy partner, provides electric power to rural townships and parts of small cities in the Rochester MSA.

PHONE NUMBERS FOR ELECTRICAL UTILITIES

Rochester Public Utilities (RPU)
(507) 280-1540

Alliant Utilities
1-800-255-4268

Xcel Energy
1-800-895-1999

Peoples Cooperative Power
(507) 288-4004

CONTACTS

<u>Utilities</u>	<u>Service Area</u>	<u>Contact</u>	<u>Telephone</u>
Rochester Public Utilities (RPU)	City limits of Rochester	Chuck Pentek	(507) 280-1634
Peoples Cooperative Power	Part of Chatfield, Byron, Stewartville, Rural townships	Tim Clausen	(507) 288-4004
Xcel Energy	Byron, Pine Island	Collette Jurek	(612) 330-5834
Alliant Energy	Part of Chatfield, Dover, Eyota, Stewartville	Steve Shupp	(319) 786-7397

Water

Each city within the Rochester MSA provides their own water pumping and distribution system. Below is a listing of pertinent statistics for each city within the MSA.

<u>City</u>	<u>Water Source</u>	<u>Storage Capacity (Gallons)</u>	<u>Pumping Capacity (Gal/Min)</u>	<u>Avg. Daily Demand (Gal/Day)</u>	<u>Peak Demand (Gal/Day)</u>	<u>Water Hardness (ppm)</u>
Byron	Wells	750,000	1,050	300,000	750,000	290
Chatfield	Wells	600,000	600	225,000	275,000	307
Dover	Wells	750,000	1,050	300,000	750,000	290
Eyota	Wells	300,000	370	110,000	140,000	290
Pine Island	Wells	600,000	2,000	300,000	500,000	290
Rochester	Wells	15,230,000	24,730	12,217,000	20,624,000	283
Stewartville	Wells	1,000,000	1,600	420,000	800,000	300
St. Charles	Wells	1,150,000	1,300	250,000	380,000	274

Source: Water Treatment Plant Managers for Each City Listed

Waste Water

Most cities within the Rochester MSA operate their own water systems. The exception is Eyota which utilizes the City of St. Charles' system. Below is a listing of pertinent statistics for each city.

<u>City</u>	<u>Treatment Type</u>	<u>Capacity of Plant (Gal/Day)</u>	<u>Avg. Daily Demand (Gal/Day)</u>	<u>Peak Demand (Gal/Day)</u>	<u>Base Charge (1,000 Gal)</u>
Byron	Mechanical	1,400,000	400,000	800,000	\$5.73
Chatfield	Mechanical	487,000	263,000	300,000	\$7.71
Dover/Eyota /St. Charles	Mechanical	800,000	500,000	1,200,000	\$3.80
Pine Island	Mechanical	705,000	300,000	520,000	\$3.19
Rochester	Mechanical	24,000,000	14,000,000	15,000,000	\$2.10
Stewartville	Mechanical	1,100,000	600,000	1,500,000	\$4.49

Source: Water Treatment Plant Managers for Each City Listed

Transportation

The Rochester MSA serves as a regional transportation hub serving southeastern Minnesota, northern Iowa, and western Wisconsin with vital road, rail, and air service links to the entire nation and foreign destinations.

Roadway

Traversing the entire Rochester MSA is east/west bound Interstate 90. In addition, three major U.S. highways intercept in Rochester. U.S. Highway 52 heads north to the Twin Cities and south to eastern Iowa. U.S. Highway 63 leads north towards northern Wisconsin and south to central Iowa. U.S. Highway 14 crosses the state of Minnesota to the west and enters Wisconsin at LaCrosse. In addition, there are many 10-ton secondary roads throughout the MSA.



RAILROAD

Rochester is located on the east-west route of the Dakota Minnesota and Eastern (DM&E) railroad. Daily rail freight service is available in Rochester by the DM&E. The nearest Amtrak station is located in Winona, one hour (45 miles) east of Rochester. Several key development sites in Byron, Eyota, and Rochester are located on or near the main line or spurs.

The DM&E is willing to participate with economic development incentives for prospective businesses requiring rail service including spur development and car moving equipment.

Air Transportation

The Rochester International Airport is located 7 miles south of Rochester in the heart of the Rochester MSA. The U.S. Customs Service maintains an office at the airport for both foreign passengers and cargo.

Two major airline carriers serve the Rochester International Airport. American Eagle flies all jet aircrafts to and from Chicago daily and Delta Airlines flies all jet aircrafts to and from Minneapolis and Detroit daily. Connection points for any other point of departure throughout the United States and the world can be made from these hubs.

The passenger total for 2010 was 240,237.

Federal Express currently has daily operations at the Rochester International Airport.

Signature Flight Support, a full service Fixed Base Operator (FBO), provides fuel, air charter, maintenance, repairs, hangar storage, and other services for corporate and general aviation aircraft. Services for corporate clients include: arranging hotel accommodations, limousine service, rental cars, catering, and private charter.

The Rochester International Airport has a business center that includes a hotel, restaurant, event center, offices and additional space for future development.

Rochester International Airport	
Daily Departures: 12	Elevation: 1,317 MSL
Runways: 2	ARFF Rating: Index B
Runway 13/31 Length: 9,033 Feet	Fuel Available: 100 LL Jet A
Width #1: 150 Feet	FAA Control Tower: 5 am -11 pm
Strength #1: 300,000 DT	Lighting: (MALSR; 2ILS
Surface #1: Concrete Grooved	Instruments VOR;
Runway 02/20 Length: 7,300 Feet	Radar ASR; 4 PAPI; REIL on two
Width #2: 150 Feet	runways; GPS overlay)
Strength #2: 300,000 DT	
Surface #2: Wire Combed	

Education

Rochester Area Public Schools 2010-2011 Enrollment

District Number	District Name	Total Enrollment
227	Chatfield	886
255	Pine Island	1,206
531	Byron	1,772
533	Dover-Eyota	1,152
534	Stewartville	1,922
204	Kasson/ Mantorville	2,184
535	Rochester	16,443

Source: Self-reported by Superintendent's Office Fall 2011

Rochester Area Private Schools 2010-2011 Enrollment

School	Total Enrollment
Rochester Catholic Schools k-12	1,800
Resurrection Lutheran School, preschool-8	120
Rochester Central Lutheran k-8	323
Schaeffer Academy k-12	377

Source: Self reported by each school, Fall 2011

The Rochester area includes seven separate school districts with over 25,500 students enrolled in public elementary and secondary schools. In addition, there are several parochial schools in the MSA with combined enrollment of more than 2,600.

Rochester Area Post-Secondary & Post-Graduate Schools

Name of Facility	Degree Program	2010-2011
Rochester Community & Technical College	One & Two-Year Technical and Associate Degrees	5,998
University of MN - Rochester	Four-Year Degree, Post-Graduate Degree	597
Winona State University - Rochester www.winona.edu/rochester	Four-Year Degree, Post-Graduate Degree	1,569

Source: University Center Rochester, Fall 2011

Post-secondary opportunities are available at the University Center Rochester (UCR). UCR is home to Winona State University - Rochester and Rochester Community and Technical College. UCR offers "one-stop shopping" with a broad range of high quality programs focusing on the needs of students and employers for workforce training, career growth and lifelong learning. For more information go to www.roch.edu.

The University of Minnesota Rochester (UMR) is the newest campus of the University of Minnesota system having been formally established in December 2006 in Downtown Rochester. With over 35 academic programs available in Rochester, UMR provides graduate and undergraduate degrees, conducts

research, and pursues outreach services focusing in the areas of health sciences and biotechnology while continuing its commitment to offer high quality academic programming in business, education, technology, public health, and social work.

To meet the increasing demand for highly trained health professionals, Mayo School of Health-Related Sciences offers 27 distinctive professional programs. For additional information, go to www.mayo.edu/mshs/.

The state of Minnesota also provides funding for employers seeking to develop training programs specific to their business. Employers partner with Rochester Community and Technical College to develop the curriculum, and the training may be conducted at the school or workplace. Applications for fund matching are submitted to the Job Skills Partnership Program. For more information regarding this program, contact the Business and Workforce Education Department at (507) 280-3157.

Quality of Life

The Rochester MSA offers an excellent business climate supported by an attractive affordable lifestyle. It is located in southeastern Minnesota bordered to the south by the “Historic Bluff Country,” the east by the Mississippi River, rolling farm lands to the west, and the metroplex of the Twin Cities to the north. Cultural attractions are diverse and numerous. Citizens are enthusiastic about the future and are working together to maintain a high quality of life and a prosperous business climate.

COST OF LIVING

One measure used to study cost of living in similar size MSAs is a report prepared by the American Chamber of Commerce Researchers Association (ACCRA). The *ACCRA Cost of Living Index* measures the relative price levels for consumer goods and services in participating areas. The average for all participating places equals 100, and each participant’s index is read as a percentage of the average for all places.

ACCRA COST OF LIVING INDEX							
City	Composite	Grocery	Housing	Utilities	Transportation	Healthcare	Misc.
Cedar Rapids, IA	92.0	94.8	78.9	101.9	97.1	94.3	97.5
Des Moines, IA	90.9	90.9	89.3	90.4	95.9	90.7	90.7
Mason City, IA	89.0	89.3	72.9	105.8	99.5	94.7	94.1
Rochester, MN	99.1	89.6	90.8	105.1	106.2	109.3	105.0
St. Cloud, MN	98.3	101.6	80.5	117.4	99.9	101.8	105.8
Omaha, NE	88.2	92.0	79.0	90.1	100.0	96.6	89.7
Fargo, ND	92.6	99.7	87.1	78.9	95.8	102.2	96.6
Eau Claire, WI	93.6	97.5	90.2	84.9	103.1	105.3	93.4
Appleton, WI	93.3	93.0	81.6	102.6	104.4	104.6	96.1

ACCRA Cost of Living Index, 2010 Average Annual Data

Rochester MSA Demographic Analysis All Current Dollars (\$)										
	1980	1990	2000	2008	2009	2010	2015	2020	2025	2030
Income per Capita	10,306	20,000	31,492	42,208	41,432	41,405	51,406	63,932	80,812	103,179
Mean Household Income	28,707	52,868	80,851	105,101	102,615	103,195	125,868	154,440	193,552	246,058

Source: Woods & Poole Economics, Inc., 2011 State Profile

Gross Sales & Retail Sales

The Rochester MSA supports a tremendous number of visitors each year. Mayo Clinic alone had over one million outpatient visits in 2010. Support services, especially retail stores, lodging, and restaurants benefit from these visitors. Below are tables that demonstrate the strength of the Rochester MSA economy.

Olmsted County Gross Sales

Industry	2004	2005	2006	2007	2008	2009
Construction	\$ 154,567,169	\$ 223,388,291	\$ 267,472,916	\$ 259,671,314	\$ 232,628,008	\$ 266,978,502
Manufacturing	\$ 674,782,490	\$ 622,468,402	\$ 609,157,147	\$ 693,248,107	\$ 659,079,189	\$ 719,786,925
Wholesale	\$ 470,453,942	\$ 781,219,923	\$ 944,633,084	\$1,062,496,488	\$ 827,559,835	\$ 470,354,957
Retail	\$1,743,409,568	\$1,814,294,024	\$1,887,807,336	\$1,907,891,084	\$2,076,130,551	\$1,966,567,662
Lodging	\$ 86,927,781	\$ 87,206,019	\$ 91,417,119	\$ 101,797,558	\$ 105,223,430	\$ 98,184,655
Health Services	\$ 71,940,872	\$ 80,448,296	\$ 83,097,463	\$ 84,424,169	\$ 106,095,573	\$ 109,797,159
Total Sales	\$3,934,690,241	\$4,344,541,782	\$4,666,208,688	\$4,879,934,974	\$5,379,532,673	\$3,631,669,860

Source: Minnesota Department of Revenue, Sales and Use Tax Division - June 2011

Rochester MSA Gross Retail Sales

Retail Industry	2004	2005	2006	2007	2008	2009
Vehicles, Parts	\$357,575,411	\$418,357,693	\$447,654,016	\$389,386,184	\$346,571,015	\$266,717,927
Furniture Stores	\$ 75,060,612	\$ 74,016,120	\$ 72,675,970	\$ 65,833,732	\$ 67,159,439	\$ 65,965,792
Electronics	\$ 61,314,621	\$ 54,752,376	\$ 62,658,104	\$ 63,633,361	\$ 68,268,892	\$ 74,143,160
Building Material	\$156,034,655	\$152,984,428	\$145,469,433	\$146,291,596	\$174,326,974	\$146,066,999
Food Beverage Store	\$195,038,594	\$204,229,677	\$222,635,267	\$234,117,642	\$278,682,829	\$259,305,194
Health, Personal	\$ 39,652,704	\$ 41,771,425	\$ 45,363,585	\$ 51,656,033	\$ 56,091,320	\$ 54,389,962
Gasoline Stations	\$120,600,411	\$131,166,807	\$144,882,279	\$152,024,042	\$219,148,792	\$144,789,726
Clothing, Accessory	\$ 99,608,698	\$115,936,723	\$117,822,106	\$126,510,117	\$132,068,604	\$127,858,142
Leisure Goods	\$ 61,334,825	\$ 58,487,834	\$ 60,129,389	\$ 68,883,174	\$ 77,472,251	\$ 72,183,359
General Merchandise	\$468,337,904	\$467,157,966	\$473,086,720	\$500,113,444	\$ 521,688,974	\$421,517,101
Misc. Store Retailer	\$101,180,637	\$ 88,272,647	\$ 88,125,371	\$101,429,807	\$115,659,214	\$ 77,333,837
Nonstore Retailers \$	\$ 7,670,496	\$ 7,160,328	\$ 7,305,096	\$ 8,011,952	\$ 8,992,247	\$ 8,673,194

Source: Minnesota Department of Revenue, Sales and Use Tax Division - June 2011

Housing

The Rochester MSA offers residents and newcomers a variety of home types, diverse in cost, style, and location. Housing options include downtown condominiums, new subdivision construction, older homes in established neighborhoods, rural acreages, rural city homes, modern townhouse units, and a variety of apartment complexes. Below is a table which lists the number of owner-occupied homes within a given price range in the Rochester area.

Owner Occupied Homes in Rochester						
Dollar Range Of Homes	<u>2005</u>	<u>2006</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$0-\$25,000	3,320	2,870	2,174	2,091	2,036	2,084
\$25,100-\$50,000	1,985	2,128	1,899	1,800	1,852	1,760
\$50,100-\$75,000	2,288	2,154	2,360	2,264	1,904	1,943
\$75,100-\$100,000	4,112	3,832	3,219	3,210	3,118	3,166
\$100,000-\$125,000	6,234	6,117	5,580	5,541	5,436	5,597
\$125,100-\$150,000	6,216	6,406	6,648	6,769	7,034	7,605
\$150,100-\$175,000	3,690	4,230	4,912	5,063	5,149	5,111
\$175,100-\$200,000	2,330	2,426	2,991	3,117	3,144	3,018
\$200,100-\$250,000	2,745	3,022	3,590	3,720	3,750	3,746
\$250,100-\$300,000	1,302	1,466	1,913	2,006	2,012	1,987
\$300,100-\$400,000	893	1,354	1,838	1,929	1,942	1,885
\$400,100-\$500,000	317	406	573	624	645	586
Over \$500,000	226	294	401	421	411	388

Source: Olmsted County Assessor's Office, June 2011

Average Sales Price For Homes in Rochester				
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$161,343	\$174,034	\$184,793	\$190,717	\$191,370
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$202,529	\$187,492	\$189,976	\$176,451	\$176,788

Source: Southeast Minnesota Association of Realtors, June 2011

Housing Unit Construction											
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Single Family Homes	675	825	946	894	962	701	506	415	302	358	284
Multi Family Units	959	352	308	260	115	271	237	136	14	15	3

Source: Rochester Building & Safety, June 2011

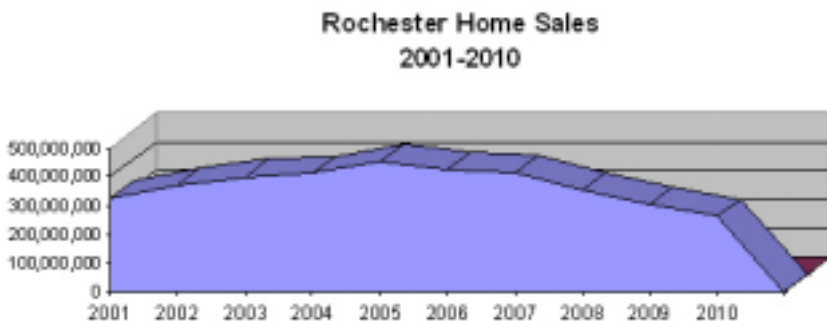
Real Estate

2010 Rental Unit Pricing		
<u>Apartment</u>	<u>Standard</u>	<u>Executive</u>
One Bedroom	\$450-\$550	\$600-\$1,050
Two Bedroom	\$550-\$875	\$700-\$1,200
Three Bedroom	\$650-\$900	\$1200-\$1,500
<u>Townhomes</u>		
Two Bedrooms	\$675-\$1,300	\$1,100-\$1,350
Three Bedrooms	\$800-\$1,325	\$1,250-\$1,600
<u>Houses</u>		
Two Bedrooms	\$700-\$850	up to
Three Bedrooms	\$850-\$1,300	\$2,000 - \$2600
Four Bedrooms	\$975-\$1,500	

Source: Real Estate Directory, Rochester, Minnesota June, 2011

REAL ESTATE DATA AND TRENDS

The real estate market in the Rochester area is historically strong. The location of several new technology companies as well as the expansion of several other area businesses has resulted in unprecedented economic expansion.



MLS Home Sales

Multiple Listing Service

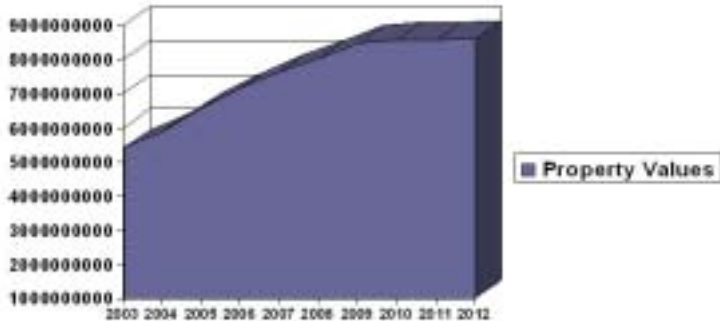
2000	\$269,812,363
2001	\$326,265,103
2002	\$366,692,670
2003	\$398,518,915
2004	\$412,035,199
2005	\$451,242,727
2006	\$425,270,429
2007	\$413,401,099
2008	\$353,546,264
2009	\$305,538,165
2010	\$261,695,334

Total sales for the city of Rochester

Source: SE MN Association of Realtors
June 2011

Assessed Market Property Values

2003-2012
Assessed Market Property Values
Commercial and Residential - Rochester



*Market value assessed January 2 of one year and payable the next year.

Assessed Market Value

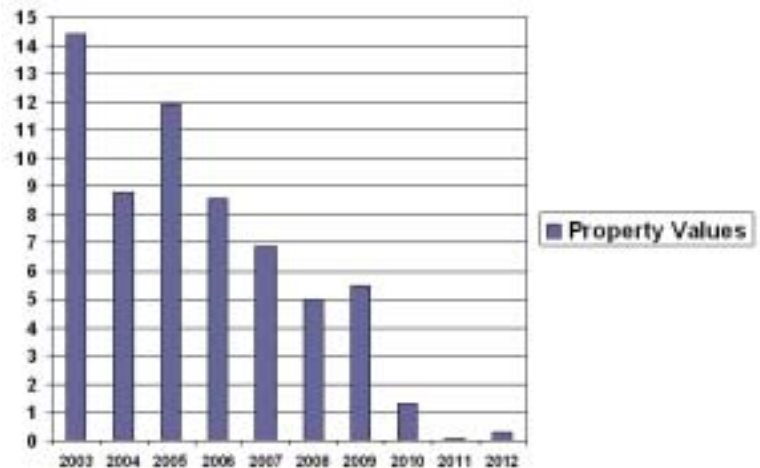
Payable 2003 \$5,403,202,800	Payable 2008 \$8,020,809,900
Payable 2004 \$5,877,675,200	Payable 2009 \$8,464,214,300
Payable 2005 \$6,577,092,000	Payable 2010 8,577,284,200
Payable 2006 \$7,141,076,300	Payable 2011 \$8,578,570,400
Payable 2007 \$7,636,795,900	Payable 2012 \$8,600,985,600

Source: Olmsted County Assessor

Annual Growth Rates

2003 14.4%	2008 5.0%
2004 8.8%	2009 5.5%
2005 11.9%	2010 1.3%
2006 8.6%	2011 .10%
2007 6.9%	2012 .30%

2003-2012
Assessed Market Property Values Growth Rates



*Market value assessed January 2 of one year and payable the next year.

Source: Olmsted County Assessor, June 2011

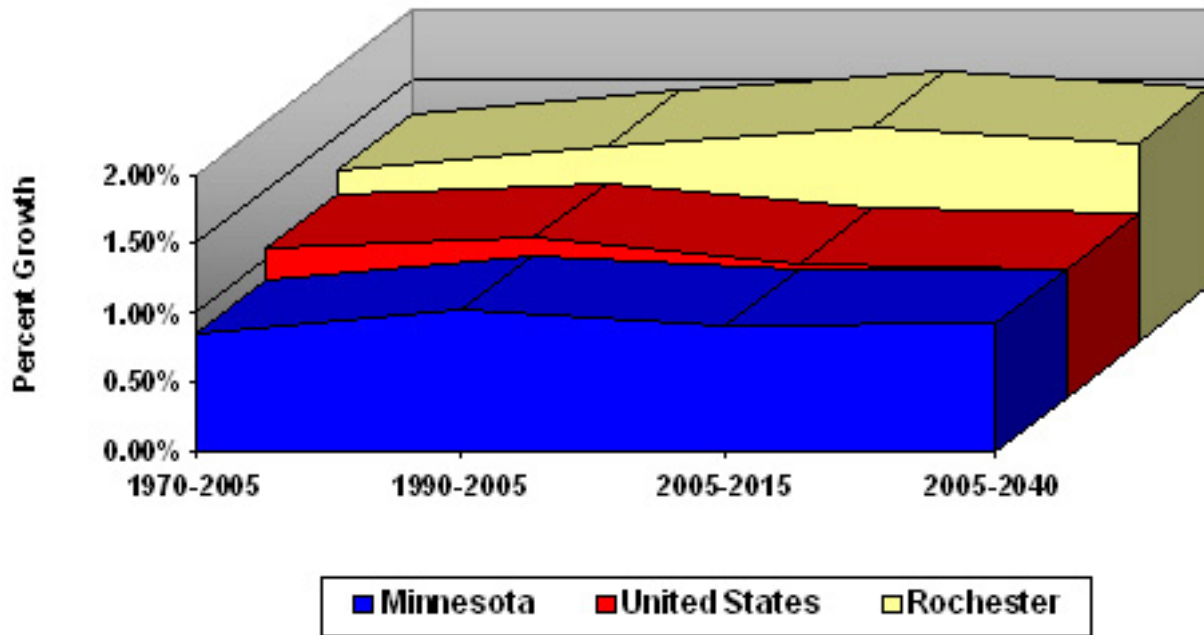
Population

Historical and Projected Population

<u>Location</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2025</u>	<u>2040</u>
Rochester MSA	114,670	126,590	142,650	164,430	188,820	238,430	289,190
Minnesota	3,815,020	4,086,730	4,389,860	4,933,790	5,321,550	6,123,060	6,957,020
United States	203,982,310	227,225,620	249,622,810	282,171,960	310,009,240	357,504,320	406,585,790

Source: Woods & Poole Economics 2010, updated June 2011

Historical and Projected Growth Rates



Historical and Projected Population Growth Rates

<u>Location</u>	<u>1970-2005</u>	<u>1990-2005</u>	<u>2005-2015</u>	<u>2005-2040</u>
Minnesota	.84%	1.01%	.91%	.92%
United States	1.07%	1.14%	.96%	.91%
Rochester MSA	1.23%	1.41%	1.54%	1.43%

Source: Woods & Poole Economics 2010, updated June 2011

Personal and Per Capita Income

Rochester's average annual growth in total personal income exceeds the national average rates of growth for the period 2001-2010. Rochester's annual per capita income has exceeded both the state and national averages for the last 10 years. Per Capita income statistics for the U.S. will not be available for the 2009 year until the Spring of 2012. The Per Capita Chart below reflects income from 2000-2008.

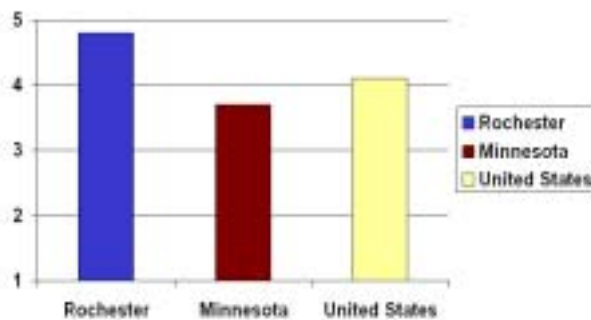
Total Personal Income

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Rochester (million)	\$5,611,408	\$5,914,828	\$6,282,486	\$6,543,498	\$6,644,852
Minnesota (million)	\$166,167,270	\$170,998,033	\$178,146,661	\$188,329,945	\$193,989,644
United States (billion)	\$8,878,830,000	\$9,054,782,000	\$9,369,072,000	\$9,928,790,000	\$10,476,669,000

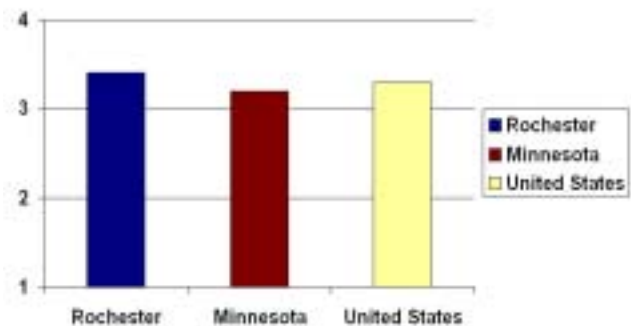
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Rochester (million)	\$7,100,582	\$7,548,789	\$7,823,281	\$7,836,067	\$8,310,000
Minnesota (million)	\$205,857,404	\$216,840,348	\$226,148,739	\$220,412,913	\$227,234,349
United State (billion)	\$11,256,516,000	\$11,900,562,000	\$12,380,225,000	\$12,168,161,000	\$12,530,101,184

Source: Bureau of Economic Analysis, June 2011

Total Personal Income
Average Rate of Growth 2001-2010



Per Capita Income
Average Rate of Growth 2000-2008



Per Capita Income 1999 - 2009

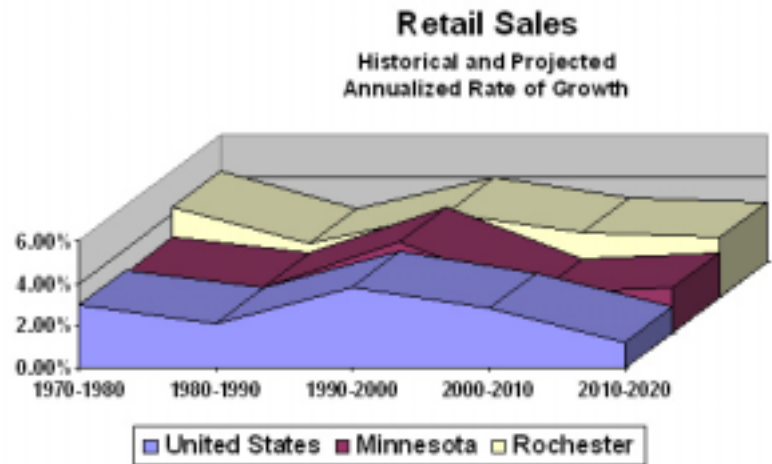
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Rochester	\$31,492	\$33,666	\$34,898	\$36,564	\$37,574
Minnesota	\$32,597	\$33,342	\$34,071	\$35,281	\$37,069
United States	\$30,318	\$31,145	\$31,462	\$32,271	\$33,881

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Rochester	\$37,740	\$39,724	\$41,758	\$42,208	\$42,216
Minnesota	\$37,978	\$39,975	\$41,693	\$42,953	\$41,552
United States	\$35,424	\$37,698	\$39,392	\$40,166	N/A

Bureau of Economic Analysis, June 2011

Retail Sales History and Forecast

Retail sales annualized rate of growth in the Rochester marketplace has consistently outpaced the national rates of growth. This trend can be expected to continue through the year 2020.



Retail Sales Average Rate of Growth

	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-2000</u>	<u>2000-2010</u>	<u>2010-2020</u>
Rochester MSA	4.24%	2.51%	4.50%	1.44%	2.82%
Minnesota	2.92%	2.20%	4.26%	.4%	2.10%
United States	3.00%	2.10%	3.80%	.6%	2.10%

Source: Woods and Poole Economics, Inc., June 2011

Retail Sales

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Rochester MSA (millions)	941.73	1343.33	1729.08	2502.36	2914.24	3785.83
Minnesota (millions)	31374.17	40524.34	49420.72	70355.79	74366.64	89944.37
United States (billions)	1676.68	2169.89	2620.71	3613.91	3880.98	4684.04

Woods and Poole Economics, Inc., MSA Profile, June 2011

Diversity

The Rochester MSA has seen steady population growth over the past five decades. The area's population has become more diversified during this period. Below is a chart listing the 2010 Census information for the Rochester area.

Estimated Population By Race								
	White	African American	American Indian	Asian	Pacific Islander	Some Other Race	Two or more Races	Hispanic or Latino
Olmsted County	123,605	6,870	353	7,806	65	2,368	3,181	6,081
Byron	4,726	35	4	49	6	25	69	88
Chatfield	1,174	0	3	6	0	7	16	30
Dover	703	0	0	3	0	22	7	31
Eyota	1,955	4	2	4	0	4	8	13
Oronoco	1,238	2	2	39	3	6	10	7
Pine Island	686	0	0	7	2	0	8	16
Rochester	87,500	6,703	303	7,246	39	2,188	2,790	5,508
Stewartville	5,771	32	12	27	0	23	51	88

Source: Census Bureau, 2010 Census