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2017: A Look Back Retain. Grow. Diversify.



In 2017, RAEDI helped facilitate approximately \$76 million of investment and the creation of 126 new jobs. RAEDI's \$1.2 million operating budget equates to \$63.33 of private investment for every dollar spent on operations. The job creation cost is approximately \$9,500 vs. the federal standard cost of \$10,000 per job.

2017 Base Business Expansions | 504 Corporation



Pace International announced a \$2 million expansion in 2017 with plans to create 22 new jobs. RAEDI worked with the City of Rochester and Pace Electronics to obtain a \$196,000 grant through the Job Creation Fund.



Kerry Bio-Science of Rochester worked with RAEDI to secure a second expansion in two years. As a result, Kerry is investing another \$24.2 million and planning to add another 22 jobs. RAEDI assisted by helping them secure a \$220,000 Minnesota Investment Loan as well as a \$100,000 loan from the City of Rochester.

KERR)



504 Corporation was formed by RAEDI to give better access to the U.S. Small Business Administration's (SBA) 504 Loan Program. RAEDI provides management of the day-to-day operation, loan packaging, closing, and servicing for this corporation. The fixed asset loan program finances long-term assets with below market fixed rate loans for 10 or 20 year terms. Beginning in April 2018, 25-year terms will also be available.



A LOOK BACK – 30 YEARS OF GROWTH AND DEVELOPMENT 1988 - 1994 >>

- 1988 Halcon and Marigold Foods expand
- **1989** Rochester Medical builds \$1.35 million building in Stewartville Industrial Park
- **1990** Schmidt Printing adds 70,000 sq ft in Byron Domaille Engineering opens its doors

RAEDI starts business incubator program

1991 504 Corporation formed

Rochester Meats completes \$3.6 million expansion

Land O' Lakes completes \$5 million expansion in Pine Island

1992 Bowman Tool & Machining adds 6,200 sq ft expansion Textile Care Services constructs 80,000 sq ft facility

- 1993 IBM Rochester layoffs
- 1994 Pemstar, Inc. created adding 125 jobs by year-end

Seneca Foods expands - 280,000 sq ft to freezer plant & another 16,000 of production & cafeteria space. 50 new jobs created with expansion and \$4M of new income to area economy

Progressive Tool & Manufacturing Co. completes 47,500 sq ft manufacturing building adding 10 jobs and over \$500,000 of new income to economy

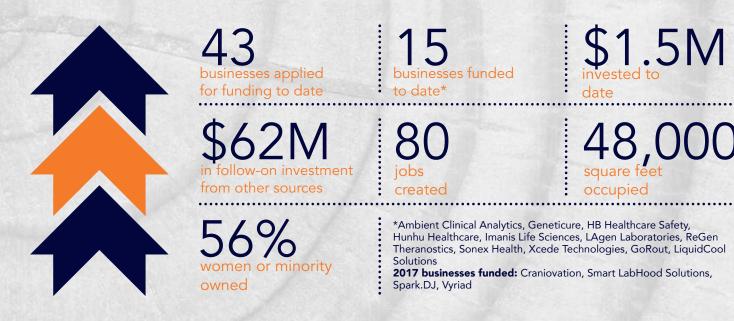
Quest International expands with a 33,000 sq ft addition and 25 more workers creating \$3M of new income

Western Digital opens doors in Rochester



Rochester Economic Development Fund (EDF)

The EDF provides funding projects that result in growth and diversification of the local economy. The EDF invests in projects that create/retain jobs, spur additional business investments, and generate tax revenues. In 2017, 8 businesses applied for funding and 4 companies received a total of \$230,000 of funding. EDF-funded companies combined raised a total of \$16.9 million of project funding during the year and created 22 new jobs.



1995 - 2000 >>

1995 Geotek expands in Stewartville doubling capacity by adding 30,000 sq ft

Domaille Engineering expands after 3 years in business adding 8,400 sq ft

RAEDI partners with SMIF & RPU to re-establish business incubator program

1996 Pemstar expands with TIF package to assist with purchase of land for construction of new facility

Bowman Tool completes second expansion in 4 years adding another 15,000 sq ft

1997 Western Digital doubles size of Rochester operation

- **1998** Over 550,000 sq ft of manufacturing/warehouse space was completed or under construction
- 1999 Rochester tops best-cities list

Over 7% of U.S. total real output for computers & office equipment produced in Rochester

2000 Celestica, Inc. acquires electronic card assembly & test operation from IBM Rochester

Western Digital closes operations in Rochester



Mayo Clinic Business Accelerator

The Accelerator opened its doors in March 2013 to promising local startups. The Accelerator is a partnership between RAEDI, the City of Rochester, and Mayo Clinic and is located in two locations on the second floor of the Minnesota BioBusiness Center. RAEDI handles the management and leasing of the space and currently has over 20 tenants and six graduates. Accelerator tenants raised a total of \$14.4 million in 2017 and created 15 new jobs in 2017.



Accelerator Statistics Over 5 Years 46 tenants to date

\$39M funds raised by tenants and graduates

7,650 unique clicks (96 email campaigns and 1,500 recipients each) average number of tenants

95 new jobs created to date

65 entrepreneurial events organized (2,000 + in attendance) tenants graduated to date

corporate and venture capital partners

8 community organizations supported

>> 2001 - 2006 >>

2001 Pemstar expands with 96,000 sq ft addition 2004 Pace International, Mayo Collaborative Services, Inc., with plans to add 120 jobs. Schmidt Printing, Global Dairy Solutions & Midwest LeafGuard complete JOBZ expansions Celestica opens new factory along West Circle Drive 2005 IBM Rochester plays major role in development of the Charter Communications opens new call center super computer, Blue Gene 2002 JDS Uniphase breaks ground Minnesota Partnership for Biotechnology & Medical 2003 Celestica closes its doors losing nearly 600 jobs Genomics constructs new research facility Global Hitachi Storage Technologies opens Pace International purchases 4 acres under JOBZ employing 200 program and plans to double employment 376 acres approved for JOBZ in Rochester MSA 2006 Benchmark Electronics acquires Pemstar \$8 million in bonding funds approved to construct Minnesota BioBusiness Center

SE MN Capital Fund

This fund is a regional investment fund that was started in 2017 and provides financial support to the growing number of startups in the region. The fund was created by RAEDI and spearheaded by Journey to Growth (J2G) in 2017 and is backed by 40 angel investors with investment commitments of \$1.4M. The primary investment focus of the fund is on the southeast Minnesota region.

Journey to Growth 5 Year Plan

Journey to Growth (J2G) is a development initiative creating a cohesive and connected region intended to expand and diversify the economy. The five-year plan was implemented in 2014 and is currently entering its fourth year. Since its formation, J2G has advanced regional partnerships and relationships through collaborative projects, funding and communication efforts to tell our larger community story.



A LOOK BACK >>>

2007 - 2012 >>

- 2007 Construction begins on Minnesota BioBusiness Center
- 2008 Bowman Tool purchases former Kmart building designated as JOBZ project

Minnesota Energy Resources builds new office and warehouse

2009 Unemployment rate average was 6.6% compared to 3% in 2017

RAEDI initiates the Rochester Entrepreneur Network (REN)

2010 RAEDI salutes local entrepreneurs' contributions to area economy

2011 Regenerative medicine is an emerging core component of future medical practice

MillCreek Life Sciences and BioMold locate businesses to the Minnesota BioBusiness Center

Preventice designated as JOBZ project

Western Digital buys Hitachi GST and facility remains in Rochester

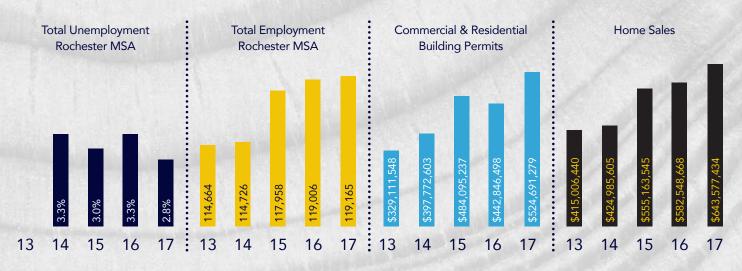
2012 Rochester Economic Development Fund (EDF) created through the Rochester sales tax

2017 J2G Highlights

Over 150 presentations and meetings were given to diligently familiarize SE MN communities with J2G and encourage regional collaborations. Continued work with existing partners on new projects include:

- CEDA Regional Development Tours | SE MN Manufacturing Week Tours | Experience Harmony! Community Visit
- **DEED/WDI** Workforce Success Breakout | Building Your Team in 2018
- **SMIF** We Are More Traveling Exhibition | Regional Video Project
- > Increased funding for area highway and transportation projects.
- > The Southeast Minnesota Capital Fund has been realized and has been meeting and accepting applicants.
- > 4th Annual RAVE event, honoring regional entrepreneurs.
- > TEDx ZumbroRiver fiscal agent and sponsor.
- > Spotlight on regional success through social media, monthly newsletters and 7 quarterly public meetings throughout the region.

5 Year Economic Trends | 2013 - 2017



2013 - 2017

- 2013 Mayo Clinic Business Accelerator opens its doors Charter Communications adds 140 jobs in Rochester Rochester Medical acquired by Bard, Inc.
 - EZ Fabrications Expands in Chatfield
- **2014** Journey to Growth initiative begins Halcon expands in Stewartville
- 2015 Advanced Product Incubator opens in BioBusiness Center

Pepsi Cola builds new 97,000 square foot facility in Rochester with TIF support

CH Robinson Data Center \$25 million+ project under construction in Oronoco

2016 Rochester ranked as one of 50 best cities for entrepreneurs

Kerry Bio-Science does \$25 million modernization expansion

2017 RAEDI starts SE MN Capital Fund with 40 investors by year-end

Pace International plans expansion and increases workforce with job creation grant

Kerry Bio-Science expands again