



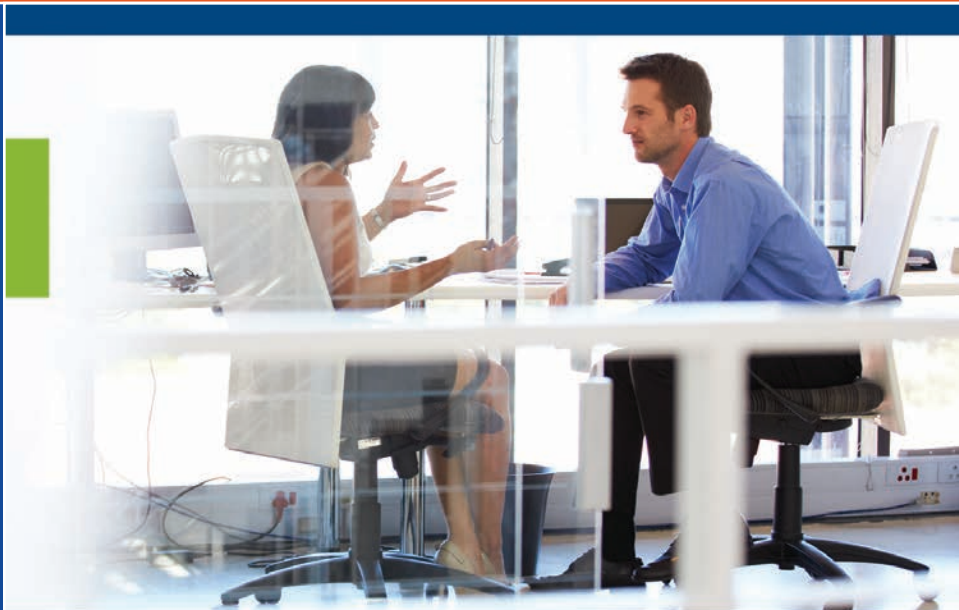
partnerships RETENTION regional ANGELINVEST  
community RESOURCES service SenseOfPlace Live  
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# ANNUAL MEETING 2019

GROWTH new TALE  
ENTREPRENEUR LOCATI  
ING development value  
ed invest

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# MEETING AGENDA

11:30 a.m. | **Meet & Greet**

11:45 a.m. | **Lunch is served**

12:15 p.m. | **Welcome & Remarks | Mary Blair-Hoeft, 2019 RAEDI Chair**

12:20 p.m. | **Remarks | Ryan Nolander, RAEDI President**

12:25 p.m. | **Rochester Technology Campus Panel**

1:00 p.m. | **Adjourn**

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# ABOUT THE SPEAKERS



## **Dr. Stephen Russell**

Entrepreneur, founder and CEO of Vyriad Inc.

Vyriad is an oncolytic virotherapy company which recently inaugurated a state-of-the-art 25,000 square foot production facility at the Rochester Technology Campus. In addition to this role, Dr. Russell is also a practicing hematologist and leader of a research group at Mayo Clinic. His research is focused on developing engineered viruses for the treatment of disseminated malignancies and demonstrating their efficacy in clinical trials. Dr. Russell moved to the U.S. in 1998 when he was recruited to chair the Department of Molecular Medicine at Mayo Clinic and build a program that would bring experimental therapies to patients in need.



## **Onno Steger**

Director of Real Estate at Industrial Realty Group, LLC

Onno specializes in leasing and marketing 60M square feet of IRG's nationwide commercial real estate portfolio. Beginning with acquisition, he analyzes a property's leasing potential and develops tailored strategies for marketing the space to a network of Fortune 500 companies as well as startups and local companies. Onno works alongside economic development teams at the local, regional, and state levels to coordinate significant incentives for tenants. His expertise ensures the portfolio is thriving and profitable. In addition, Mr. Steger manages lease negotiations, due diligence analysis, acquisition planning, land development, and investment opportunities.



## **Jamey Shandley**

President, Hamilton Real Estate, Inc.

A native of Rochester, Minnesota, Jamey Shandley has over 35 years of experience in commercial real estate. She is a certified property manager and Minnesota-licensed real estate broker. Throughout her career, Jamey has been involved in all facets of the industry focusing primarily on industrial and office properties. She has successfully represented a number of large corporate clients including Mayo Clinic, IBM, and currently Industrial Realty Group in marketing the Rochester Technology Campus. In 2009, Jamey played an integral role heading the MNCAR taskforce bringing the Minnesota Association of Commercial Realtors to the Rochester marketplace.

# PRESIDENT'S MESSAGE

## Greetings RAEDI Investors, Board Members and Business Leaders:



The year 2018 was a year of change at RAEDI. After 29 years of service as RAEDI's leader, President Gary Smith retired in June and I had the honor of being chosen to join the team. Gary and the past and present board members and team did a wonderful job leading and growing RAEDI into what it is today, and I look forward to building on this foundation, growing not only the organization, but the Rochester area through new and innovative partnerships and programs.

As for activity in 2018, you will see metrics in this booklet for programs administered by RAEDI, so I won't spend time on them but instead will mention where I have been focused. I spent a lot of my time meeting with board members, investors, and regional partners learning through them how we are doing economic development, things that are working well, things that can be improved on, etc. In addition to these meetings, rebranding and marketing was a priority. To these efforts, a new RAEDI logo and quarterly newsletter were created, and a new membership package was developed.

Regarding the region, Journey to Growth (J2G) has entered its fifth year with measurable success in developing regional relationships with other organizations to grow our region's economy. J2G's work in the last four years has included successful initiatives such as: R.A.V.E. (Recognizing Awarding Valuing Entrepreneurs), the We Are More traveling exhibition, industry roundtables, the Regional Development Tour, development of the Southeast Minnesota Capital Fund, the Southeast Minnesota Manufacturing Forum, the Highway 14 expansion project, the Intercultural Cities Initiative (ICI), and the Venture Southeast Minnesota Diversification Loan Fund.

As we move forward in 2019, our strategies will continue to revolve around building and enhancing relationships within the region. We will focus on ramping up our business retention/expansion visits and growing the regional entrepreneur ecosystem. We will continue to be responsive to traditional items like answering site selector requests, and we will always be looking at new and innovative ways to grow our regional economy.

I want to conclude by saying thank you to all of you, and especially the RAEDI team, for the warm welcome to the Rochester area. I look forward to working with many of you in 2019, and I am excited about growing our partnership in the years to come.

A handwritten signature in blue ink, reading "Ryan Nolander". The signature is fluid and cursive, with a long horizontal line extending to the right.

Ryan Nolander, RAEDI President

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## RAEDI TEAM

**Ryan Nolander**

President

**Tonya Bernard**

Administrative Assistant

**Molly Schmidt**

Marketing & Communications Specialist

**Xavier Frigola**

Director of Entrepreneurial Programs

**Heather Holmes**

J2G/RAEDI Project Manager

**Dwayne Lee**

Director of Business Development

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**Laura Hart**

Loan Services Specialist

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**Mary Oudekerk**

Senior Business Development Officer

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of Commerce  
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## Mayo Clinic Business Accelerator

RAEDI manages and leases space to business startups in the Mayo Clinic Business Accelerator. The accelerator has been in operation since March 2013.

<b>18</b>	<b>51</b>	<b>27</b>	<b>1</b>	<b>7</b>
tenants	tenants	months	graduate	graduates
in 2018	since 2013	average length of stay	in 2018	total since 2013



## Economic Development Fund (EDF)

The EDF provides loans for projects that result in growth and diversification of the local economy. These projects help create & retain jobs, spur additional business investments, and generate tax revenue.

<b>2018</b>	<b>since 2013</b>		
<b>5 new investments</b>	<b>Participated in 24 investment rounds (total of 16 companies)</b>		
<b>\$712,500 disbursed</b>	<b>90 jobs created</b>	<b>\$2.1M disbursed</b>	<b>\$77M in follow-on investments</b>

## SE MN Capital Fund

This fund is a regional angel investment fund created in 2017 by RAEDI and J2G and provides financial support to the growing number of startups in the region.

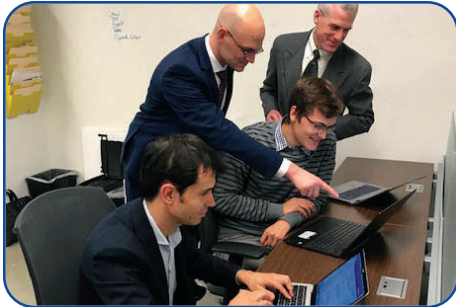
**\$2M**  
fund

**56**  
investors

**100+**  
investments considered

**\$700K**  
invested to-date

**7**  
investments closed



SE MN Capital Fund invests in Marblehead in 2018.



Little Thistle Brewing Co. receives an SBA 504 fixed-asset loan.

## SBA 504 Fixed-Asset Loan Program

RAEDI manages the fixed-asset loan program through the 504 Corporation. 504 finances long-term assets with below-market fixed rate loans for 10, 20 or 25-year terms.

**22**  
loans funded in 2018  
totaling **\$12.1M**

**88**  
new jobs projected  
within two years

**\$31.1M**  
total project  
investment

**132**  
loans in portfolio  
currently at **\$52.3M**

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## 2018 HIGHLIGHTS

### Intercultural Cities Initiative (ICI)

- 5-year program designed to maximize diversity as an asset for workforce, economic, culture, and social advancement
- June 2018, Rochester became the first city in the U.S. to receive ICI designation
- ICI partners include: J2G, Diversity Council, City of Rochester, CultureBrokers, and Rochester Public Schools

### RAVE (Recognizing Awarding Valuing Entrepreneurs)

- Created in 2014 to recognize entrepreneurs and startups in the region
- 18 startups, 3 Lifetime Achievement recipients and 5 entrepreneurial Warrior of the Year awards given since inception
- 2018 award winners included Sprouts Childcare and Early Education Center, LLC in Stewartville, Trailtopia Adventure Food in Byron, and Vyriad, Inc. in Rochester.
- Lifetime Achievement honorees were Steve and Umbelina Cremer of Harmony Enterprises and Harmony Kids Learning Center
- 2018 Warrior of the Year award went to the SE MN Capital Fund (this award is given to individuals or a group for their tireless effort to help promote and spur entrepreneurial activity in our region)

### SE MN Manufacturing Forum

- 4-hour “pilot” forum held in June 2018 for regional manufacturing industry
- Partnered with lead manufacturers in the region and Enterprise Minnesota
- Provided networking, solutions, and input from those directly involved in day-to-day manufacturing
- Event included Enterprise Minnesota State of Manufacturing, panel discussion, and facilitated table discussion
- Facilitators were economic development professionals from throughout the region
- Attendees surveyed and expressed interest in the event as an annual or semi-annual event



ICI Ceremony



Heather Holmes, Steve and Umbelina Cremer, and Ryan Nolander

## 2018 HIGHLIGHTS

### SE MN Manufacturing Week Student Tours

- Facility tours introduced students to regional manufacturers and career opportunities
- Collaboration among nine regional organizations including: J2G, CEDA, DEED, RCTC, Southeast Perkins, STEM, Southeast Service Cooperative, Workforce Development, Inc., and Zumbro Education District
- 24 manufacturers from Owatonna to Caledonia participated in the 3-day pilot project
- Nearly 350 students from 17 communities participated

### Transportation Initiatives

- Lobbied and supported efforts on Highway 14 expansion from Dodge Center to Owatonna
- Continue to support the Rochester International Airport customs and runways expansions

## 2019 INITIATIVE

### Venture SE MN Diversification Loan Fund

- Fund is a result of the economic development initiatives identified in the 2018 SE MN Regional Economic Study
- \$25M evergreen revolving loan fund
- Gap financing tool in partnership with the borrower's participating financial institution
- 11 counties are eligible in SE MN with City of Rochester excluded
- Eligible sectors include ag, manufacturing, technology, health care, childcare, residential development
- Political subdivisions may borrow for redevelopment projects, main street commercial improvements, local business, and transportation infrastructure



Student tour during SE MN Manufacturing Week



SE MN Manufacturing Forum



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