

RAEDI

Retain. Grow. Diversify.

2023 ANNUAL MEETING

A Look Back on 2022





Innovative ideas, fostered by diverse communities

Collaboration happens here.



Learn more at businessdevelopment.mayoclinic.org.

ANNUAL MEETING AGENDA **Wednesday | March 1, 2023**

- 11:30 a.m.** Meet & Greet
- 11:40 a.m.** Lunch
- 12:05 p.m.** Welcome, John Wade, RAEDI President
- 12:10 p.m.** Platinum Sponsors – Mayo Clinic & DMC
- 12:15 p.m.** 2022 Video Highlights
- 12:20 p.m.** Introduction of Governor Walz
- 12:25 p.m.** Governor Walz
- 12:35 p.m.** Introduction of Commissioner Grove
- 12:40 p.m.** Commissioner Grove
- 1:00 p.m.** Adjourn

Proud to support
Rochester Area
Economic Development



For more than 130 years, West Bank has placed community and relationships at the center of banking. We proudly brought that focus to Rochester in 2013 and have now expanded our footprint to include St. Cloud, Owatonna and Mankato.



Message from RAEDI President

JOHN WADE

Thank you to our RAEDI investors for your continued support and investment in RAEDI. We made much progress in 2022, and your investment is crucial to ensuring our shared success as we continue to grow and strengthen our area economy.

RAEDI worked on and implemented several significant projects in the last year including:

- Opened the RAEDI Economic Development Center on the 6th floor of the Minnesota BioBusiness Center in October
- Launched the ReVest Fund, a local high impact real estate investment fund
- Became a certified lender for the Emerging Entrepreneur Loan Program (EELP)
- Completed Olmsted County's SOI process for soliciting and evaluating proposals for the former Seneca property
- Engaged with Olmsted County's Graham Park Planning Committee and their ongoing visioning process for Energy Park
- Researched shovel-ready sites in the Rochester MSA through a partnership with People's Energy Cooperative and the U of M Extension
- Continued to administer the Economic Development Fund (EDF) and invested over \$3M of EDF dollars in 38 local companies
- Became host to the Small Business Development Center (SBDC)
- Continued support of the SE MN Capital Fund

As you can see, RAEDI provides a variety of programming, and we are excited about where we are headed! The long-term result of our efforts will be growth and opportunity for Rochester area communities, businesses, and citizens. We consider you a partner in this endeavor, and your ongoing support will assure our team remains in a position to continue this great work.

RAEDI STAFF



John Wade
President



Tonya Bernard
Business Manager



Kirk Bustrom
Director of Economic
Development



Sean Williams
Director of
Entrepreneurial Services



Molly Schmidt
Director of Marketing
and Communications



Mark Thein
SBDC Regional Director



Rick Inderlie
SBDC Consultant



Julie Herrera-Lemler
SBDC Coordinator

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Julie Henry
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Mark Kotschevar
Rochester Public Utilities



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Technical College



Patrick Seeb
Destination Medical
Center



Erin Sexton
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Jimmy's Salad Dressings
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City of Stewartville



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Joel Young
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Alison Zelms
City of Rochester

2023 RAEDI INVESTORS

504 Corporation
 A.B. Systems, Inc.
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 Associated Bank
 Beckley's Office Products
 Benike Construction
 Bowman Tool & Machining, Inc.
 Bremer Ban
 Charter Communications
 City of Byron
 City of Chatfield
 City of Pine Island/EDA
 City of Rochester
 City of Stewartville
 Coulee Bank
 Cozen O'Connor
 Crenlo Engineered Cabs
 Custom Alarm
 CWS, Inc.
 DBS Group
 Destination Medical Center
 Dunlap & Seeger, P.A.
 Edina Realty
 Elcor Realty of Rochester, Inc.
 Express Employment Professionals
 F&M Community Bank
 First Alliance Credit Union
 First Security Bank – Byron

Fredrikson & Byron, P.A.
 Hamilton Real Estate, Inc.
 Hawkins Ash CPAs, LLC
 Heartman Insurance
 HGA
 Home Federal Savings Bank
 IRG
 ISG, Inc.
 Jimmy's Salad Dressings and Dips
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 Knutson Construction Services
 Kraus-Anderson Construction
 Company
 Kruse Lumber
 Mayo Clinic
 Merchants Bank
 MetroNet
 Minnesota Energy Resources, Inc.
 North Risk Partners
 Olmsted County
 Olmsted Medical Center
 ONB Bank
 Pace International
 People's Energy Cooperative
 Post Bulletin
 Premier Bank
 Ready-Mix Concrete Company, LLC

Rebound Partners
 Rion, Inc.
 Rochester Area Builders, Inc.
 Rochester Area Chamber of Commerce
 Rochester Community and
 Technical College
 Rochester International Airport
 Rochester Public Utilities
 Rochester Sand & Gravel –
 Division of Mathy Construction
 Root River State Bank – Chatfield
 RSM US LLP
 RSP Architects
 SeeMe Productions
 Smith Schafer & Associates
 Southeast Minnesota REALTORS
 Support Unlimited, Inc.
 The Boldt Company
 The Hexum Companies
 Think Bank
 Titan Development & Investments
 U.S. Bank
 Vyriad
 Weis Builders, Inc.
 Wendland Utz
 West Bank
 WSB & Associates, Inc.

BANKING WITH A SENSE OF COMMUNITY.

We know the local landscape because we've helped shape it for a century. Like RAEDI, we're committed to strengthening our community, one business at a time. Let us put our knowledge and experience to work for you.

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RAEDI ECONOMIC DEVELOPMENT CENTER (EDC)

The new RAEDI Economic Development Center (EDC) opened October 3, 2022. This one-stop center is helping with the referral process, increasing access to business and startup services, and increasing communication and accessibility between the different providers in the EDC. Partners include the African Development Hub, Black Entrepreneurship Team, Collider, headquarters for the SE Minnesota Small Business Development Center (SBDC), SCORE, and SE Minnesota Capital Fund.

2023 EDC SPONSORS



THANK YOU TO THE 2023 EDC SPONSORS



MORE THAN A CENTURY AFTER ITS FOUNDING IN 1911, *Knutson continues focus on collaboration, communication, employing innovation, seeking value, and building long-term relationships – these relationships are how Knutson has come to be more than 100 years strong and an industry leader.*

TOGETHER WE MAKE DREAMS REAL



RAEDI Economic Development Center (EDC) Grand Opening October 2022



**AFRICAN
DEVELOPMENT HUB**



COLLIDER

RAEDI
Retain. Grow. Diversify.

SCORE
FOR THE LIFE OF YOUR BUSINESS

**AMERICA'S
SBDC
MINNESOTA**

**SOUTHEAST
MINNESOTA
CAPITAL FUND**

The following services are available for individuals and businesses in the Rochester area and across southeast Minnesota:

- Benchmarking
- Branding
- Budgeting
- Business Idea Evaluation
- Business Credit Counseling
- Business Plan Coaching & Resources
- Cash Flow Mgmt/Budgeting
- Co-working Space
- Customer Profile Development
- Entrepreneurial Startup Classes
- Entrepreneurial Storytelling
- Early-Stage Startup Business Strategizing
- Financial Planning
- Financial Resources- Access to Capital
- Improving Cashflow
- Loan Packaging
- Logo Development
- Market Research
- Marketing
- Navigation and Connection to Community-Based Business Resources
- Pitch Coaching
- Rentable Meeting Space
- SBA Loan Programs
- Social Media Strategy
- Site/Location Support Services
- Tax Consulting

• Loan Capital for businesses that are owned and operated by BIPOC (Black, Indigenous, Persons of Color), low-income persons, women, veterans, and/or persons with disabilities. The Emerging Entrepreneur Program (EELP) has additional goals of providing jobs for BIPOC and/or low-income persons, creating and strengthening BIPOC business enterprises, and promoting economic development in low-income areas.

RAEDI Economic Development Center | 221 First Avenue SW, Suite 600 | Rochester, Minnesota 55902

SMALL BUSINESS DEVELOPMENT CENTER (SBDC)



In July, RAEDI became the host organization for the Small Business Development Center (SBDC), formerly housed at Rochester Community and Technical College. SBDC offers confidential counseling, at no cost, to help businesses in southeast Minnesota identify, understand, and overcome the challenges of starting a business.



SBDC's satellite partners are critical to its success and helping the organization cover the 11-county region. The partners help support SBDC's activities with funding, training and marketing. They also provide office space and administrative assistance to meet with local entrepreneurs in their respective areas. We appreciate their commitment to the network and the work they do on behalf of the SBDC region.

SBDC PARTNERS AND SATELLITE LOCATIONS

- Collider
- Development Corporation of Austin
- Faribault Chamber of Commerce and Tourism
- Owatonna Area Business Development Center
- Redwing Ignite

SBDC REGIONAL INVESTORS

- | | |
|-----------------------------|--|
| 504 Corporation | United Farmers State Bank |
| Altra Federal Credit Union | West Bank |
| City of Preston | WNB Financial |
| City of Rochester | Southern Minnesota Initiative Foundation |
| Coulee Bank | MN Department of Employment & Economic Development |
| First Alliance Credit Union | Former & Current SBDC Clients |
| First Security Bank | Rochester Community & Technical College |
| Foresight Bank | |
| Frandsen Bank & Trust | |
| People State Bank | |
| Rice County | |
| Think Bank | |

	11-County Region 2022		Rochester 2022		Olmstead County 2022	
Commercial Equity Capital	\$12,234,187		\$3,367,680		\$4,570,680	
	Clients Served	Hours	Clients Served	Hours	Clients Served	Hours
White/Caucasian	132	721	86	425.50	120	627.25
Hispanic	62	262.25	24	118.75	24	118.75
Women	276	1487.50	21	96.75	26	129.75
Black African	57	358	33	162.75	34	172.5
Asian American	25	190	16	169.5	16	169.5
Veterans	25	117.75	3	6.75	8	20.5
Native American/Alaskan	3	22.50	2	20.25	2	20.25
Hawaiian/Pacific Islander	2	5.25				
Totals	582	3164.25	155	874.5	193	1098.5

Source: Neoserra-SBDC Tracking System- January 2023.

ECONOMIC DEVELOPMENT FUND (EDF)

The EDF was created as a result of the City of Rochester's 2012 half-cent sales tax re-authorization, which raised \$5M to provide funds for business development that facilitated growth and diversification of the local economy. EDF investments of up to \$250,000 are intended to be made in projects resulting in business investment, creation/retention of living wage jobs, and generation of property tax revenue thus facilitating growth of the local economy.

EDF Stats

46
total loans or
investments since 2013

52%
have product sales

\$3.16M
invested since 2013

180
direct jobs created,
121 in Rochester

\$63,000+
yearly salary per employee

48%
are women or minority led

\$169M
in funding raised by
portfolio companies
(52x EDF amount received)

\$7.7M
in yearly payroll paid by
portfolio companies in
Rochester

100,406
square feet of space
occupied by companies
in Rochester



Collaborations with:

REGENERON



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At Vyriad, we are developing the next generation of targeted genetic therapies using engineered viruses, viral vectors and viral envelope glycoproteins to deliver genes directly to targeted cells. This targeting technology facilitates oncolytic virotherapy, in vivo gene therapies and gene editing applications.

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Research & Development

Product Translation

GMP Manufacture

Clinical Trials Execution

PLATFORMS

Vesicular Stomatitis Virus

Measles Virus

Human Herpesvirus

www.vyriad.com

EMERGING ENTREPRENEUR LOAN PROGRAM (EELP)

In 2021, RAEDI was selected to administer DEED's Emerging Entrepreneur Loan Program (EELP) for the southeast region of Minnesota. EELP supports the growth of businesses owned and operated by minorities, low-income persons, women, veterans and/or persons with disabilities. DEED provides grant funds to a network of nonprofit lenders, including RAEDI, to use these funds for loans to start-up and expanding businesses throughout the state.

RAEDI received its first loan application in 2022 from Roasted Bliss LLC, in Rochester for \$100,000. Their loan will cover equipment costs and is being matched with a private loan (a requirement of the program) for buildout of their new location.



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SOUTHEAST MINNESOTA CAPITAL FUND (SMCF)



The Southeast Minnesota Capital Funds I and II provide seed-stage equity capital to high growth start-up companies led by strong entrepreneurs in Minnesota with a preference for SE Minnesota.

\$2M
total capital

56
investors

23
investments in 14
companies since
inception

\$2.3M+
current portfolio
investment, including
first successful exit

SMCF FUND I

Launched July 2017 - Fully Invested April 2021



Fund I Jan 2022

Nestled Knowledge offers a comprehensive software platform for systematic literature review and meta-analysis.



Fund I Mar 2022

Marani developed a suite of remote offerings including a wearable fetal and maternal heart rate monitor to improve outcomes for mothers & their babies.



Fund I Apr 2022, Fund II Apr 2022

Rochester-based biotech company with targeted cancer therapies using engineered viruses that selectively attack cancer cells and ignite robust immune responses to prevent cancer recurrence.

SMCF FUND II

Launched March 2022

\$7M
total capital

94
investors

7
investments since 2022

Builds on the successful Fund I model: RAEDI sponsorship, experienced leadership, active member participation, low expenses, and the goal of generating significant investment returns.



Fund II July 2022

Rochester-based seed stage biotech company that uses gene editing technology to develop human CART cells to treat canine B-cell lymphoma.



Fund II Nov 2022

Commercializing a novel device for surgically treating carpal tunnel syndrome in a less invasive manner.



Fund II Oct 2022

Developed a new percutaneous vascular closure device designed to reduce complications from bleeding and increase closure reliability on large bore cardiac catheterization procedures.



Fund II Apr 2022

Created an ecommerce site with lake-specific information to tell you what type of tackle to use to catch different types of fish.



Fund II Apr 2022

Developed and commercializing FDA-approved concussion diagnostic device based on eye movements.



Fund II Aug 2022

Developed a novel orthopedic screw made from nitinol to provide continuous active compression across bone fracture or fusion sites to speed and strengthen bone healing.

REVEST COMMUNITY INVESTMENT FUND

RAEDI developed and launched its ReVest Fund to support and develop impactful real estate development projects throughout the Rochester area. This fund is an opportunity for people from local communities (including individuals, businesses, and nonprofit organizations) with investment portfolios to invest in their own backyard. It is a locally-driven investment fund with the goal to expand and leverage economic development initiatives, strengthen regional connectivity, and create a vibrant and dynamic area to live, work, and invest.

Residential

single-family, small multifamily,
senior housing, apartments

Commercial

restaurants, flex space,
industrial & office, hospitality

8% to 12%

(Net IRR)

**Targeted
annualized return**

\$50,000

(Accredited Investors)

**Minimum
Investment**

7 years

(3 one-year
extension options)

Fund Duration

Geographic Focus:
Rochester area

General partner/
limited partner
investment structure



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R.A.V.E. (Recognizing Awarding Valuing Entrepreneurs)

The 9th annual R.A.V.E. event was held in November. Five awards were given out with three in the entrepreneurial category, one lifetime achievement, and one warrior award. This event is an opportunity to recognize those building the entrepreneurial ecosystem and celebrate the individuals and organizations supporting entrepreneurs through programming, funding, and advising.

The award winners in the entrepreneur category were Pasquale Presa, founder of Pasquale's Neighborhood Pizzeria, Allisa Song and team at Nanodropper, and Alex and Jenn Slifka, owners of Chateau de Chic Salon & Spa, Chic by Chateau, and Stellar 181 Taphouse in Spring Valley, MN. The Lifetime Achievement award went to the Deutsch Family, owners of Pace International for the last 50 years in Rochester. Finally, the warrior recognition was awarded to Christine Beech, former Executive Director of the Kabara Institute for Entrepreneurial Studies, WE Forum (Women Entrepreneurs) founder, and co-founder of Copiavia, a company that provides training, facilitation, and strategic planning to businesses. The warrior award recognizes an individual's contribution to advocate, promote, and support area entrepreneurship.



John Wade & Christine Beech



Deutsch Family

TABLE SPONSORS



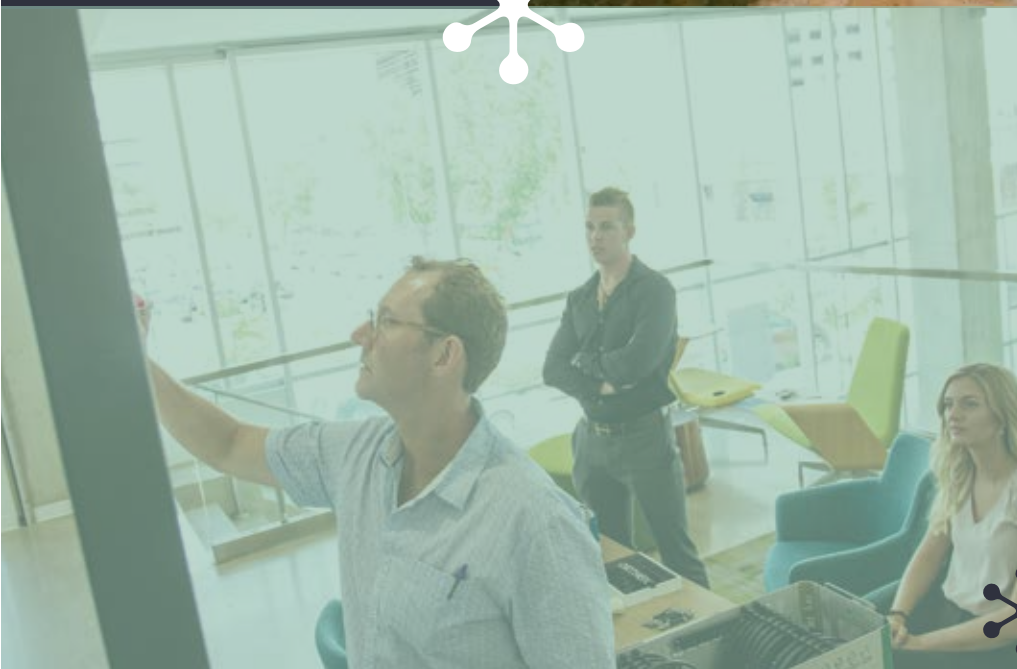
INNOVATION COLLABORATION COMMITMENT



With Mayo Clinic at its heart, Destination Medical Center (DMC) is the largest public-private economic initiative in Minnesota and the catalyst for growth in Rochester.



Destination Medical Center (DMC) is a robust 20-year \$5.6 billion economic development initiative. The largest in Minnesota's history. DMC is designed to position Minnesota as a global center for the highest quality medical care and to generate high-value jobs, new tax revenue, and businesses.



DMC
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Medical Center
Rochester, MN

WWW.DMC.MN





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