

# COMMUNITY PROFILE

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## 2025



 **RAEDI**  
*Retain. Grow. Diversify.*

**Rochester,  
Minnesota MSA**

# TABLE OF CONTENTS

- 2** Economic Development Contacts
- 3** Rochester MSA Overview
- 4** Labor Force
- 5** Major Employers
- 6** Natural Gas and Electrical Utilities
- 7** Transportation
- 8** Education
- 9** Housing
- 11** Gross Sales & Retail Sales
- 12** Income
- 13** RAEDI and Entrepreneurial Services
- 14** Basic Business Taxes & Fee Schedule
- 15** Business Development Incentives

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# ROCHESTER, MINNESOTA MSA

Located in the southeastern section of Minnesota, the Rochester MSA's strong and diverse economy is built around health care, high technology, and agriculture. The Minnesota State Demographer's Office reported the 2023 population of the Rochester MSA at 229,077. Rochester's MSA includes Olmsted, Dodge, Fillmore, and Wabasha counties.

For over 140 years, the city of Rochester has remained a 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 419,093.4 acres and 654.8 square miles.

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 population surrounding Rochester, MN:  
within 30 minutes= 185,872  
within 45-60 minutes= 404,312  
within 75 minutes= 681,552  
within 90 minutes = 1,893,843

## ROCHESTER AND MINNESOTA RANK HIGH!

Rochester MSA has the **#1** Hospital in the World, 2024

Rochester, MN: **Top 25** places to retire in 2024

Rochester, MN: **Top 5** safest and most affordable cities to live in U.S.

Ranked **8 out of 25** best places to live in the Midwest in 2024

Minnesota is ranked **#1** in the nation for 5-year business survival rate in 2024

Rochester is the **#5** best city to buy a house in America, 2024



# LABOR FORCE

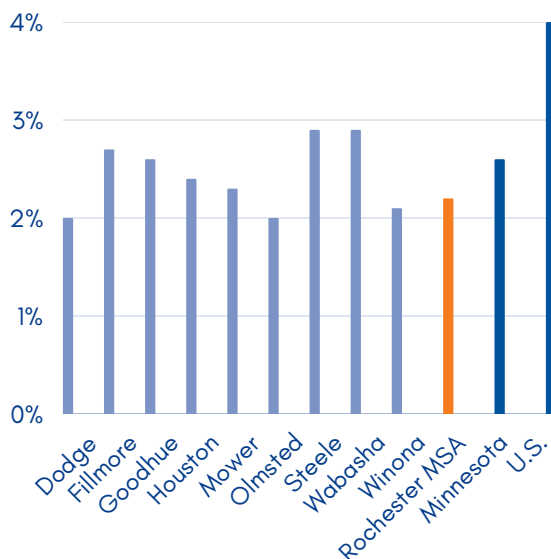
The labor force of the Rochester MSA is often misunderstood. At a first glance, the MSA draws qualified workers from 30 to 50 miles away. The estimated labor force willing to commute and work in the Rochester MSA is about 137,000 people. There are 45 two and four-year colleges within 90 miles of Rochester. 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.

## SECTOR EMPLOYMENT ROCHESTER MSA

	2020	2021	2022	2023	2024
<b>Total Non Farm</b>	118,271	120,665	122,122	124,377	126,722
<b>Goods Producing</b>	15,258	14,769	14,721	14,626	14,530
<b>Manufacturing</b>	10,339	9,731	9,596	9,494	9,054
<b>Construction</b>	4,919	5,038	5,125	5,162	5,476
<b>Service Providing</b>	103,014	105,896	107,401	109,751	112,192
<b>Wholesale Trade</b>	2,551	2,551	2,565	2,603	2,660
<b>Retail Trade</b>	11,406	11,823	11,961	11,987	12,214
<b>Transportation</b>	2,469	2,475	2,513	2,402	2,490
<b>Information</b>	1,279	1,179	1,095	1,115	1,001
<b>Financial Activities</b>	2,693	2,793	2,812	2,782	2,772
<b>Prof/Business Serv</b>	5,983	6,222	6,605	6,740	6,788
<b>Education/Health</b>	51,594	52,841	52,787	54,134	55,676
<b>Leisure/Hospitality</b>	9,013	9,897	10,647	11,101	11,306
<b>Other Services</b>	3,406	3,624	3,683	3,804	3,902
<b>Government</b>	12,620	12,530	12,734	13,083	13,382



## UNEMPLOYMENT RATES



## UNEMPLOYMENT STATISTICS

	Labor Force	Employed	Unemployed
<b>Dodge</b>	12,321	12,003	318
<b>Fillmore</b>	12,054	11,728	326
<b>Goodhue</b>	25,812	25,138	674
<b>Houston</b>	10,111	9,869	242
<b>Mower</b>	20,676	20,207	469
<b>Olmsted</b>	93,281	91,448	1,833
<b>Steele</b>	17,860	17,346	514
<b>Wabasha</b>	12,332	11,972	360
<b>Winona</b>	28,633	28,025	608
<b>Rochester MSA</b>	129,988	127,151	2,837

# MAJOR EMPLOYERS

Please note that this list is not all inclusive and represents a snapshot of business and industry in the Rochester area. 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. **2024-2025 estimates**

MAJOR EMPLOYER	EST	# EMPLOYEES	TYPE OF BUSINESS
Mayo Clinic	1914	50385	Medical/Hospital Services
Rochester Public Schools	1858	2959	Education Services
IBM	1911	2791	Electronics/Computer
Olmsted Medical Center	1949	1432	Medical/Hospital Services
Olmsted County	1855	1426	County Government
City of Rochester	1868	1312	Local Government
McNeilus Truck and Manuf.	1970	800	Mobile concrete mixers, garbage trucks
Benchmark Electronics	1994	750	Contract Mfg/Design/Engineering
McNeilus Steel, Inc.	1948	450	Steel fabrication
Federal Medical Center	1984	456	Corrections/Medical
Geotek	1990	354	Pultruded fiberglass products
Cardinal of Minnesota	1995	439	Res. Services/Dev. Disability
RCTC	1915	490	Post Secondary Education
Crenlo	1961	442	Fabricated Metal
Reichel Foods	1997	423	Quick snack food manufacturer, Dippin Stix
Halcon	1978	360	Furniture Manufacturer
Samaritan Bethany, Inc.	1922	210	Health Care of the Aging
Pace Dairy	1970	285	Dairy Processing
Hiawatha Homes	1976	260	Residential Services/Dev. Disabilities
Think Mutual Bank	1961	255	Banking
Rochester Meat Company	1971	240	Meat Processing
Kemps	1928	225	Dairy Processing
Home Instead Senior Care	2003	182	Home Care Services
Rochester Post Office	1877	185	Postal/Delivery Services
Rochester Catholic Schools	1852	331	Education Services
Hayfield Window and Door	1951	200	Manufacturer of Windows and Doors
Seneca Foods	1949	201	Food Processing
Zumbro Valley Health Center	1966	235	Human Sservices
Ability Building Center	1956	188	Rehabilitation Services
Home Federal Savings Bank	1934	164	Banking
Harris Rochester Inc.	1976	173	Mechanical Contractor
Families First of Minnesota	1972	170	Child Care Oversight
Taylor Print Impressions	1912	150	Printing/Publishinig
Lawrence Transportation Co.	1965	150	Refridgerated over-the-road trucking
Superior Mechanical Systems	1982	135	Air Conditioning, Refrigeration, Heating
Kerry-Bio Science	1972	145	Food ingredients, bio & pharma ingredients
Strongwell Corporation	1972	140	Pultruded fiberglass products

# NATURAL GAS AND ELECTRICAL UTILITIES

The Rochester Metropolitan Statistical Area (MSA) in southeastern Minnesota includes Olmsted, Dodge, Fillmore, and Wabasha counties. Utility services in this region are provided by a mix of public and private companies. Natural gas is primarily supplied by Minnesota Energy Resources and Xcel Energy, depending on the specific city and county. Electric service is provided by a combination of utilities including Rochester Public Utilities, People's Energy Cooperative, MiEnergy Cooperative, Xcel Energy, and various municipal utilities. Each county has a distinct mix of providers that serve both residential and commercial energy needs.

## Electric Utility Providers

### Dodge County

- Xcel Energy: Serving the majority of the county, including cities like Dodge Center.
- People's Cooperative Services: Serving approximately 2,342 customers.
- Steele-Waseca Cooperative Electric: Approximately 1,718 customers.
- Freeborn-Mower Cooperative Services: Approximately 226 customers

### Fillmore County

- MiEnergy Cooperative: The largest electric provider in the county, serving approximately 7,121 customers.
- Spring Valley Public Utilities: Serving around 1,400 customers.
- People's Cooperative Services: Approximately 1,092 customers.
- Rushford, Preston, Harmony, Lanesboro, Mabel, Peterson, and Whalan: Each operates its own municipal electric utility.

### Olmsted County

- Rochester Public Utilities (RPU): A municipally owned utility serving over 50,000 electric customers in Rochester.
- People's Energy Cooperative: Serving over 19,000 members in Olmsted County and surrounding areas.

### Wabasha County

- Xcel Energy: Serving cities like Wabasha, Lake City, and Pine Island.
- People's Cooperative Services: Serving approximately 6,158 customers.
- Lake City Public Works: Serving around 2,386 customers.
- Goodhue County Cooperative Electric Association: Serving parts of Wabasha County.

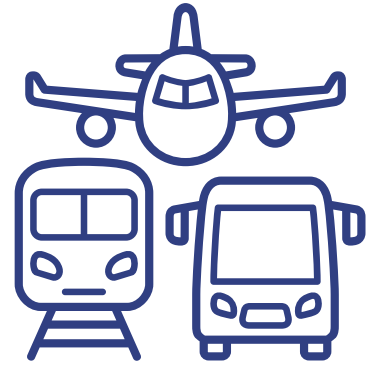
## Natural Gas Providers

- Minnesota Energy Resources: The primary natural gas provider for the region, serving most areas in Fillmore, Olmsted, Dodge, and Wabasha counties .
- Xcel Energy: Provides natural gas service to cities like Wabasha and Lake City



# 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.**



## AIR

The Rochester International Airport (RST) is located seven 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 Airlines flies all jet aircraft to and from Chicago daily, and Delta Air Lines flies all jet aircraft to and from Minneapolis and Atlanta daily, connecting more than 200,000 passengers a year to nearly 300 domestic and international destinations.

Signature Flight Support, a full service Fixed Base Operator (FBO), provides services for corporate and general aviation aircraft. The Rochester International Airport has a business center that includes a hotel, restaurant, event center, offices and additional space for future development.

Federal Express conducts daily operations at the Rochester International Airport. RST has over 330,000 square feet of usable cargo building and ramp space with the opportunity to expand up to 730,000 square feet.

**Daily Departures:** 7

**Runways:** 2

**Runway 13/31:** width, 150 ft  
**Strength:** #1: S120, D0250, ST-400,  
DT-890, PCR Value: 890/R/D/W/T  
**Surface #1:** Concrete Grooved

**Runway 03/21:** width, 150 ft  
**Strength:** #2: S-120, D-250, ST-370,  
DT-890, PCR Value: 890/F/D/X/T  
**Surface #2:** Wire Combed

**Elevation:** 1,317 MSL

**ARFF Rating:** Index B

**Fuel Available:** 100 LL Jet A

**FAA Control Tower:** 5 am – 11 pm

**Lighting:** ALSF and MALSR, Cat II ILS

**Passengers Served:** 200,072

**Instruments:** Cat II ILS, Cat I ILS, VOR;  
Radar ASR; 3 PAPI, VASI, REIL Rwy 03  
and 21

**Business Park Amenities:** water, sewer,  
natural gas, data communications

## ROADWAY

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.

## RAILWAY

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.

# EDUCATION

The Rochester area school districts have over 40,000 students enrolled in public and private elementary and secondary schools. Post-secondary opportunities are available at Rochester Community and Technical College (RCTC), University of Minnesota Rochester (UMR), Winona State University – Rochester, St. Mary's University, Rochester, and Augsburg University, Rochester. To meet the increasing demand for highly trained health professionals, Mayo School of Health Related Sciences has over 1,800 students enrolled annually in 145 MSHS programs. For additional information, go to [www.mayo.edu/mshs/](http://www.mayo.edu/mshs/).

Over 56% of the Rochester MSA population has an associate's degree or higher. 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.

## ROCHESTER MSA EDUCATION - 2024

Less than 9th Grade: **2.1%**  
9th to 12th Grade, No Diploma: **2.0%**  
High School Graduate or GED: **23.1%**  
Some College, No Degree: **18.0%**  
Associate's Degree: **12.5%**  
Bachelor's Degree: **24.0%**  
Graduate or Professional Degree: **16.3%**

High School Graduate or Higher: **94.1%**  
Bachelor's Degree or Higher: **40.3%**



Source – U.S. Census Bureau



# HOUSING

## 2024 ANNUAL REPORT: SE MN HOUSING MARKET

**2024** housing market started on a positive note:

Inventory was on the rise, mortgage rates had fallen from a 23-year high of 7.79% in October 2023 to the mid 6% range, and home buyers had returned to the market, with U.S. existing home sales posting back-to-back monthly increases for the first time in more than two years in January and February. But rates soon began to climb, topping 7% in April, and buyers pulled back, causing sales to slump during the traditionally busy spring buying season.

Summer arrived, and with it came a surge of new listings, pushing inventory to its highest level since 2020, according to the National Association of REALTORS®. Although buyers had more options to choose from in their home search, the additional supply did little to temper home prices, which continued to hit record highs nationwide, and sales remained slow.

Eventually, mortgage rates began to ease, falling to a yearly low of 6.08% in September, and with inflation moving toward its 2% target, the Federal Reserve initiated a series of interest rate cuts, dropping the benchmark rate one full percentage point. Buyers took advantage of lower borrowing costs and a greater supply of homes on the market, leading sales of existing homes to surge in October and November, marking the first time since May that home sales exceeded four million units.

Buyers and sellers remain sensitive to fluctuations in mortgage rates, and the trajectory of rates will have a major impact on market activity. Inventory of new and existing homes will continue to improve in the new year, building on the supply gains made in 2024, with increases in both single-family and multifamily construction expected, according to the National Association of Home Builders.



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### SALES

Pending sales decreased .9 percent, finishing 2024 at 5,020. Closed sales were up 2.1% percent to end the year at 5,047.

### LISTINGS

Comparing 2024 to the prior year, the number of homes available for sale was up 7.4 percent. There were 870 active listings at the end of 2024. New listings decreased 2.8 percent to finish the year at 6,023.

### SALES BY PRICE RANGE

The number of homes sold in the \$300,001 range and above price ranged was up 16.2 percent to 2,269 homes, while those sold in the \$100,001 to \$150,000 price range fell 17.6 percent to 357 homes.

### PRICES

Home prices were up compared to last year. The overall median sales price increased 6.7 percent to \$288,000 for the year. Single Family home prices were up 6.2 percent compared to last year, and Townhouse-Condo home prices were up 10.7 percent.

### LIST PRICE RECEIVED

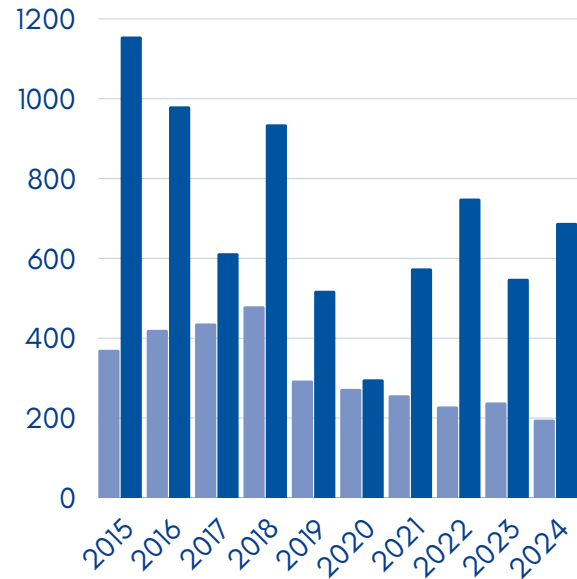
Sellers received, on average, 97.6 percent of their original list price at sale, a year-over-year decrease of 0.2 percent.





## HOUSING UNIT CONSTRUCTION

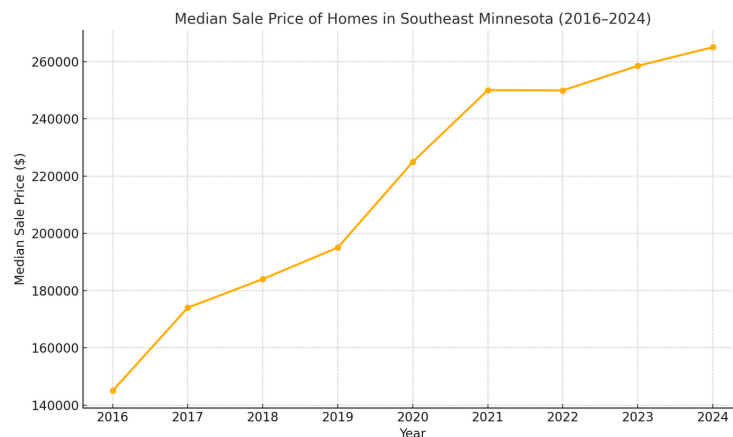
Year	Single Family Homes	Multi Family Units
2015	371	1156
2016	421	981
2017	437	613
2018	480	936
2019	294	519
2020	273	297
2021	257	575
2022	229	750
2023	239	549
2024	196	689



Source – City of Rochester Construction Permits Report, 2024 YTD

## MEDIAN SALES PRICE FOR SOUTHEAST MINNESOTA HOMES

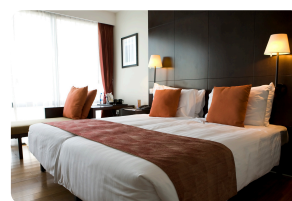
Year	Price
2016	\$145,000
2017	\$174,000
2018	\$184,000
2019	\$195,000
2020	\$224,950
2021	\$250,000
2022	\$249,900
2023	\$258,500
2024	\$265,000



Source – Southeast Minnesota REALTORS

# GROSS SALES AND RETAIL SALES

The Rochester MSA supports a tremendous number of visitors each year. Each year, Mayo Clinic sees over 1.3 million people from all 50 states and 137 countries worldwide. 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	2017	2018	2019	2020	2021	2022
<b>Construction</b>	\$525,441,705	\$554,743,505	\$591,224,744	\$570,768,396	\$699,448,793	\$649,515,258
<b>Manufacturing</b>	\$1,231,297,675	\$1,326,812,414	\$1,133,029,676	\$999,802,125	\$1,427,470,408	\$1,168,027,419
<b>Wholesale</b>	\$604,799,454	\$715,697,685	\$689,578,760	\$587,168,772	\$846,981,455	\$756,066,009
<b>Retail</b>	\$2,552,560,870	\$2,586,652,303	\$2,688,265,014	\$2,707,718,493	\$3,227,199,547	\$3,128,642,253
<b>Lodging</b>	\$147,473,684	\$163,688,750	\$149,168,317	\$82,683,360	\$115,057,682	\$100,903,487
<b>Health Services</b>	\$151,946,583	\$163,424,377	\$179,622,365	\$206,579,142	\$243,416,792	\$243,432,490
<b>TOTAL</b>	\$5,213,519,971	\$5,511,019,034	\$5,430,888,876	\$5,174,720,288	\$6,559,574,677	\$6,046,586,916

## CITY OF ROCHESTER GROSS RETAIL SALES

Retail Industry	2018	2019	2020	2021	2022
<b>Vehicles, Parts</b>	\$441,246,245	\$531,620,703	\$521,035	\$659,983,257	\$658,602,337
<b>Furniture, Electronics, Appliances</b>	\$141,478,832	\$125,728,734	\$117,256,302	\$142,362,512	\$138,258,699
<b>Building Material</b>	\$199,196,429	\$189,243,509	\$222,379,563	\$239,028,110	\$243,526,711
<b>Food Bev. Store</b>	\$350,375,084	\$366,730,442	\$417,295,567	\$420,384,462	\$451,751,799
<b>Health, Personal</b>	\$82,411,240	\$83,419,801	\$82,252,994	\$97,810,551	\$96,608,879
<b>Gasoline Stations</b>	\$184,192,592	\$176,134,514	\$149,083,336	\$199,872,496	\$236,052,532
<b>Clothing, Acc.</b>	\$105,455,607	\$106,990,667	\$78,651,496	\$110,361,531	\$108,184,997
<b>Gen. Merch.</b>	\$638,143,808	\$628,727,647	\$633,783,850	\$696,164,692	\$744,389,249
<b>Leisure Goods, Misc Retailers</b>	\$181,460,104	\$193,293,269	\$200,344,469	\$226,221,242	\$193,825,957
<b>Nonstore Retailers</b>	\$9,169,579	\$10,866,759	\$10,638,676	\$11,895,931	\$5,089,372
<b>TOTAL</b>	\$2,333,129,520	\$2,412,756,045	\$1,912,207,288	\$2,804,084,784	\$2,876,290,532

# INCOME

## PER CAPITA INCOME

	2019	2020	2021	2022	2023
Rochester MSA	\$54,836	\$59,086	\$63,801	\$65,848	\$68,561
Minnesota	\$57,903	\$61,327	\$67,452	\$69,813	\$72,366
United States	\$55,567	\$59,114	\$64,450	\$66,096	\$69,418

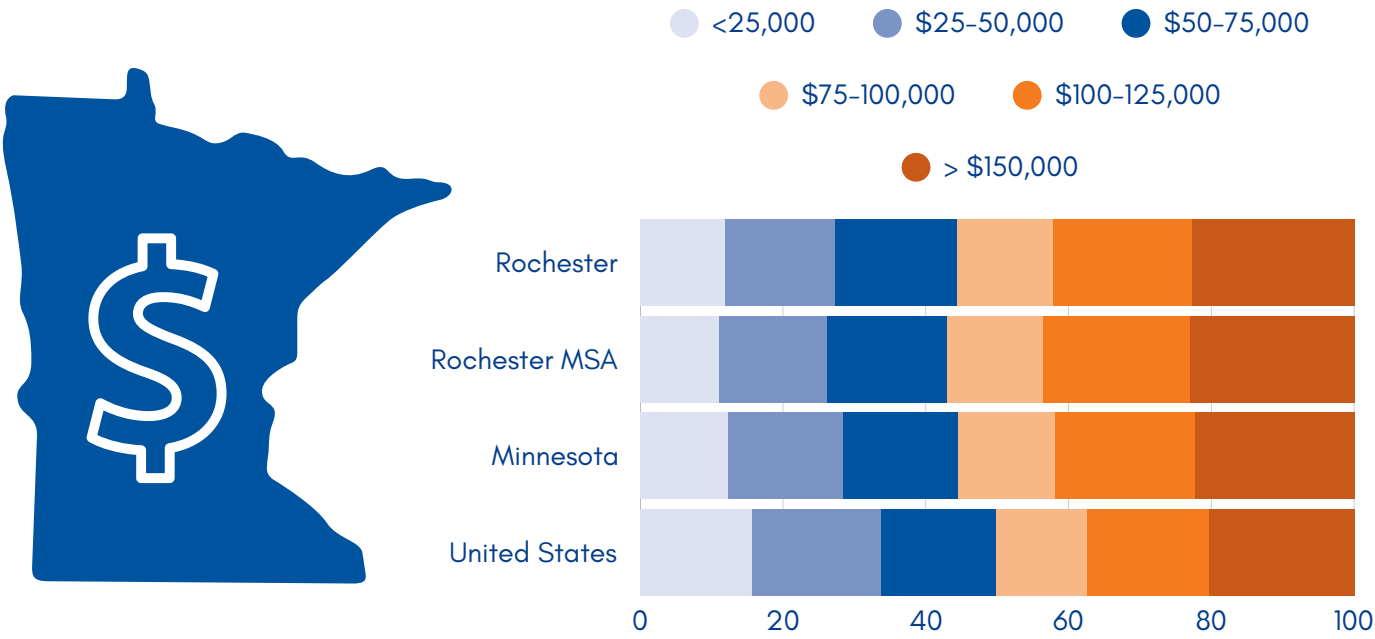
Source - U.S. Bureau of Economic Analysis (BEA)

## MEDIAN HOUSEHOLD INCOME

	2019	2020	2021	2022	2023
Rochester MSA	\$73,697	\$76,787	\$80,865	\$86,788	\$89,675
Minnesota	\$71,306	\$73,382	\$77,706	\$84,313	\$87,556
United States	\$62,843	\$64,994	\$69,021	\$75,149	\$78,538

Source - U.S. Census Bureau

## INCOME PERCENTILES - 2024





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Incorporated in 1985, Rochester Area Economic Development, Inc. (RAEDI) is a public/private partnership for economic development that serves the four-county MSA of Olmsted, Dodge, Wabasha, and Fillmore. RAEDI's mission is to lead and support economic, community, and workforce development initiatives that grow and diversify the greater Rochester area economy. Some of the services provided include financial packaging, business planning, site/location support, and business/community advocacy. For more information, visit [www.raedi.com](http://www.raedi.com)



## ECONOMIC DEVELOPMENT CENTER

The RAEDI Economic Development Center (EDC) is a one-stop center intended to accelerate the economic growth for the Rochester area and to streamline the collaboration between partners and diverse non-profits who serve the entrepreneurial community. The partnerships and co-location help with the referral process, increase access to business and startup services, and increase the communication and accessibility between the different providers in the EDC.

Organizations and services located in the EDC include: RAEDI, RAEDI Business Accelerator, Minority Owned Business Network, Small Business Development Center (SBDC), Collider, SCORE, and the Southeast Minnesota Capital Fund.





## BASIC BUSINESS TAXES

### CORPORATE INCOME TAX: 9.8%

### STATE SALES AND USE TAXES: 6.875%

of gross receipts of retail sales, use, storage, or consumption of tangible personal property. There is no sales tax on new capital equipment used for manufacturing, fabricating, or refining a product. Replacement capital used for those purposes also incurs no sales tax. A refund method is used to relieve tax burden.

### CITY OF ROCHESTER, MN SALE TAX: 8.125%

Rochester currently has a 0.75% local sales tax and Olmsted County has a special district sales tax of 0.5%. there are also state-imposed liquor, lodging, and rental fees.



## STATE OF MINNESOTA BUSINESS FEE SCHEDULE

Business Entity	Registration Fee
Assumed Name Certificate	\$50
Business, Corporation, Domestic	\$155
Limited Liability Companies	\$155
Business Corporation (Foreign)	\$220
Foreign Limited Liability Companies	\$205
Cooperatives - Articles of Incorporation	\$80
Non-Profit Corporations	\$90

Source - Minnesota Secretary of State

# BUSINESS DEVELOPMENT INCENTIVES

All cities within the Rochester MSA have access to development incentives from state and local sources. The primary development tools used by local governments include Tax Increment Financing (TIF) and Industrial Development Revenue Bonds. RAEDI administers the Rochester Economic Development Fund and the Emerging Entrepreneur Loan Program, and is also an investor in the Southeast Minnesota Capital Fund. These three funds are available for qualifying businesses who are relocating, expanding, or starting in the Rochester MSA.

## **Rochester Economic Development Fund (EDF)**

Administered by RAEDI, the EDF provides funds for business development and business growth projects that facilitate growth and diversification of the local economy. EDF investments of up to \$250,000 are intended for projects resulting in business investment, creation/retention of living wage jobs, and generation of property tax revenue this facilitating growth of the local economy. The EDF will also leverage business financing provided by other private/public lenders.

## **Emerging Entrepreneur Loan Program**

The Minnesota Emerging Entrepreneur Loan Program provides 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 program 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. EELP loans can be issued to "micro-enterprise" businesses in southeast Minnesota owned by BIPOC or low-income persons, women, veterans, or persons with disabilities for a minimum of \$5,000 and a maximum of \$50,000. For older and/or larger businesses, loans are available up to \$100,000, and require 1:1 matching funds.

## **Southeast Minnesota Initiative Foundation's Business Loan Program**

This program works in partnership with local lending institutions, economic development organizations, and government agencies to help "fill the gap" between available and necessary financial resources. The program funds up to \$200,000 and targets economic development opportunities to 6 key areas including bioscience, renewable energy, food/agriculture, manufacturing, and healthcare. For more information, call 507.455.3215 or visit [www.smifoundation.org](http://www.smifoundation.org).

## **Southeast Minnesota Capital Fund**

RAEDI administers this fund which is led by a group of angel investors whose goal is to help support the growing number of startup companies in the medical and technology fields and who have the power to deliver significant returns. While not geographically limited, the primary investment focus of the fund will be the southeast Minnesota region.

## **State Small Business Credit Initiative (SSBCI)**

The State Small Business Credit Initiative (SSBCI) is a nearly \$10 billion program to support small businesses and entrepreneurship in communities across the United States by providing capital and technical assistance to promote small business stability, growth, and success. Minnesota has been approved by the U.S. Department of the Treasury for up to \$97 million for small business financing support through six state programs: Automation Loan Participation program, Direct Investment Venture Capital, Growth Loan Fund, Minnesota Loan Guarantee program, Multi-Fund Venture Capital, and Small Business Loan Participation program. Funding amounts for the individual programs shift, depending on demand.

## **Small Business Development Center (SBDC)**

Confidential consulting (at no cost) to help businesses in SE Minnesota identify, understand, and overcome the challenges of starting a business, running a successful business, and developing exit strategies. SBDC provides the professional expertise and guidance that every small business owner needs to flourish in today's competitive and ever-changing business world. They do not lend money to small businesses, however they work with the business owners and financial institutions to prepare documentation that lenders require for business loans.



# BUSINESS DEVELOPMENT INCENTIVES

## CONTINUED

### 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 the economic development in their communities.

### Tax Increment Financing (TIF)

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.

### Launch Minnesota

Launch Minnesota is an initiative spearheaded by Minnesota’s Department of Employment and Economic Development (DEED). The program exists to help grow Minnesota’s startup ecosystem. Launch Minnesota has several offerings to grow the innovation ecosystem, including: 1) a series of Innovation grants for research and development, business liquidity, even childcare/housing assistance – to make it easier to get your startup off the ground. 2) An angel tax credit to incentivize investments from venture capitalists in Minnesota startups. 3) Education grants that empower community builders to train startups on critical skills in building technology startups. More details are available at <https://mn.gov/launchmn/>

### Job Training Incentive Program

This program provides grants to new or expanding businesses located in Greater Minnesota for the purposes of training workers as quickly and efficiently as possible. Grants of up to \$200,000 are awarded to eligible businesses to provide training for new jobs. The new jobs must pay wages at least equal to the median weekly wage for the county in which the jobs are located. The new jobs must also provide at least 32 hours of work per week for a minimum of nine months per year. Businesses are required to match the grant on a 0.5/1 basis.

### The Minnesota Job Creation Fund

This fund provides job creation awards of up to \$1 million (sometimes up to \$2 million) for qualifying businesses. Businesses may apply through a local government where their new or expanding business will be located and must be primarily engaged in manufacturing, warehousing, distribution, IT, or other eligible activities.

### 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.

### 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.

## CONTACT RAEDI TO LEARN MORE



507.288.0208



[www.RAEDI.com](http://www.RAEDI.com)