



# 2023 ANNUAL REPORT

**Rochester Area Economic Development, Inc.**  
221 First Ave SW Suite 600 | Rochester, MN 55902

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Learn more at [businessdevelopment.mayoclinic.org](https://businessdevelopment.mayoclinic.org).

# ANNUAL MEETING AGENDA **Wednesday | March 6, 2024**

- 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.** Introduction of Panel by Moderator Vivien Williams, KTTC
- 12:20 p.m.** Panel Discussion
- 1:00 p.m.** Adjourn



## **Moderator - Vivien Williams, KTTC**

Vivien Williams is an expert in consumer-facing health and medical communication. She's an Emmy Award winning TV news anchor/health reporter with segments that have run in markets nationwide, including KNBC, WABC, WMAQ, *Today*, *CNN* and *Everyday Health*, hosted by Sanjay Gupta. She's also the interim host for KTTC TV's lifestyle show, *Midwest Access*. Viv helped create the Mayo Clinic News Network (online site) and Mayo Clinic Radio. She was the co-host and executive producer of NBC's lifestyle show, *Health and Happiness with Mayo Clinic*, she hosts the podcast *Health Fusion*, and is a health/medical reporter for Gray TV's new national magazine show, *InvestigateTV+*.



## **Panelist - Christina Zorn, J.D., Chief Administrative Officer, Mayo Clinic**

Christina Zorn, J.D., is the chief administrative officer of Mayo Clinic. In partnership with Gianrico Farrugia, M.D., Ms. Zorn is responsible for administrative functions in the clinical practice, research, education, and Mayo Clinic Platform, as well as in enterprise shared services, including communications, development, enterprise risk management, facilities, finance, human resources, information technology, security, and strategy. Prior to her appointment as chief administrative officer, Ms. Zorn served as vice chair of Administration, Mayo Clinic, and chief administrative officer of Mayo Clinic in Florida.



## **Panelist - Dr. Dana Allen-Tully, CEO, Gar-Lin Dairy & Gar-Lin Agronomy Companies**

Dr. Dana Allen-Tully serves as the CEO for Gar-Lin Dairy and Gar-Lin Agronomy Companies. Her family dairy currently milks 1,750 cows and farms 4,400 acres to sustainably support the business, now and into the future. The dairy ships about 20,000 gallons of milk per day and markets 170,000 bushels of grain annually. She has served on several agricultural producer and advisory boards over the years. Her most recent position includes serving as President of the Minnesota Corn Growers Association.



## **Panelist - John Lenga, Jr., CEO, Crenlo Engineered Cabs**

John joined Crenlo Engineered Cabs, a private equity backed company, in November of 2019 where he served as an Expert Advisor to Angeles Equity Partners then migrated into the Chief Financial Officer role in April 2020 and has been serving as its Chief Executive Officer since August 2021. Prior to Crenlo Engineered Cabs, John spent 16 years with Autoneum, a Tier 1 automotive supplier, serving as its Chief Executive Officer, Head of Business Group North America.

# Message from RAEDI President

**JOHN WADE**



**Thank you RAEDI** investors for your continued support and investment in RAEDI. During the year, we have implemented several projects including:

**Advancement of the Mayo Clinic Business Accelerator 2.0.** This program, a collaboration with Mayo Clinic Ventures, was developed in spring 2023 to build on the success and lessons of the original accelerator. Implementation is set for 2024 and aims to strengthen innovation, support startups, and translate groundbreaking ideas into tangible benefits. With the expertise of Mayo Clinic Ventures, the new accelerator is primed to lead in healthcare innovation.

RAEDI, along with People's Energy Cooperative, DEED, and other partners, is working to assess and identify **shovel-ready sites** for development throughout our region.

**Our Economic Development Fund (EDF)** has played a pivotal role in fueling the growth of base businesses and has allocated \$3.5 million since inception. By providing these investments, the EDF has supported businesses and empowered them to thrive and contribute to the community's economic well-being. For every dollar invested, the community has received a \$53 return.

We have partnered with our investor communities to create the **RAEDI Communities' Council**. Representatives from Byron, Chatfield, Kasson, Pine Island, Plainview, and Stewartville meet monthly to discuss economic development initiatives and strategies to help advance the growth of our area.

**Small Business Development Center**, led by RAEDI, helped business owners access over \$9,952,219 in capital, created 105 jobs, and started 29 small businesses. These goals were accomplished with the help of its Sub-Regional Satellite Centers, local economic development partnerships, and lending institutions. SBDC also delivered 16 workshops for small businesses to attend in which content focused on funding and growing small businesses, taxation, money issues, marketing, finding local support resources, and improving profitability. Services have been expanded to be delivered in 5 different languages.

**The Southeast Minnesota Capital Fund II (SMCF II)**, launched in 2022 with \$7 million in capital, has made 12 investments over the past 18 months in 11 Minnesota companies. SMCF Fund I, launched in 2017 with \$2 million in capital, is fully invested in 14 companies. Of those, there has been one exit via acquisition.

**The Economic Development Center** stands as a landmark of progress and collaboration. This facility brings together an ensemble of partner organizations, each dedicated to nurturing innovation and fostering growth. Entrepreneurs and small business owners can now access a comprehensive suite of business support services under one roof bridging the gap between ambition and success. With its integrated approach, the center exemplifies the future of economic advancement and promises a brighter future for aspiring business minds.

**The RAEDI Foundation** received a \$15,000 grant from the National League of Cities to champion inclusive entrepreneurship. The City of Rochester also complemented this with a \$5,000 contribution. Utilizing these funds, the RAEDI Foundation has installed targeted billboards throughout Rochester, organized a workshop for ecosystem capacity builders, and launched targeted digital advertising campaigns.

In the fall of 2023, RAEDI formed a partnership with the **FDIC's Consumer Affairs** division to help promote economic inclusion, community development, and the goals of the community reinvestment act. Workshops will be offered in 2024 to support these efforts.

RAEDI is undertaking a comprehensive analysis of services offered by **Entrepreneurial Support Organizations (ESO)**. This strategic approach aims to identify and bridge service gaps thereby laying the groundwork for the creation of community-centric programs.

**RAEDI is developing meaningful tools to grow and expand our economy.** The result of our shared efforts will be growth and opportunity for Rochester area communities, businesses, and residents. You are a partner in our work, and because of your ongoing support, our team will remain in a position to continue this great work.



# 2024 BOARD OF DIRECTORS



**Jarett Jones, Chair**  
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**Secretary/Treasurer**  
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**Past Chair**  
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**Heidi Welsch**  
Olmsted County



**Alison Zelms**  
City of Rochester



## RAEDI STAFF



**John Wade**  
President



**Tonya Bernard**  
Director of Business  
Operations



**Kirk Bustrom**  
Director of Economic  
Development



**Tawonda Burks**  
Director of Operations



**Molly Schmidt**  
Director of Marketing and  
Communications



**Mark Thein**  
SBDC Regional Director



**Julie Herrera-Lemler**  
SBDC Program Manager



**Rick Indrelie**  
SBDC Consultant

# TOGETHER WE SEE A WAY TO BUILD A BRIGHTER FUTURE

**FOR OVER 65 YEARS**, Knutson Construction has been building strong relationships and making dreams a reality in Rochester and beyond. In that time, we've established meaningful partnerships and worked on numerous iconic projects that have shaped the landscape of downtown.

From innovative healthcare facilities to historic government spaces to best-in-class schools, we are dedicated to continuing to make our community a wonderful place to work, live, and play.

Let's build something incredible — together.

## 2024 RAEDI INVESTORS

504 Corporation  
A.B. Systems, Inc.  
Altra Federal Credit Union  
Associated Bank  
Beckley's Office Products  
Benike Construction  
The Boldt Company  
Bowman Tool & Machining, Inc.  
Bremer Bank  
Charter Communications  
City of Byron  
City of Chatfield  
City of Kasson  
City of Pine Island/EDA  
City of Plainview  
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.  
Eagle Rock Bank  
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  
The Hexum Companies  
HGA  
Home Federal Savings Bank  
Industrial Realty Group, LLC  
ISG, Inc.  
Jimmy's Salad Dressings and Dips  
Johnson Printing Company  
KIMT News 3  
Knutson Construction Services  
Kraus-Anderson Construction Company  
Kruse Lumber  
KTTC/Gray Television, Inc.  
Mayo Clinic  
Merchants Bank  
MetroNet  
Minnesota Energy Resources, Inc.  
North Risk Partners  
Olmsted County  
Olmsted Medical Center  
Pace International  
People's Energy Cooperative

Post Bulletin  
Premier Bank Minnesota  
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.  
Think Bank  
Titan Development & Investments  
U.S. Bank  
Vyriad  
Weis Builders, Inc.  
Wendland Utz  
West Bank  
WSB  
Xylo Technologies, Inc.



## DISCOVER THE EAGLE ROCK DIFFERENCE

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# RAEDI ECONOMIC DEVELOPMENT CENTER (EDC)

The Economic Development Center (EDC) is a one-stop center helping to increase access to business and startup services for entrepreneurs and small businesses. Partners include RAEDI, SBDC, Collider, Black Entrepreneurship Team, SAKAN, SCORE, and SE Minnesota Capital Fund.

SBDC	COLLIDER	RAEDI
<b>141</b> Attendees Participated in 8 SBDC Classes	<b>102</b> Hours of Educational Events	<b>40</b> Meetings & Events
<b>349</b> One-on-One Consultation Sessions	<b>396</b> Attendees	<b>600</b> People Attended <i>Includes EDC Grand Opening, RAVE 2022, RAEDI Board Meetings, small group meetings, EDC/FDIC Event, and individual meetings.</i>
<b>183</b> Served 93 BIPOC 34 Women	<b>48</b> Workshops, meetups, and other events	

2024 EDC SPONSORS	
	
	
	
	
	




## TARGETED GENETIC MEDICINES

### ABOUT US

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 CAR T-cell therapies and gene editing applications.

Phase 1-2 trials with our targeted oncolytic viruses, as monotherapies and in combination with immune-oncology drugs are underway in multiple cancer indications.

### PLATFORMS

- Vesicular Stomatitis Virus
- Measles Virus
- Lentivirus






Research & Development    Product Translation    GMP Manufacture    Clinical Trials Execution

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



## ECONOMIC DEVELOPMENT FUND (EDF)

The EDF, created because of the City of Rochester's 2012 half-cent sales tax reauthorization, invests up to \$250,000 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. RAEDI has begun working on EDF 2.0 after the passage of the renewal of the sales tax that passed from voter support at the polls in November 2023. The RAEDI board requested \$5 million of the \$50 million proposed, under the economic vitality fund, to replenish the EDF.



The Pneumeric Capnospot® improves treatment outcomes in patients affected by traumatic pneumothorax by providing visual, objective and real-time feedback about needle placement during decompression. They were approved for an EDF \$200,000 investment in March 2023.

### EDF STATS

**47**

total loans or  
investments since 2013

**54%**

have product sales

**\$3.45M**

invested since 2013

**190**

direct jobs created,  
121 in Rochester

**\$66,000+**

yearly salary per employee

**46%**

are women or minority led

**\$172M**

in funding raised by  
portfolio companies  
(53x EDF amount received)

**\$8.0M**

in yearly payroll paid by  
portfolio companies in  
Rochester

**114,470**

square feet of space  
occupied by companies  
in Rochester



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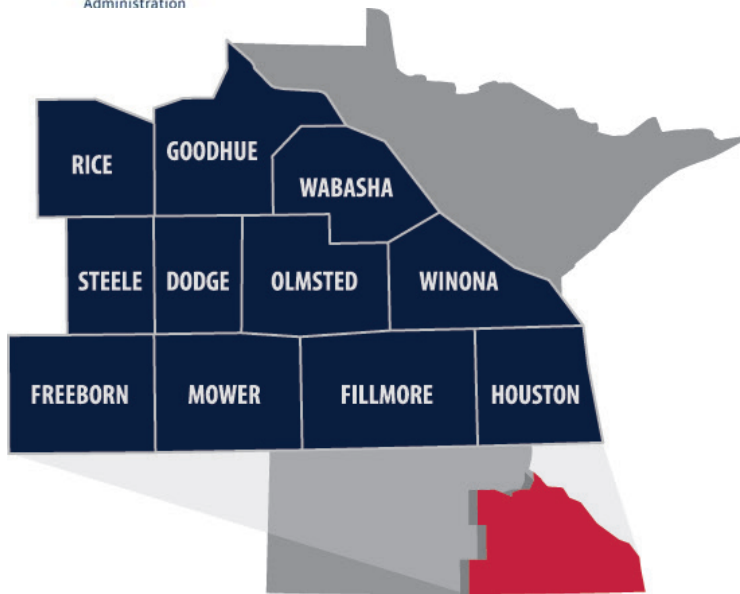
# SMALL BUSINESS DEVELOPMENT CENTER (SBDC)



The Small Business Development Center (SBDC), operated by RAEDI, offers confidential counseling, at no cost, to help businesses in southeast Minnesota identify, understand, and overcome the challenges of starting a business. SBDC's main office is in the Economic Development Center in Rochester, located on the sixth floor of the Minnesota BioBusiness Center.



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 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

- Alliance of Chicanos, Hispanics, and Latin Americans (ACHLA)
- Collider Foundation
- Development Center of Austin
- Faribault Chamber of Commerce and Tourism
- Owatonna Area Business Development Center
- Red Wing Ignite
- Southern Minnesota Initiative Foundation

	11-County Region 2023		Rochester 2023		Olmsted County 2023	
Commercial Equity Capital	<b>\$9,952,219</b>		<b>\$1,411,732</b>		<b>\$4,166,731</b>	
	Clients Served	Hours	Clients Served	Hours	Clients Served	Hours
White/Caucasian	79	577.25	118	671.5	155	952
Hispanic	54	266	17	106.5	18	107.5
Women	273	1773.5	37	257.5	41	273.5
Black African	84	449.75	54	310.25	56	313.5
Asian American	31	245.5	18	170.75	21	179.25
Veterans	24	104.5	6	18.75	8	49
Native American/Alaskan	8	30	2	9.5	2	9.5
Hawaiian/Pacific Islander	2	6.75				
<b>Totals</b>	<b>555</b>	<b>3453.25</b>	<b>252</b>	<b>1,544.75</b>	<b>301</b>	<b>1,884.25</b>

Source: Neoserra-SBDC Tracking System-January 2024.

## SBDC SERVICES

SBDC's team of professional consultants assist with:

- Business Plan Development
- Financial Analysis/Planning
- Cash Flow Management And Budgeting
- Operation Assessments
- Loan Packaging
- Tax Consulting
- Payroll/Accounting
- Marketing Plan Development
- Digital Marketing/Social Media
- Event Marketing
- Data Analytics
- Cyber Security
- Logo Development/Branding
- Customer Service Improvements
- General Startup Assistance
- Pitch Coaching
- Purchasing A Business
- Selling A Business/Exit Strategy
- Building/Property Purchases

*Thank you*

### SBDC Consultants

Wendy Anderson	Ayodeji Oyebola
Jamie Bjerke	Jose Pelaez
Tawonda Burks	Dariale Rodulfo Ruiz
Jan Degallier	Mehrdad Shabestari
Julie Herrera-Lemler	Gary Schott
Rick Indrelie	Juliana Silva
Nort Johnson	Kim Sin
Aaron Keenan	Eric Stone
Ben Koppel	Mark Thein
Matt Lessard	Randii Waddell
Eve Mayer	Sean Williams
Juan Molina	

## SBDC REGIONAL INVESTORS

504 Corporation	Merchants Bank
Altra Federal Credit Union	Peoples State Bank
Bremer Bank	Rice County
City of Preston	Think Bank
City of Red Wing — Port Authority	United Farmers State Bank
City of Rochester	West Bank
Coulee Bank	WNB Financial
First Alliance Credit Union	Southern MN Initiative Foundation
First Security Bank	Department of Employment and Economic Development
Foresight Bank	Former and Current SBDC Clients
Frandsen Bank & Trust	Rochester Community and Technical College
Home Federal Savings Bank	
Mayo Clinic	

## SBDC CLASSES

In 2023, SBDC staff offered free classes to individuals interested in starting a business as well as current small business owners.

### Classes included:

- Culturally Responsive Business Startup Workshop (series)
- Google Business Profile Workshop
- Personal and Business Credit Workshop
- Tax Seminar
- 10 Ways to Improve the Profitability of Your Business
- Lunch & Learn: Business Planning 101
- Setting & Adjusting Pricing
- How Do I Start a Business? (series)



# SOUTHEAST MINNESOTA CAPITAL FUND (SMCF)



The Southeast Minnesota Capital Fund provides equity capital to high growth seed and early stage Minnesota companies with a preference for those located in SE Minnesota.

## SMCF FUND I

Launched July 2017

**\$2M**

total capital

**56**

investors

**23**

investments in 14 companies since inception

## SMCF FUND II

Launched March 2022

**\$7M**

total capital

**94**

investors

**12**

investments since 2022

## PORTFOLIO OF COMPANIES



Devices for orthopedics



E-Commerce



Diagnostics



Healthcare IT



Devices for orthopedic compression



Biotech therapies for canines



Devices for cardiovascular procedures



Devices for fecal incontinence



Devices for breast reconstruction



Devices/diagnostics for concussion



Devices for carpal tunnel



Pharma/virotherapy for oncology



Healthcare IT for ER & ICU



Diagnostics for hypertension



Devices for GI/metabolic disease



Marketplace



Devices for Prosthetics



Devices for OB/GYN

## TABLE SPONSORS



# Deep Respect Proud Support

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



John Aho and Sasha  
Gentling



Kerry and Jane Kingsley



Mary Hartman and  
Charles Ellwood



Bowman Family

The 10th annual R.A.V.E. event was held on November 14, 2023. 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 John Aho and Sasha Gentling, co-founders of Pneumatic, Inc. in Rochester, Mary Hart, founder of StableFeed in Kasson, and Kerry and Jane Kingsley, co-founders of Kingsley Mercantile in Harmony. The Lifetime Achievement award went to Bill Bowman, owner of Bowman Tool & Machining in Rochester since 1977. The Warrior recognition was awarded to James Rogers, Chief Business Development Officer at Mayo Clinic, for his commitment to entrepreneurship and business development in the Rochester area.



James Rogers and John Wade



City of  
Kasson



### RAEDI Communities' Council

RAEDI has partnered with our investor communities to create a Communities' Council. Representatives from Byron, Chatfield, Kasson, Pine Island, Plainview, and Stewartville meet monthly to discuss economic development initiatives and strategies to help advance the growth of our area. Michele Peterson, City of Chatfield, was appointed to represent the council on the RAEDI board for 2024.

Examples of topics the council may address and potentially advance to the RAEDI board and/or formulate position statements in 2024 include: countywide abatement policies, affordable housing, county GO Bonding for economic development projects, state and local housing strategies, and regional comprehensive economic development policy (CEDS) engagement.



# 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.



Coming up on 10 years of the DMC initiative, DMC continues to build strong partnerships to create a vibrant downtown. Focusing on improving the downtown experience of residents and visitors: Peace Plaza and Heart of the City, Discovery Square, and Housing.



**DMC**  
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