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RAEDI
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2022 ANNUAL MEETING

A Look Back on 2021





Paving the way has its advantages.

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Flowing through our community is a collaborative spirit that brings innovation to life.
As we look to the future, we're honored to be on this journey together.

Learn more at businessdevelopment.mayoclinic.org.

Annual Meeting Agenda

Tuesday | February 22, 2022

- 11:30 a.m. Meet and Greet
- 11:45 a.m. Lunch
- 12:05 p.m. Welcome
John Wade, RAEDI President
- 12:10 p.m. Vivien Williams, Panelist Moderator
- 12:15 p.m. SE MN Capital Fund I & II Panel Discussion
David Herbert & LJ Johnson
- 12:30 p.m. Community Real Estate Fund Panel Discussion
Pat Regan, Brett Reese, Lori Bonin, John Beatty
- 1:00 p.m. Adjourn

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Panelists and Moderator Biographies



Vivien Williams, Moderator

Vivien Williams, host of the NewsMD podcast and column, "Health Fusion," is an award-winning health and medical reporter whose stories have run on TV, digital, and newspaper outlets nationwide. She is also a former news anchor for KTTC-TV. Vivien is passionate about boosting people's health and happiness by helping them access credible, reliable, and research-based health information from top experts.



Brett Reese, Community Real Estate Fund Panelist

Brett is a founder and managing partner of Rebound Partners. Long before Brett started the investment and management firm in 2008, he showed signs of his entrepreneurial spirit and developing business skill sets. At age 12, Brett took out his first loan at Castle Rock Bank to start a cow-calf operation. Today he continues to do business with the bank. Early on he worked in the restaurant industry as a busboy, dishwasher, cook, bartender and manager, eventually purchasing his first business and building, the "Rueb-N-Stein," at age 23 with his partners while also working as a CPA for Grant Thornton. After leaving Grant Thornton, Brett became a turnaround artist, helping businesses with management and financial issues. While turning around companies and positioning them for growth, he "dabbled" on the side investing in real estate and businesses that help make up the Rebound verticals today.



Lori Bonin, Community Real Estate Fund Panelist

Lori Bonin is president and general partner of REVocity. Her core roles include leading the operations and scale of creating community real estate funds. These funds are a form of impact investing, delivering both meaningful financial return for investors while generating economic benefits in local communities. Prior to joining REVocity, Lori owned her own consulting business providing executive leadership in a variety of industries. She started her career as a CPA at Ernst & Young (EY) then spent over 19 years at Target Corporation in a variety of senior leadership roles in finance, store facility operations, and property development.



Patrick O. Regan, Community Real Estate Fund Panelist

Patrick O. Regan is a 40-year business owner who has been an owner-operator of Minnesota Coaches, Inc. and affiliated school and charter bus companies since 1978, including Rochester Bus Service and Ready Bus Co. of La Crosse. Pat has been involved in the Rochester real estate market as a Director of Premier Bank Rochester since its inception in 1990. He became a shareholder in 2012, Chairman in 2018, and the majority shareholder of Premier Bank Rochester in 2020. Pat has been an active real estate investor in Rochester since 2005. Most recently, he and his family were involved in the purchase and redevelopment of the former Kmart and AMPI Milk Plant sites on the southeast Riverfront area across the Zumbro River from downtown.



David Herbert, SE MN Capital Fund Panelist

David Herbert is a co-founder, along with Harry Hoffman, of Southeast Minnesota Capital Partners, which provides fund management for Southeast Minnesota Capital Funds I and II. David previously served as SEMCF chair from 2017-2021. David retired from Mayo Clinic in 2015 after 21 years, which included leadership positions in Mayo Clinic Ventures, Mayo Clinic Laboratories and Mayo Clinic Global Business Solutions. He is head coach of the Rochester Nordic Ski Team, and also serves as treasurer and member of the board of directors of the Myotonic Dystrophy Foundation. David holds a BA from Stanford University and an MBA from the University of St. Thomas.



LJ Johnson, SE MN Capital Fund Panelist

Leigh J. Johnson (LJ) is Chair of the SE MN Capital Fund and founder of Custom Alarm/Custom Communications, Inc. in Rochester. Custom Alarm, which LJ started in 1968, is a family-owned, security-minded company with its own local monitoring response center specializing in fire alarm systems, intrusion, video surveillance, home automation, and access control for both residential and commercial owners. LJ has served on various boards locally, regionally, and nationally. He graduated from St. Cloud State University where he was recognized in 2005 with the G.R. Herberger College of Business Leadership Award.

Message from RAEDI President

John Wade

Thank you for your continued support and investment in RAEDI. We have made incredible progress in 2021, and your investment is crucial to ensuring our shared success as we continue to grow and strengthen our area economy.

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

- Finalized RAEDI's Strategic Plan.
- Administered the Olmsted County/State of Minnesota Small Business Relief Grant Program and the Rochester Innovation Grant Program, totaling almost \$7M in grants to local small businesses over the course of the pandemic.
- Facilitated a deal with the City of Rochester, the State of Minnesota, RPU and Crenlo Cab Products to keep the manufacturer located in Rochester.
- Approved five Rochester Economic Development Fund (EDF) investments – Nanodropper, FlowSigma, Crenlo Cab Products, InControl Health, and Nested Knowledge.
- Became a certified lender for the Emerging Entrepreneur Loan Program for the State of Minnesota and DEED.
- Supported entrepreneurial activities by:
 - partnering with Collider Foundation to host their coworking for startups at the Mayo Clinic Business Accelerator;
 - co-sponsoring the Women's Entrepreneur Forum (WE Forum);
 - co-sponsoring Collider Foundation's food and women entrepreneur peer groups;
 - Continuing as an E1 (Entrepreneurs First) regional partner;
 - Hosting the 8th Annual R.A.V.E. (Recognizing Awarding Valuing Entrepreneurs) Event, honoring local businesses and those who support them.
- Hired Director of Economic Development Kirk Bustrom to direct, oversee, and implement strategic planning and programs that foster business partnerships, business retention and expansion, workforce development, and company and talent attraction to the Rochester area.
- Developed a Rochester Area Community Real Estate Fund with REVocity, a division of Rebound Partners, to be initiated in 2022.
- Developed and sponsored Southeast Minnesota Capital Fund II, to be initiated in 2022.
- Continued to strengthen partnerships with Olmsted County; the cities of Byron, Chatfield, Pine Island, Rochester, and Stewartville; DMC; Collider Foundation; and Rochester Small Business Development Center (SBDC).

As you can see, RAEDI continues to provide 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 Team



John Wade
President



Tonya Bernard
Business Manager



Kirk Bustrom
Director of Economic
Development



Molly Schmidt
Director of Marketing &
Communications



Sean Williams
Director of Entrepreneurial
Services

2022 Board of Directors



Adam Benike, Chair
Benike Construction



**Melissa Brinkman,
Vice Chair**
Custom Alarm



**Jarett Jones,
Secretary/Treasurer**
Merchants Bank



John Beatty, Past Chair
Dunlap & Seeger, P.A.



Jim Bier
Olmsted County



Ken Brown
Olmsted County



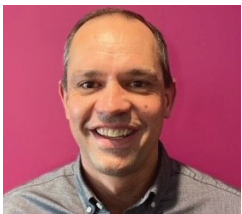
Nick Campion
City of Rochester



Brooke Carlson
City of Rochester



Ed Chestolowski
RSM US LLP



Chad DeCook
Think Bank



Norm Doty
Express Employment Professionals



Bruce Gudlin
U.S. Bank



Mark Hayford
North Risk Partners



Elizabeth Howard
City of Pine Island/EDA



Mark Kotschevar
Rochester Public Utilities



Darrel Leonard
Minnesota Energy Resources, Inc.



Larry McGraw
Home Federal Savings Bank



Janna Monosmith
City of Byron



Mayor Kim Norton
City of Rochester



Michelle Pyfferoen
Rochester Community and
Technical College



John Reed
Rochester International Airport



Dianna Robinson
Associated Bank



James A. Rogers III
Mayo Clinic



Patrick Seeb
Destination Medical Center



Erin Sexton
Mayo Clinic



Joya Stetson
City of Stewartville



Joel Young
City of Chatfield

2022 RAEDI Investors

504 Corporation
A.B. Systems, Inc.
Altra Federal Credit Union
Associated Bank
Benike Construction
Bremer Bank
City of Byron
City of Chatfield
City of Pine Island/EDA
City of Rochester
City of Stewartville
Construction Partnership, Inc.
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.
Johnson Printing Company
KIMT News 3
Knutson Construction Services
Kraus-Anderson Construction
Company
Kruse Lumber
Mayo Clinic
Merchants Bank
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
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
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Southeast Minnesota
REALTORS
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Economic Development Fund

Activity in 2021

What is the Rochester 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.

The EDF Committee and RAEDI Board of Directors recommended funding for five companies that were approved by the Rochester City Council in 2021, including Crenlo Cab Products.



FlowSIGMA
A leading vendor of Intelligent Process Automation and Workflow Orchestration software solutions and professional services for medical imaging specialties. Approved for \$100,000 investment in March 2021.



InControl Health
Developed a portable scalp cooling system to treat chemotherapy-induced hair loss (alopecia). Approved for \$100,000 investment in December 2021.



Nanodropper
Developed a patented adapter that reduces eyedrop size which in turn reduces cost, increase access, and promotes eye health. They received a \$125,000 EDF investment in March 2021.



Nested Knowledge
Searches, organizes, and interprets published clinical outcomes literature, required by law for pharmaceutical and medical device companies before marketing their products. Approved for \$100,000 investment in December 2021.

EDF Stats



Crenlo Cab Products to Stay in Rochester

The City of Rochester, the State of Minnesota, Rochester Public Utilities, and RAEDI put together a financial package in April 2021 to help Crenlo remain in Rochester for five years. The offer included:

\$1.25M Incentive Package

\$100,000

from City of Rochester

\$200,000

from EDF Fund

\$450,000

from Minnesota Investment Fund

\$500,000

in utility rate incentives from RPU

In return, Crenlo must:

\$4.2M

investment in repair & upgrades

336 Jobs

maintained for at least 5 years

12 New Jobs

created in 2 years

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Rochester Innovation Grant Program

RAEDI awarded \$209,000 in grants in 2021 to local businesses in Rochester adversely impacted by the COVID-19 pandemic. The Rochester Innovation Grant Program (RIGP) provided grants of up to \$5,000 to small businesses innovating their business model, approach, or services in response to the pandemic during 2021. RAEDI oversaw the new program for the City of Rochester to fund innovative projects undertaken after July 1, 2021.

Grant priority was given to historically underserved businesses (women-, military veteran-, and ethnic or racial minority-owned businesses). Any for-profit small business started before July 1, 2021, was eligible, as were home-based businesses.

\$209,000
in Grants

46
grants awarded

57%
women-owned
businesses

37%
racial or ethnic
minority owned
businesses

2%
veteran-owned
businesses

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Olmsted County/State of Minnesota Grant Program

In January 2021, the Olmsted County Board of Commissioners contracted with RAEDI to allocate a total of \$2.881M in economic relief funds to small businesses and food/beverage-serving businesses affected by COVID-19 as part of the State of Minnesota County Relief Funding Program. A total of 169 small businesses met the eligibility criteria and were chosen as grant recipients.

Of the businesses receiving awards:

74

restaurants, bars, or other
places of public
accommodation

10

gyms, fitness centers,
or other indoor or outdoor
exercise facilities

2

outdoor events or
entertainment venues
(non-drive-in)

Additionally, of
these businesses

8

veteran-owned (5%)

44

women-owned (26%)

12

indoor event companies or
entertainment venues

4

organized sports
(adult and youth)

67

classified as "other"

51

minority-owned (30%)

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AS YOUR BUSINESS SCALES,
YOUR BUILDING NEEDS MAY CHANGE.

*We collaborate with our clients to coordinate goals, budget
and schedule to make sure your business doesn't miss a beat.*

TOGETHER WE MAKE DREAMS REAL



RAEDI to Serve as Olmsted County's Redevelopment Consultant on Seneca Property

In January 2022, the Olmsted County Board of Commissioners signed an agreement to have RAEDI serve as the county's redevelopment consultant with respect to the Seneca Property owned by the county.

RAEDI is partnering with the county to develop and execute a Statement of Interest (SOI) process to solicit development proposals and evaluate the highest and best use, with RAEDI providing expertise and capacity to the county.

"This agreement combines our organizational strengths to advance a significant development opportunity. We look forward to working with Olmsted County to make that happen," said RAEDI President John Wade.

"We want to ensure the development proposals for this property serve the needs of our community," said Olmsted County Deputy

Administrator Pete Giesen. "RAEDI has the expertise to perform the necessary tasks needed by the county to serve as a redevelopment consultant."

The SOI process will begin in March 2022 and be completed in July 2022.



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Table Sponsors



Southeast Minnesota Capital Fund (SEMCF)

\$2M
fund

56
investors

300+
investments
considered

19
investments in 13
companies since
fund inception,
totaling \$1.73
million invested as
of the end of 2021

\$1.6M
current portfolio
investment value



The Southeast Minnesota Capital Fund is a regional angel investment fund created in 2017 by RAEDI that provides financial support to the growing number of startups in the region.

In 2021, SEMCF made five investments:

Two new investments:



Pear has developed software to provide the benefits of e-commerce digital marketing to consumer product brands that don't have e-commerce and only sell through retailers.



Phenomix has developed tests and analytics based on Mayo Clinic technology to help improve treatment of obesity.

Three follow-on investments in companies already in our portfolio:



Omnia Fishing, Inc.
Omnia Fishing, Inc. has created an ecommerce site which uses lake-specific information to tell you what type of tackle to use to catch different types of fish in your lake of interest.



Endogenex, Inc.
Based on technology licensed from Mayo Clinic, Endogenex has developed a novel endoscopic procedure for the treatment of type 2 diabetes.



Marani Health, Inc.
Based on technology licensed from Mayo Clinic, Marani has developed a suite of remote offerings, including a wearable fetal and maternal heart rate monitor, to improve the experience & outcomes of mothers & their babies.

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Emerging Entrepreneur Loan Program

In July 2021, RAEDI became a certified lender for the Minnesota Emerging Entrepreneur Loan Program (EELP).

To qualify for an EELP loan, businesses must be based in Minnesota and owned and operated by one or more Minnesota residents who are BIPOC, low-income persons, women, veterans, and/or persons with disabilities. The program finances a variety of start-up and

expansion costs, including normal expenses such as machinery and equipment, inventory, and receivables, working capital, new construction, renovation, and site acquisition.

Businesses eligible for loans include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries.

\$5,000 to \$150,000

EELP loans can range from a minimum of \$5,000 to a maximum of \$150,000 per project.

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Proud to support
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Economic Development



For more than 129 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.



Supporting Entrepreneurship

8th Annual R.A.V.E. (Recognizing Awarding Valuing Entrepreneurs)

The R.A.V.E. event is an opportunity every fall to recognize those building the entrepreneurial ecosystem and celebrate the individuals and organizations supporting entrepreneurs through programming, funding, and other support.



In 2021, the Entrepreneur Awards went to Busy Baby of Oronoco, EZ Fabricating of Chatfield, and Shrapa of Rochester. The Lifetime Achievement Award was presented to the Tom Slightam Family of Jimmy's Salad Dressings & Dips for their long-term business success. The Warrior Award, which recognizes a person or persons' contributions to advocate, promote and support area entrepreneurs, went to three individuals from the Collider's Ecosystem Navigator Program. These individuals worked to identify current or aspiring females, Black, and Latinx entrepreneurs and actively listened to their needs. The Navigators then rapidly connected entrepreneurs to business resources to overcome a barrier these individuals were facing. The winners of the 2021 Warrior Award went to Kristopher Derwin Loving, Sr., Julio Molina, and Sara-Louise Henry.

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