



Stronger Together: Investing in our Future

2024 Annual Report



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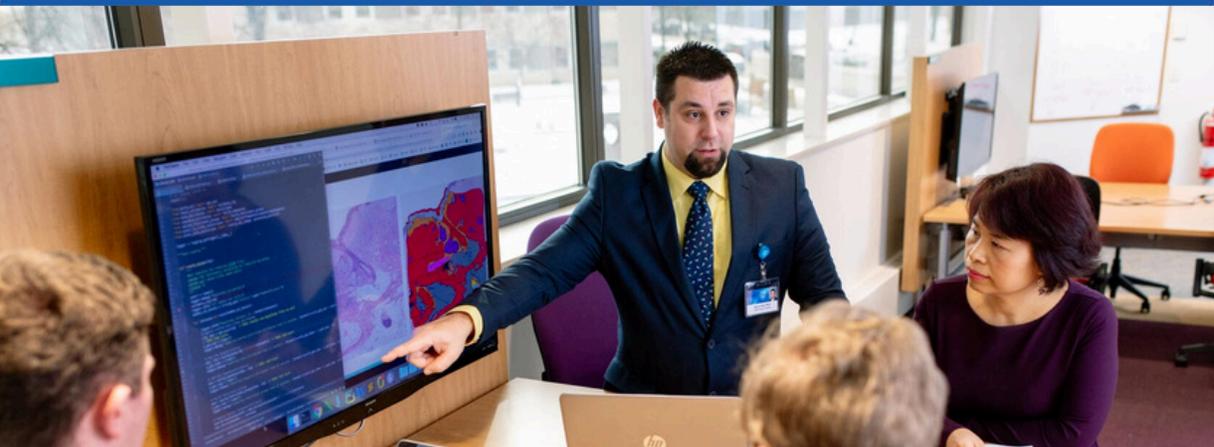
www.raedi.com





Supporting bold ideas
and igniting innovation to
shape a brighter future together.

By investing in people and possibilities, we empower communities to grow and drive meaningful change.



AGENDA

MARCH 10, 2025

- 11:30 AM** Meet and Greet
- 11:45 AM** Lunch is served
- 12:05 PM** Welcome Remarks, John Wade, President
- 12:15 PM** Dianna Robinson, RAEDI Board Chair
- 12:20 PM** RAEDI Video
- 12:25 PM** **Introduction of Keynote Speaker Tim Penny,**
Southern Minnesota Initiative Foundation
- 12:55 PM** Questions
- 1:00 PM** Adjourn



Tim Penny, Southern Minnesota Initiative Foundation President/CEO

Tim Penny joined Southern Minnesota Initiative Foundation as President/CEO in April 2007. Tim's extensive background complements many of the Foundation's key interests, including the areas of early childhood development and economic development. Tim represented Minnesota's First Congressional District in the U.S. House of Representatives from 1982 - 1994. Previously, he was a member of the Minnesota State Senate from 1976-1982. Most recently, he was a Senior Counselor at Himle Horner, a Twin Cities-based public affairs firm, and a senior fellow at the Humphrey Institute. Tim is co-chair of the Economic Club of Minnesota, and co-chair of The Committee for a Responsible Federal Budget. Tim has co-authored three books: Common Cents; The 15 Biggest Lies in Politics; and Payment Due. Born and raised on a family farm in southeastern Minnesota, Tim received his B.A. in political science from Winona State University.

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.

[Learn more at AssociatedBank.com](https://www.associatedbank.com)



Deposit and loan products are offered by Associated Bank, N.A., and are subject to credit approval and involve interest and other costs. Please ask about details on fees and terms and conditions of these products. Property insurance and flood insurance, if applicable, will be required on collateral.

Associated Bank, N.A. Member FDIC.

Investment, Securities and Insurance Products:

NOT FDIC INSURED	NOT BANK GUARANTEED	MAY LOSE VALUE	NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	NOT A DEPOSIT
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Associated Bank and Associated Bank Private Wealth are marketing names AB-C uses for products and services offered by its affiliates. Securities and investment advisory services are offered by Associated Investment Services, Inc. (AIS), member FINRA/SIPC; insurance products are offered by licensed agents of AIS; deposit and loan products and services are offered through Associated Bank, N.A. (ABNA); investment management, fiduciary, administrative and planning services are offered through Associated Trust Company, N.A. (ATC); and Kellogg Asset Management, LLC* (KAM) provides investment management services to AB-C affiliates. AIS, ABNA, ATC, and KAM are all direct or indirect, wholly-owned subsidiaries of AB-C. AB-C and its affiliates do not provide tax, legal or accounting advice. Please consult with your advisors regarding your individual situation. (2/23) P08087





PRESIDENT'S MESSAGE

Thank you RAEDI Investors for your ongoing support and belief in our mission. In 2024, with your partnership, we made progress in core economic development, entrepreneurial support, and securing financing to support business expansion.

Core Economic Development

- **Area Community Leadership:** RAEDI has created a Communities' Council to highlight the development opportunities in our area. This council is represented by the communities of Byron, Chatfield, Kasson, Oronoco, Pine Island, and Stewartville. Focus areas include core economic development, housing, and infrastructure.
- **Economic Growth Initiatives:** RAEDI staff handled a wide range of site location and expansion inquiries covering industrial, housing, commercial, and technology developments, including projects like solar energy, medtech, affordable housing, and logistics distribution. Additionally, RAEDI supported regional economic development through efforts such as real estate assessments, community planning, and policy engagement, collaborating with local governments, developers, and national organizations to drive growth and innovation in the region.
- **Industrial Development:** RAEDI, along with its private and public partners, have been working to identify shovel-ready industrial sites to meet the needs of growing businesses and boost our region's development.

Entrepreneurial Support

- **RAEDI Economic Development Center (EDC):** After two years, the EDC continues to be a vital resource for entrepreneurs offering a full range of business start-up support services and helping streamline the process for business owners.
- **Mayo Clinic Business Innovation:** RAEDI, in collaboration with Mayo Clinic and DMC, are working together to support and empower innovators. This evolving initiative may offer comprehensive resources, including administrative, back-office, and financial support to help drive their success.
- **Small Business Development Center (SBDC):** The SBDC worked with 623 clients helping them secure more than \$44 million in capital and supporting 1,242 jobs. Services were offered in six languages making this a truly inclusive initiative that supports our region's diversity.
- **11th Annual R.A.V.E.(Recognizing Awarding Valuing Entrepreneurs) Event:** In November, RAEDI celebrated, recognized, and honored the achievements of startups who contributed to the area's business ecosystem including emerging companies, long-term businesses, and those who advocate and support startups.

Financing to Support Business Expansion

- **Economic Development Fund (EDF):** This year, the EDF awarded \$150,000 in loans for business development, generating an impressive community return of \$53 for every dollar invested.
- **Southeast Minnesota Capital Fund II and its Special Purpose Vehicles:** Since its launch in 2022, SMCF II has made 25 investments across 14 companies through the fund and its Special Purpose Vehicles, including 12 investments in 2024 totaling \$6.3 million. This fund is helping local businesses grow and keeping innovation thriving right here in our community.

All of this is thanks to you, and as we move forward, we know that with your continued partnership, the future is even brighter.

John Wade, RAEDI President

RAEDI 2025 BOARD OF DIRECTORS



Dianna Robinson
Chair
ASSOCIATED BANK



Erin Sexton
Vice Chair
MAYO CLINIC



Michelle Pyfferoen
Secretary/Treasurer
ROCHESTER COMMUNITY &
TECHNICAL COLLEGE



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Adam Benike
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Chad DeCook
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OLMSTED COUNTY



Bruce Gudlin
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Mike Henke
PEOPLE'S ENERGY COOPERATIVE



Julie Henry
MAYO CLINIC



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ROCHESTER PUBLIC UTILITIES



Michele Peterson
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REALTY GROWTH, INC.



Dharani Ramamoorthy
XYLO TECHNOLOGIES



John Reed
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INTERNATIONAL AIRPORT



Patrick Seeb
DESTINATION MEDICAL
CENTER



Sam Slightam
JIMMY'S SALAD
DRESSINGS & DIPS



Alison Zelms
CITY OF ROCHESTER

RAEDI STAFF



John Wade
President



Tonya Bernard
Director,
Business Operations



Kirk Buström
Director,
Economic Development



Molly Schmidt
Director,
Marketing &
Communications



Mark Thein
SBDC
Regional Director



Julie Herrera-Lemler
SBDC
Program Manager



Rick Indrelie
SBDC
Consultant

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 since expanded our footprint to include St. Cloud, Owatonna, and Mankato.



RAEDI INVESTORS

- 504 Corporation
- A.B. Systems, Inc.
- Alerus
- Altra Federal Credit Union
- Associated Bank
- Beckley's Office Products
- Benike Construction
- The Boldt Company
- Bowman Tool & Machining, Inc.
- Bremer Bank
- City of Byron
- City of Chatfield
- City of Kasson
- City of Oronoco
- City of Pine Island
- City of Rochester
- City of Stewartville
- Coulee Bank
- 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 Security Bank-Byron
- Fredrikson & Byron, P.A.
- Hamilton Real Estate, Inc.
- Hawkins Ash CPAs, LLC
- Heartman Insurance
- HGA
- Industrial Realty Group dba Rochester Technology Campus
- ISG, Inc.
- Jimmy's Salad Dressings & Dips
- Johnson Printing - A Range Company
- Knutson Construction
- Kraus-Anderson Construction Company
- KTTC/Gray Television, Inc.
- Mayo Clinic
- MBT Bank
- Merchants Bank
- MetroNet
- Minnesota Energy Resources, Inc.
- North Risk Partners
- Olmsted County
- Olmsted Medical Center
- Pace International
- People's Energy Cooperative
- Post Bulletin/Forum Communications
- Premier Bank Minnesota
- Ready Mix Concrete Company, LLC
- Realty Growth, Inc.
- Rebound Partners
- Rion
- R.L. Hexum and Associates Real Estate
- Rochester Area Builders, Inc.
- Rochester Area Chamber of Commerce
- Rochester Community and Technical College
- Rochester International Airport
- Rochester Public Utilities
- Rochester Sand & Gravel Div. of Mathy Construction
- Root River State Bank-Chatfield
- RSM US LLP
- RSP Architects
- Smith Schafer & Associates
- Southeast Minnesota REALTORS
- Support Unlimited, Inc.
- Think Bank
- U.S. Bank
- Vyriad
- Weis Builders, Inc.
- Wendland Utz
- West Bank
- Xylo Technologies, Inc.



Local people.
Local impact.
Local decisions.

Working together.

From “the big idea” to “can you believe how far we’ve come”—we’re here to help you grow your business and reach your goals. Our business advisors are almost as passionate about your business as you are!

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BANK

thinkbank.com

Meet your money.

Member FDIC

CREATING JOBS EXPANDING BUSINESSES DRIVING INNOVATION

Additionally RAEDI supports economic development efforts and initiatives throughout the region in various ways. A sampling of additional work in 2024 supporting regional economic development efforts is as follows:



Real Estate & Inventory

- Real Estate inventory assessment with Rochester International Airport & City of Rochester
- Engaging regional communities on suitable real estate inventory
- GIS database for shovel-ready sites
- City of Rochester industrial land inventory dialogue and assessment



Technology & Infrastructure

- Development tracking and CRM assessment
- GIS platform integration, regional data tool, and web dashboard planning
- MN DEED site locator platform rollout and integration
- Olmsted County utility-scale renewable energy assessment



Community & Regional Development

- Olmsted County master plan development for Energy Park
- Regional Comprehensive Economic Development Strategy (CEDS) update engagement
- Potential Regional Development Organization (RDO) and Economic Development District designation
- Regional "clean labs" development
- Mayo Clinic "Bold, Forward, Unbound" expansion Economic Impact Analysis (EIA)



Government & Policy Engagement

- Engagement with Federal Economic Development Administration (EDA)
- Coordination on remaining community sales tax allocation balances
- Olmsted County abatement policy LOS and County Board committee engagement
- Economic Development framework dialogue with the City of Rochester
- Engagement with regional bank investors on Community Reinvestment Act (CRA) compliance
- Partnership proposal for expanded rural regional development



Commercial Development & Housing Initiatives

- Regional digital series with KTTC
- Commercial Real Estate Summit in Rochester
- Engagement with national housing developer
- SEMN Together Housing Bus Tour

CREATING JOBS EXPANDING BUSINESSES DRIVING INNOVATION

Each year RAEDI staff respond to a myriad of inquiries relating to site location, real estate availability and site selection requests for information (RFI's).

In 2024 RAEDI staff explored real estate site location and expansion inquiries for the following types of development projects:



Site Location & Expansion Request for Information (RFIs):

- Industrial enterprise site location
- Childcare enterprise site location
- Medtech info tech enterprise development
- International solar & energy storage site location (Rochester)
- Light manufacturing regional site location
- Solar panel manufacturing regional site location
- International Medtech expansion with Mayo Clinic
- Aviation expansion (Rochester)
- Biomedical enterprise expansion (Stewartville, Rochester)
- Auto body expansion (Rochester)
- Crypto mining regional site location
- Medtech light manufacturing regional expansion consideration
- Light manufacturing in Rochester (International)



Housing & Lodging Developments

- Affordable housing development supported by Rochester Area Housing Coalition
- Assisted housing development (Rochester)
- Assisted care housing (Rochester)
- Lodging developments (Various area communities)



Manufacturing & Technology

- Cold storage expansion (Rochester)
- Panelized building manufacturer (Rochester)
- E-Bike manufacturer (regional)
- Construction fleet automation/monitoring technology (Rochester)
- Logistics distribution (Rochester area)
- Renewable energy storage project (Olmsted County)
- Biotech (Rochester)
- Bio industrial manufacturing innovation campus



SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

The Small Business Development Center (SBDC), hosted 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 assisting the organization in covering 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.

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



11-County Region 2024

Olmsted County 2024

Rochester 2024

Commercial Equity Capital

\$44,404,200

\$9,560,200

\$4,011,000

	Eleven County Clients Served	Olmsted County Clients Served	Rochester Clients Served
Consulting Hours	3,745	1,711	1,396
Women Served	313	57	50
Minorities Served	192	117	111
Veterans Served	22	11	7
Disabled Served	54	35	24
Languages Spoken	6	6	6
Jobs Supported	1,242	110	104
Business Starts	32	11	8
Educational Hours	640	327	327
Educational Events	32	10	10
Individuals Trained	263	97	92
Hours Outreach	122	104	104
Student Engagement	125	31	31



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 y Customer Service Improvements
- General Startup Assistance
- Pitch Coaching
- Purchasing A Business
- Selling A Business/ Exit Strategy
- Building/Property Purchases

SBDC REGIONAL INVESTORS

- 504 Corporation
- Altra Federal Credit Union
- City of Rochester
- Coulee Bank
- F & M Community Bank
- First Security Bank
- Foresight Bank
- Frandsen Bank & Trust
- Goodhue County
- Mayo Clinic
- MBT Bank
- Merchants Bank
- Minnesota Department of Employment & Economic Development
- Peoples State Bank
- RAEDI
- Rice County
- Southern Minnesota Municipal Power Agency
- Southern Minnesota Initiative Foundation
- Think Bank
- United Prairie Bank

Thank you

SBDC CONSULTANTS

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

SBDC CLASSES

In 2024, SBDC staff offered free classes to individuals interested in starting a business as well as current small business owners.

CLASSES INCLUDED:

- Sessions 1 & 2: How to Start a Business from Scratch (Spanish)
- Financial Literacy (Spanish)
- Find Your First Customers & Sell Without Being Salesy (Spanish)
- Sessions 1-4: I'm in Business, Now What?
- Boots to Business Report

EDF FUND

Economic Development Fund (EDF)

The EDF, created in 2012 from the City of Rochester's half-cent sales tax reauthorization and administered by RAEDI, 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 been working on EDF 2.0 after the passage of the renewal of the sales tax that passed from voter support in November 2023.

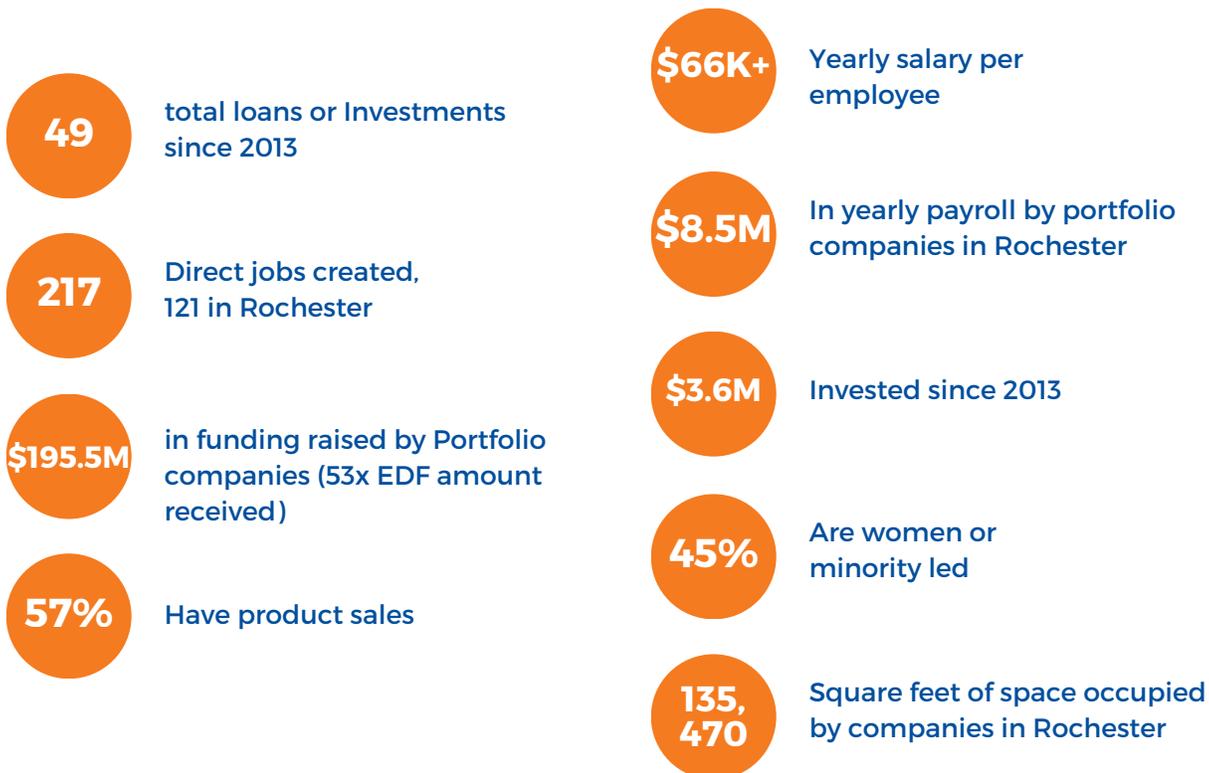


Pneumeric Capnospot was approved for a \$50,000 loan in the Spring of 2024 to be used for sales and marketing efforts to further enhance their market presence and accelerate growth.

The company improves treatment outcomes in patients affected by traumatic pneumothorax by providing visual, objective, and real-time feedback about needle placement during decompression.

Cytotherapy was approved in September 2024 for a \$100,000 loan to be used for capital improvements and research and development.

Cytotherapy is a pre-clinical biotechnology company focused on the production of a consistent, high-quality source of human hepatocytes (liver cells), utilizing proprietary technology developed by the Mayo Clinic, to address liver failure.



SOUTHEAST MINNESOTA CAPITAL FUND

SOUTHEAST MINNESOTA CAPITAL FUND (SMCF)



The Southeast Minnesota Capital Fund (SMCF) provides equity capital to high growth seed and early-stage Minnesota companies with a preference for those located in Southeast Minnesota")

SMCF FUND I

Launched July 2017

\$2M
total capital

56
investors

24
investments in
14 companies

SMCF FUND I

Launched July 2022

\$7M
total capital

94
investors

20
investments in
14 companies

SPECIAL PURPOSE VEHICLES

Launched in 2024

\$4.5M
total capital

5
investments in
5 companies

TOTAL

\$13.5M

TOTAL CAPITAL

49

INVESTMENTS IN 19 COMPANIES

In 2024, SMCF II and its Special Purpose Vehicles made 7 investments totaling \$6.3 million.

PORTFOLIO OF COMPANIES



COMMUNITIES COUNCIL



City of Oronoco



Communities Council

The purpose for the RAEDI Communities Council is to guide, assist and support economic development strategies, initiatives and projects that grow and diversify the greater Rochester area economy, including but not limited to;

- Partnering to increase our skilled workforce
- Assist with job and tax base creation
- Create capital investments

Communities that make up the Council include: cities of Byron, Chatfield, Kasson, Oronoco, Pine Island, and Stewartville. In 2024, the Communities Council undertook the following key strategies and initiatives:

- Regional communities housing roundtable forum in Byron
- Regional buildable housing inventory for rural communities
- Olmsted County abatement policy engagement
- Comparative city development fees analysis

TABLE SPONSORS



ENTREPRENEUR EVENT

R.A.V.E. (RECOGNIZING AWARDING VALUING ENTREPRENEURS)

The 11th Annual R.A.V.E. Event took place on November 7, 2024, celebrating the achievements of local entrepreneurs. A total of five awards were presented: three in the entrepreneurial category, one for Lifetime Achievement, and one Warrior Award. This event serves as a platform to honor those who are shaping the entrepreneurial landscape and to highlight the success of long-standing businesses.



The entrepreneurial category winners included Dr. Atta Behfar and Dr. Andre Terzic, co-founders of RION in Rochester; Michelle Hamilton, founder and owner of Dandelion Naturals in Hayfield; and Francisco and Maria Lopez, co-founders and owners of Lopez and Son Construction, as well as co-owners of La Michoacana Purépecha Ice Cream Shop in Rochester.

The Lifetime Achievement Award was presented to the Benike family of Benike Construction, in recognition of 87 years of excellence since the company's founding by Alvin E. Benike.

The Warrior Award was given to Bucky Beeman for his unwavering advocacy and efforts in promoting the Digital Market Update series, which highlights emerging businesses in the Rochester area.



Collaborations with:

REGENERON



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 gene therapies and gene editing applications.

Rapid translational development of our in-vivo CAR-T platform is underway alongside phase 1-2 trials of our oncolytic viruses in multiple cancer indications



Research & Development

Product Translation

GMP Manufacture

Clinical Trials Execution

PLATFORMS



Vesicular Stomatitis Virus



Measles Virus



Lentivirus

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Partners located in the EDC



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WE OFFER A ONE-STOP SHOP FOR ALL YOUR **STARTUP AND SMALL BUSINESS NEEDS UNDER ONE ROOF!**

Our team of **experienced professionals** is here to help you every step of the way.

Join us for a **FREE consultation** and discover how we can **help you launch and grow your business!**

✓ What we offer:

- Assist early-stage entrepreneurs with support, education and co-working space
- Business planning and strategy
- Marketing and branding support
- Financial guidance and funding resources
- Networking opportunities
- Workshops and training sessions

TOGETHER, LET'S TURN YOUR VISION INTO A THRIVING REALITY!

Get in touch:

📞 507-738-1002 🌐 raedi.com

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Sixth Floor of the Minnesota BioBusiness Center

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