

WHY SOUTHEAST *Minnesota*

A GREAT PLACE TO LIVE, WORK AND DO BUSINESS



Why Southeast Minnesota?

Southeast Minnesota is the state's health care and agricultural powerhouse. Home to renowned institutions such as Mayo Clinic and some of the country's top-rated colleges, the region is a leader in innovation. Companies such as Hormel Foods, Malt-O-Meal, and Cargill process Minnesota's agricultural bounty for sale around the world. Vibrant cities and towns offer competitive advantages to a variety of industries, from high tech in Winona to med tech in Rochester, glass manufacturing in Owatonna to food processing in Faribault. With a highly educated workforce, convenient access to the Twin Cities market, and excellent quality of life, Southeast Minnesota is an ideal place to do business.

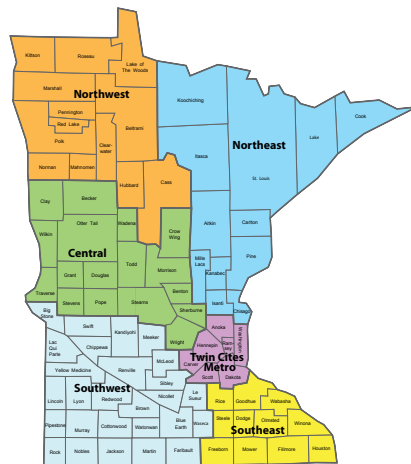
Workforce

Southeast Minnesota is home to a hard-working, educated workforce with wages below the national average in most industries.

- Minnesota has the second highest labor force participation rate in the country – testament to the dedication of our workers.
- More than 28 percent of the population in Southeast Minnesota has a bachelor's degree or higher, according to the latest numbers from the Census Bureau.
- Median hourly wages in Southeast Minnesota are lower than the national median by a factor of more than 9 percent. Wages in certain key sectors are even more competitive, making the region a cost-effective location.

Southeast Minnesota Demographic Profile

- Population, 2011: 992,926
- Working age population, 2011 (18-64 years): 609,657
- Median hourly wage for all employees: \$16.82 (Compared to \$16.91 nationally)
- Unemployment rate, December 2012: 4.9%



MINNESOTA BUSINESS COMMUNITY DEVELOPMENT REGIONS

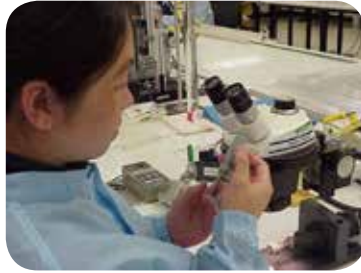
Workforce in Southeast Minnesota

Occupation	Southeast MN	U.S. Median Wage	% Difference Median Wage
Total, All Occupations	\$16.82	\$16.91	-0.5%
Web Developers	\$26.65	\$30.46	-12.5%
Electrical & Electronic Equipment Assemblers	\$12.22	\$14.03	-12.9%
Mechanical Drafters	\$20.98	\$24.54	-14.5%
Industrial Engineering Technicians	\$20.33	\$24.84	-18.2%
Electronics Engineers	\$34.67	\$44.74	-22.5%
Computer Occupations	\$29.84	\$39.54	-24.5%
Rolling Machine Setters, Operators & Tenders	\$13.53	\$18.22	-25.7%
Computer Systems Analysts	\$28.05	\$38.83	-27.8%
Engineering Technicians	\$19.09	\$28.97	-34.1%

Source: MN DEED, Occupational Employment Statistics, May 2013

Manufacturing

Southeast Minnesota is a hotbed of manufacturing sectors both historic and cutting edge.



- Manufacturing is the second largest industry in the region, employing nearly 37,000 workers in 2012.
- Heritage companies such as Red Wing Shoe Company and Faribault Woolen Mills continue to manufacture quality consumer products in Minnesota as they have for well over 100 years.
- Advanced manufacturing makes up a considerable share of total industry employment in the region. Machinery, chemicals, electronics and glass manufacturing are especially prominent.

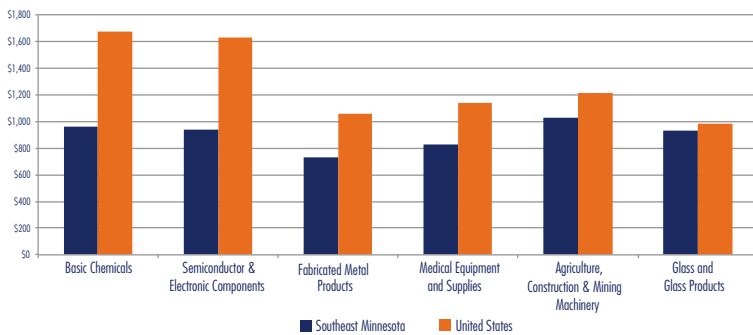
Southeast Minnesota Manufacturing Employment by Sector, 2012

Industry	Employment	Location Quotient*	Prominent Firms
Grain and Oilseed Milling	1,511	14.19	ADM, Malt-O-Meal
Glass and Glass Product Manufacturing	1,455	10.27	Viracon, Cardinal
Animal Slaughtering and Processing	4,685	5.55	Hormel, Cargill, Jennie-O
Other Textile Product Mills	606	5.32	Miller Waste Mills
Dairy Product Manufacturing	1,205	5.11	Faribault Dairy, Pace Dairy Foods
Fruit and Vegetable Preserving and Specialty Food Manufacturing	1,518	5.00	Seneca Foods, Sno-Pac
HVAC and Commercial Refrigeration Equipment Manufacturing	957	4.23	Daikin McQuay, SPX
Agriculture, Construction, and Mining Machinery Manufacturing	1,737	3.96	Hydratight, Badger Equipment, Akkerman Manufacturing
Other Miscellaneous Manufacturing	1,743	3.64	Fastenal, Josten's
Other Chemical Product and Preparation Manufacturing	504	3.42	Cytec, RTP, Arkema
Semiconductor and Other Electronic Component Manufacturing	1,554	2.29	All Flex, Bergquist, Benchmark Electronics, Riverbend Electronics

Source: MN DEED, Quarterly Census of Employment & Wages, 2012

*A location quotient greater than one indicates relative sector employment in Southeast Minnesota greater than the national average for that sector.

Average Weekly Wages in Select Manufacturing Sectors, 2012



Health Care

Anchored by the renowned Mayo Clinic in Rochester, the region's health care sector draws customers from around the globe and fuels Minnesota's prominent medical device industry.

- The recently launched Mayo Clinic Business Accelerator in Rochester is home to several biomedical start ups and venture capital funds aimed at spurring job creation and economic growth in the Rochester area.
- Mayo is planning a \$6 billion expansion of its Rochester campus and accompanying investments in the city over the next 20 years to stay competitive with its global rivals. The clinic is also underway with major expansions of its facilities in Cannon Falls and New Ulm.

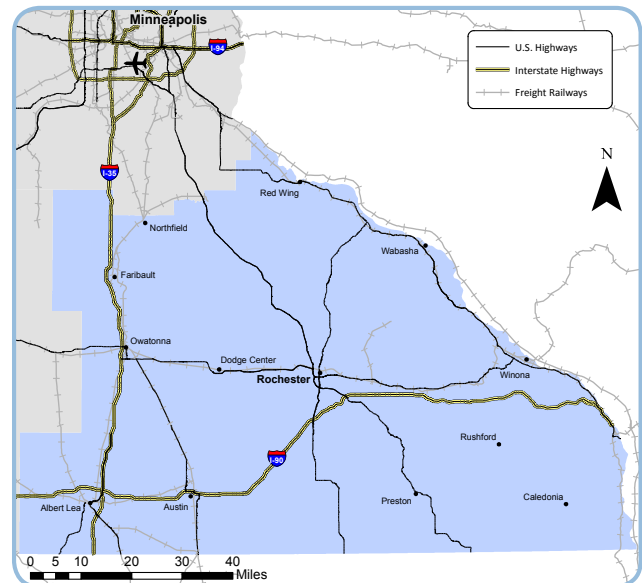


Your firm can tap into Minnesota's large pool of skilled workers and be assured of a growing supply of potential hires.

Transportation

With extensive rail and highway connections, excellent air service near at hand, and bold plans for the future, Southeast Minnesota has the transportation infrastructure needed for businesses to thrive.

- The Rochester International Airport offers daily non-stop service to the Twin Cities, Chicago, and Phoenix, complementing the nearby Minneapolis-St. Paul International Airport which offers non-stop service to 135 markets.
- Regional airports at Red Wing, Winona, Austin, and Albert Lea also offer limited commercial service.
- Several freight rail lines serve most larger cities in Southeast Minnesota – Canadian Pacific and Union Pacific are most prominent.
- In addition to state and county highways, Interstates 90 and 35 provide a direct connection to the Twin Cities, Madison, Chicago, Des Moines, and Sioux Falls.
- The proposed Zip Line would provide high-speed passenger rail service daily from Minneapolis to Rochester, with potential future service to Chicago.



Southeast Minnesota Region Transportation Map



Cities and Towns of Southeast Minnesota

Southeast Minnesota is one of the most densely populated regions of Minnesota, outside the Twin Cities. The small and mid-sized cities of the region offer unique economic strengths that make each an excellent place to do business.

- In a recent Brookings Institute study, the Rochester metro took third place for per capita patent generation among the nation's 358 major metros.
- In addition to the world-famous SPAM Museum, Austin is also home to the Hormel Institute – a globally recognized cancer research institution.
- Economist Richard Florida predicts Rochester to lead the nation in creative class job growth – expanding employment in the sector by 19.6 percent by 2020.
- Red Wing is the smallest city participant of the US Ignite program, which is bringing superfast broadband service in excess of 100 Mbps. The recently opened Red Wing Innovation Incubator was developed to spur technology entrepreneurship stemming from the new Internet service.

Agriculture & Natural Resources

The region's agricultural heritage helped build some of the country's most prominent food companies and remains a major economic driver.

- Southeast Minnesota is an agricultural powerhouse. The region's varied climates make it a state leader in fruit, with 40 percent of the state's orchards; dairy, with over 25 percent of the state's cattle; and spring wheat, accounting for 90 percent of the state's production.
- Much of the state's raw agricultural commodities are destined for processing in the region. The presence of major processing facilities such as Hormel in Austin, Jennie-O in Faribault, and ADM in Winona and Red Wing account for the nearly 4,000 regional jobs in this sector.
- Southeast's raw and finished agricultural products make up a significant portion of the nearly \$2 billion of statewide exports from that sector in 2011.



The region's higher education sector and transportation infrastructure are perfect complements to any business.

Education

With a variety of higher education institutions – from local technical schools to top tier liberal arts colleges – Southeast Minnesota is a thriving education center.

- Carleton College, located in Northfield, is the 8th ranked liberal arts college in the country, by U.S. News and World Report.
- Most of the region's higher education institutions focus on highly specialized fields, awarding degrees in advanced manufacturing and biosciences.
- The University of Minnesota's Rochester Campus – officially recognized by the state legislature in 1998 – continues to grow into a full-scale research and learning institution, with a current focus on health sciences.



Southeast Minnesota Colleges and Enrollment

School	Campus Location	2012 Enrollment
Winona State University	Winona, Rochester	8,890
Rochester Community & Technical College	Rochester	8,206
South Central College	Faribault, North Mankato	6,148
St. Mary's University of Minnesota	Winona	5,688
Riverland Community College	Albert Lea, Austin, Owatonna	5,189
Southeast Technical College	Winona, Red Wing	3,327
St. Olaf College	Northfield	3,179
Carleton College	Northfield	2,018
Mayo Medical & Health Sciences Schools	Rochester	1,757
University of Minnesota, Rochester	Rochester	414

Sources: U.S. News & World Report, University of Minnesota, Minnesota State Colleges and Universities, Mayo Clinic



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For site location assistance and information on the benefits of doing business in Minnesota, contact the Office of Business Development:

651-259-7432

Economic.development@state.mn.us

www.PositivelyMinnesota.com/Locating

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