

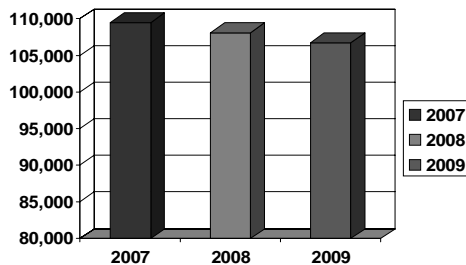
Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

Second Quarter, 2009

Total Employment

Second Quarter Comparison



Total Employment

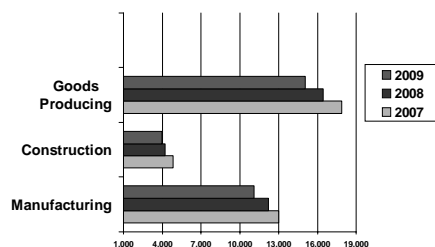
Nonagricultural wage and salary employment for the Rochester MSA grew at a rate of 2.8 percent during the second quarter of 2009. The gain of 2,859 jobs brought the total employment figure up to 106,729 from the March level of 103,870. Both the Goods Producing and Service Providing sectors reported growth for the quarter. Employment totals for April, May and June were 104,901, 105,504 and 106,729 respectively.

In the last 12 months, total employment figures have decreased by 1,369 jobs since second quarter 2008 and by 2,715 jobs since second quarter 2007.

Goods Producing

Goods Producing Employment Second Quarter Comparisons

The Goods Producing sector experienced employment growth this quarter as 899 jobs were added for an increase of 6.3 percent over first quarter. Natural Resources/Construction/Mining showed a gain of 835 jobs while Manufacturing added 64 jobs. Goods Producing employment totals for April, May and June were 14,382, 14,839 and 15,074 respectively.

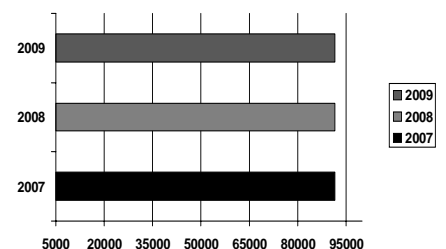


Overall, the Goods Producing sector is down 8.3 percent with a loss of 1,370 jobs in the past 12 months.

Service Providing

Second Quarter Service Providing Comparison

The Service Providing sector created 1,960 jobs this quarter for an increase of 2.2 percent over first quarter, bringing the Service Providing employment number to 91,655. Leisure & Hospitality added 844 jobs while Retail and Education and Health Services added 488 and 315 respectively.



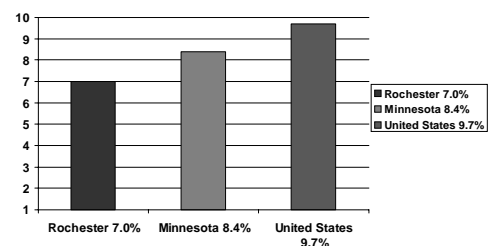
Service Providing payroll levels have virtually remained unchanged in the last 12 months with a gain of only one job.

Unemployment

The Rochester unemployment rate decreased by four tenths of one percent from first quarter, ending the second quarter rate in June at 7.0 percent. The rates for April and May were 6.5 percent and 6.4 percent respectively. The Rochester average remains well below the state and U.S. averages of 8.4 and 9.7 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 5.8 percent.

The June labor force figure of 105,964 represents an increase of 1.6 percent from the March figure of 104,278.

Second Quarter Unemployment Comparison Percentage

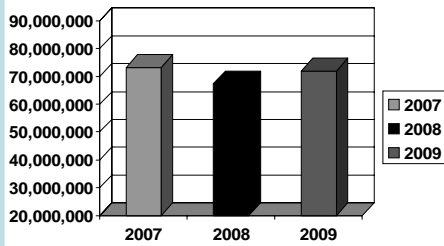


Source: Minnesota Workforce Center

Second Quarter

Second Quarter Building Activity

Second Quarter Annual Commercial & Residential Valuation Comparison

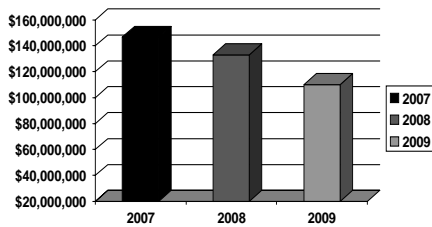


Commercial and residential building permits issued for second quarter 2009 totaled \$71,993,301. This represents an increase of 6.7 percent over second quarter 2008 (\$67,444,011) and a decrease of 1.7 percent over second quarter 2007 (\$73,209,770). Year-to-date, building activity is down by 26 percent compared to the first half of 2008.

Permits over \$1 million for second quarter 2009 included Olmsted County Public Works Cold Storage Building, Walgreens, Mayo Eisenberg 6th floor alterations, Gift of Life Transplant House, Olmsted County Public Works Center, John Adams Middle School alterations, Mayo Clinic 14th floor alterations, Heintz Center-RCTC roof and HVAC upgrades and new mechanical room, Olmsted County 3-story office building, University Square 3rd & 4th floor alterations, and Harriet Bishop Elementary School alterations. - Source: Rochester Building Safety Department

Second Quarter Home Sales

Second Quarter MLS Sales



Second quarter sales of single family homes in Rochester were \$110,126,759. This represents a decrease of 17.4 percent (\$133,200,435) over second quarter 2008 and a 25.1 percent (\$146,967,039) decrease over second quarter 2007.

The average home in Rochester sold for \$183,239 during the second quarter of 2009 and the median sale price was \$159,000. There were 601 units sold during the second quarter. The average time on the market is 117 days.

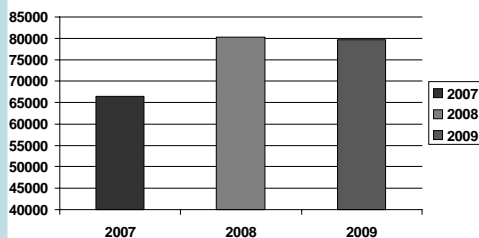
Source: SE Minnesota Association of Realtors

RAEDI

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This report is published quarterly and is available through our website at raedi.com or by calling the Rochester Area Economic Development, Inc. office at (507) 288-0208.

Airport Passenger Traffic
Second Quarter Comparison



Quarterly Airport Traffic

The Rochester Airport serviced 66,347 passengers during the second quarter of 2009. This represents decreases of 17.4 percent over second quarter 2008 (80,315 passengers) and 16.7 percent over second quarter 2007 (79,623 passengers). Passenger totals for April, May and June were 21,602, 22,198 and 22,547 respectively.

Air cargo shipments were down 13.2 percent from second quarter 2008.
Source: Airport Manager