

Xccent.... Why Wyoming? Why now?

It wasn't long after John and Pat Mathiesen bought Nickelson Plastics and renamed it Xccent, Inc., in 2005 that they began entertaining the idea of building a new production facility as the lease on their building in Osceola, WI would expire in December of 2010.

There were plenty of options when searching for land to build a new production facility, most notably Osceola where the previous facility was located. But Wyoming had more to offer Xccent. "The workforce numbers in Chisago County were awesome," Xccent President John Mathiesen said. "The visibility of being right off Interstate 35, the support of the city, county officials and the JOBZ support also factored into the decision."

Construction on Xccent's new 100,000 square foot facility began in October of 2009. The first group of employees began moving in early March of this 2010.

The relocation has had a positive impact to the workforce of Xccent. Prior to the move, Xccent employed 62 full time people. That number has jumped to 75, with another 20-25 part time employees. "The move has impacted our workforce in that we have been able to tap into a larger pool of skilled workers than in Osceola," chief Financial Officer, Marlys Dunne said.

The new facility also gives Xccent room to grow their product lines. While they moved some of their production equipment from the Osceola facility, they also upgraded other equipment to allow for higher volume, larger parts and faster production.

Financial Benefits

"The building was a huge investment for us," Dunne Said, "about \$6 million total, but the JOBZ program helped us justify the investment as it has allowed for growth and improved efficiencies. "Without the help of the city, county, and state we would still have probably built, but this help allowed us to build a larger, more efficient building that will allow for the growth of our business."

Improved product manufacturing flow is one of the improvements with the new layout. This has decreased material handling time which helps keep the cost of manufacturing down. In today's economy, working smarter not harder is the way to go.

The Xccent facility is a successful example of bringing together city, county and state economic development incentives and programs. Representing the state and its Department of Employment and Economic Development, Governor Tim Pawlenty visited Xccent's facility in April 2010. The governor observed firsthand the tools that were used to help attract this 100,000 square foot project to Minnesota in a competitive regional market. Minnesota Department of Employment and Economic Development (DEED) was instrumental, along with County HRA/EDA Board members and Executive Director Chris Eng, in designating the site a Job Opportunity Benefits Zone (JOBZ). The JOBZ incentive package expires in 2015.

The City of Wyoming applied for a \$500,000 Greater Minnesota Business Development Public Infrastructure Grant towards this, holding down costs for road and municipal services improvements. The infrastructure grant comes from state bonding packages. Eng explains that Chisago County has benefited from this program before, applying infrastructure grants to the Wyoming-based Polaris Industries Technology Center waterline extension and for looping a waterline in North Branch's ESSBY Business Park, in central Chisago County. Eng added, "Chisago County's been very successful using this grant, it's helped create a lot of jobs."

Eng's familiarity with the incentives and funding streams that are available was helpful for the Xccent Development. "This project was complicated and numerous components were utilized developing this facility...none of these programs or grants and loans are meant to be primary sources of financing," Eng continued. "Xccent also had to bring substantial resources and agree to meet guidelines," he continued. "It's a great opportunity" for Wyoming and this area, Eng concluded. Eng also pointed out that the City of Wyoming can begin to capitalize a revolving fund with its share of the MIF loan reimbursements.

The move to Wyoming from Osceola, WI, gave Xccent, Inc. the opportunity to partner with Pine Technical Collect (PTC), in ordering training and education to its employees. Through its partnership with PTC, Xccent collaborates with seven other Chisago County manufacturing facilities to educate and train their employees in an effort to improve manufacturing in the region.

The partnership is made possible thanks to a \$2 million Community Job-Based Training (CBJT) grant. The grant money also allows for eight business sites to interact electronically thanks to video boards with mounted cameras. They share ideas and cooperate on training through ITV. "The topics we collaborate on range from leadership skills to you name it," Xccent Chief Financial Officer, Marlys Dunne said.

Another program Xccent participates in through PTC is the Advanced Manufacturing Program, MNSCU 360 degree alliance, as a training partner. The 360 degree collaboration offers four unique distance-learning courses resulting in participants earning certificates for Production Technologies, Machine Technologies, Automation Technologies and Welding Technology.