



Here's why technology manufacturers are eyeing space in this Austin suburb

Tiny town wrangling notable tech employers, manufacturers



Hutto is one of the fast-growing cities in the Austin metro, and some economic experts believe it's sitting on some of the most prized land in all of America. ABJ file photo



By Justin Sayers – Staff Writer, Austin Business Journal
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With a growing wave of tech manufacturers flocking to the Austin metro, companies are specifically finding a welcoming environment in one city northeast of Austin in Williamson County: Hutto.

The city has announced the relocation and expansion of two companies in recent months at the Titan Innovation Business Park – Kval Inc., which makes machines and software to manufacture

doors, and Ovivo Inc., which will manufacture parts for its water filtration technology – adding upward of 150 jobs to the city by 2028.

And more companies are on the way, according to Bob Farley, the city's economic development director, who said eight or nine additional companies are considering relocations — most of which would create the same number of jobs, and one that could create even more.

That growth in Hutto, which is located 31 miles northwest of downtown Austin and has transformed from a sleepy, rural town to a fast-growing suburb over the last two decades, is evidence of the continued rush of businesses to Central Texas.

As of July, more than 16,500 jobs had been announced from roughly 60 companies moving to the region and nearly 70 expansions of companies already in the Austin area, according to a tally by Opportunity Austin, which facilitates economic development across the five-county metro. That scope of job creation represents roughly 75% of the record 22,114 jobs pledged by companies in 2020. And there are likely even more expansions and relocations flying under the radar that chamber officials and the media don't know about.

While Farley admitted a lot of the activity in Hutto is just fallout from the interest in Central Texas as a whole, city leaders have been able to capitalize on that growth by leveraging some big draws, including affordable land and utility prices, accessibility to the labor market in Austin and a pro-growth mindset.

Hutto also has plenty of cheerleaders. For instance, John Boyd Jr., principal at Boca Raton, Florida-based site selection firm The Boyd Company Inc., is very bullish on the area.

"I view that 17-mile stretch of U.S. Highway 79 in Williamson County, which connects Taylor with Round Rock, as some of the most prized industrial real estate in the entire U.S.," Boyd said recently as he discussed the \$17 billion chipmaking factory Samsung appears poised to build just east of Hutto in Taylor.

Manufacturers, construction businesses and wholesalers — such as Paradigm Metals, a sheet metal fabricator; Gulf Coast Paper Co., a janitorial, packing and office supplies distributor; and Western Industries Corp., a packing materials manufacturer — already call Hutto home.

"It's a welcoming environment for them from the standpoint of we're going to figure out to make something work," he said.

Those companies that have picked Hutto said that they were attracted to the region due to a myriad of factors, including the land costs, but primarily the workforce and the presence of the Texas State Technical College's campus right across from the business park.

"Having that college right in town there is pretty good," said Joe Iannacone, senior vice president at Titan Development Ltd. "You have people basically move into the community, learn a skill in the college, and then continue working inside that community."

Titan recently started on a 100-acre expansion as part of Phase 2 of the park.

"Each of the businesses that we have put in our parks are very happy to be there. A lot of our marketing efforts are the tenants we already have," Iannacone said.

For Ovivo Inc., a subsidiary of Germany-based SKion Water GmbH, the city offered the perfect opportunity for the company to build a site to primarily manufacture its line of ceramic membranes made from silicon carbide that efficiently filter water and wastewater. They supply the products to municipalities around the country.

The company had been looking around the metro, both on the north and south sides of the city of Austin, but settled on the Hutto site due to its proximity to an existing office in Round Rock where they offer site tours for their products. Stefan Bauer, the company's plant manager for the new site, said the proximity to not only their existing site, so they can offer tours in the facility, but centrally located on both coasts, played a factor.

His team was also drawn by the Technical College and found that a couple courses being taught at the school lined up with what they're trying to do at their facility, which will be 110,000 square feet and create at least 96 jobs by 2028.

Other draws included the low cost of energy, the access to incentives and the quirkiness of the city, which is known for its hippo statues around town and a hippo high school mascot.

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Ovivo Inc. will be moving into a 110,000-square-foot facility in the Titan Innovation Business Park in Hutto, bringing at least 96 jobs to the city by 2028. Titan Development

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Kval Inc., an advanced door machinery manufacturer out of Northern California, has partnered with Titan Development Ltd. to build a manufacturing facility at Titan Innovation Business Park Phase 2 in Hutto, one of the fastest-growing cities in the country. Kval Inc. will occupy 52,5000 square feet.

Nate Kvalheim, president at Petaluma, California-based Kval Inc., touted the local workforce as a huge benefit. He said the company has eyed expansion for years, and was looking around the country before settling on Texas. They were specifically drawn to Hutto based on data that showed there was a number of skilled workers for their facility.

They also liked the site's proximity to existing customers in Round Rock and Cedar Park, and proximity to potential suppliers. But what sealed the deal, he said, was the city's "highly motivated" current and future plans to develop the city, including for the addition of more high-quality jobs. They recently broke ground on a 52,500-square-foot facility that will add 80 jobs over three years.

"We were highly intrigued and interested and aligned with their plans for future development and how they would allocate future resources for development," Kvalheim said.

While Hutto is still growing, the population jumped to 27,577 in 2020, a stark increase from 1,250 residents in 2000, according to U.S. Census Bureau statistics. That rapid growth has also led to some disadvantages.

Iannacone said they still have some growing pains related to infrastructure, including low-density traffic, lighting issues and accommodating people with the trains that run through town.

Kvalhiem said he'd like to continue to see growth in the labor market for manufacturing, and efforts such as more apprenticeship programs for high school students are needed.

"It's really a shortage all over the nation and will continue to be," he said.

Farley said the biggest complaints are that companies are looking for a slightly bigger community — somewhere with more housing stock and more service-type activities.

He said for their city, which "is poised for a lot of growth," most or all of that is in development or in the cards — and companies want to be part of it.

"It's sort of a community growing into what it will ultimately become," Farley said.