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A U S T I N

Tech giant to bring ‘economic tsunami’ to sleepy Austin suburb with \$17 billion factory

By John Egan - Nov 23, 2021



The quiet Williamson County town of Taylor is about to be booming. City of Taylor

Samsung’s decision to build a \$17 billion chipmaking plant just west of the Austin suburb of Taylor, officially announced Tuesday, November 23, represents an “economic tsunami” for Central Texas, a corporate site selection expert says.

John Boyd, a corporate site selection consultant based in Boca Raton, Florida, says the project will especially benefit the State Highway 79 corridor from Round Rock to Rockdale. That corridor goes through Taylor, a Williamson County town with nearly 18,000 residents.

“Obviously, a \$17 billion investment will be game-changing for Taylor, its residents, and its businesses,” says Matt Patton, executive vice president of Austin-based consulting firm AngelouEconomics, which specializes in economic development and site selection.

The Samsung plant ranks among the largest foreign economic development projects in U.S. history.

Aside from Taylor benefiting directly from the plant, the entire east-west Highway 79 corridor will attract Samsung suppliers, according to Boyd, much as the Tesla plant being built just east of Austin is expected to draw automotive suppliers.

“Look for real estate developers to be snapping up parcels of land for new single-family homes, new apartments, and new mixed-use communities,” Boyd tells CultureMap.

In anticipation of Samsung suppliers setting up shop in and around Taylor, Houston-based Partners Real Estate is building a 350,000-square-foot distribution center at the RCR Taylor Logistics Park, west of Taylor and the Samsung site. The project is expected to be completed in late 2022. Partners Real Estate is developing the distribution center and the 750-acre logistics park.

Aside from industrial buildings, the Samsung project promises to boost demand for housing in the Taylor area. Some residents fear the Samsung plant will make housing less affordable.

Emily Chenevert, CEO of the Austin Board of Realtors, says the Samsung plant, the under-construction Tesla factory, and other major economic developments in the region underscore the need to increase the metro area’s housing inventory and ensure housing “is attainable for all socio-economic classes.”

“Successfully managing this challenge and preparing for the future will help the Austin region maintain its position as one of the most desirable places to live and do business in the world,” Chenevert tells CultureMap in a statement.

The 6-million-square-foot Samsung plant will be built on nearly 1,200 acres just outside Taylor. Construction is set to start early next year, with chip production scheduled to begin in the second half of 2024. Officials say the plant will create more than 2,000 jobs. The South Korean tech giant already employs about 3,000 people at its chipmaking complex in Northeast Austin.

“The win for Taylor and Williamson County is a win for Greater Austin, the state of Texas, and even San Antonio — whose economic influence is expanding north via I-35 and SH 130 — just as Austin’s economic juggernaut is spreading south,” Boyd says.

“The Samsung project, more than any other, will go a long way toward melding those two great Texas metro areas, two of today’s hottest markets in the U.S. in terms of attracting new corporate investment and jobs,” he adds.

Texas Gov. Greg Abbott, U.S. Sen. John Cornyn of Texas, and Samsung executive Kinam Kim announced the new Samsung plant the evening of November 23 at the governor's mansion in Austin. Aside from the more than 2,000 jobs at Samsung, the project will generate thousands of indirect jobs and at least 6,500 construction jobs, Abbott says.

The plant will produce advanced chips that power mobile and 5G capabilities, high-performance computing, and artificial intelligence.

Samsung will, by far, become the biggest employer in the Taylor area. The area's two largest employers today are the Electric Reliability Council of Texas (ERCOT) and Taylor ISD, each of which has fewer than 1,000 local workers.

Taylor ISD, the City of Taylor, Williamson County, and the State of Texas extended millions of dollars in incentives to attract the Samsung factory.

"Samsung's decision to locate its cutting-edge semiconductor fabrication plant in Taylor is the single most significant and consequential development for the local economy since the International & Great Northern Railroad laid tracks here in the 1870s," Taylor Mayor Brandt Rydell says in a news release from Abbott's office.