

## What DeLorean HQ in San Antonio could mean for Austin

Austin, Dallas, other cities on company's radar for manufacturing; Decision expected later this year



*A classic DeLorean model at San Antonio's Tech Job Fair in 2015. Carlos Javier Sanchez | SABJ*



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The iconic DeLorean car is headed back to the future in an electric revival that will be centered in the Lone Star State.

DeLorean Motors Reimagined LLC, under the name DeLorean Motor Co., announced Feb. 14 plans to establish its global headquarters in San Antonio, but indicated it was still considering where to manufacture its future electric vehicles. Hundreds of jobs are expected from the HQ investment — contingent on the final approval of incentives — which the company has framed as a strategic move to grow nationally and internationally.

DeLorean's plans are expected to impact the growing electric vehicle manufacturing sector in Austin, possibly attracting companies to the region and boosting business for existing automotive suppliers, though the full impact is still unknown.

CEO Joost de Vries said the company has considered the Austin area, as well as Dallas and other U.S. cities, for manufacturing operations, though no decisions had been made by publication time. San Antonio will be home to the HQ but manufacturing will be located outside of the Alamo City, he said.

"That decision will come this year. ... We need to first build the brand," de Vries said. In the near-term, "There will be an economic impact to San Antonio and Austin simply because we're starting to attract talent that's coming from other places."

The Austin metro's EV sector is already booming, in large part thanks to Tesla Inc.'s \$1.1 billion factory now up and running in eastern Travis County. Economic development experts have suggested the Texas capital will continue to see more EV manufacturers and suppliers move into the area. DeLorean's HQ could accelerate that activity.

This also comes at a time when the Austin metro stands to become a hotbed for EV batteries.

"It puts an exclamation point on the region as a global center of excellence for EV with Navistar, Tesla, the relationships with the semiconductor industry and, of course, Samsung's growing presence in Central Texas," John Boyd Jr., principal at Florida-based site selection firm The Boyd Company Inc., said of the combined Austin-San Antonio region.

Austin Business Journal spoke with economic development experts about how the Austin area could have a hand in DeLorean's future, and vice versa, based on the region's talent pipeline and budding EV sector.

## **Talent pipeline**

The growing EV sector in Texas, and specifically in the Austin-San Antonio corridor, is creating a healthy talent pipeline.

"Texas continues to win investments from EV companies because we have the workforce and the supply chain," Ed Latson, executive director of the Austin Regional Manufacturers Association, said in an emailed statement. "DeLorean selecting San Antonio for a headquarters is great for the entire region."

Not only could DeLorean find workers in the Austin area, but the HQ move will likely result in more jobs for people in Central Texas as other EV makers flock to the region, experts said.

"The ever-expanding industry of electric vehicles is an instrumental part of our region's growth as it has created jobs, diversified our economy's portfolio and helped spur the development of a

supply chain focused on supporting the automotive industry," Laura Huffman, president and CEO of the Greater Austin Chamber of Commerce, said in an emailed statement. "With multiple EV companies within 100 miles of the capital, we believe automotive trailblazers will continue to be attracted to our region's second to none talent pipeline and groundbreaking tech culture that is helping to change the world."



*Laura Huffman*

*Arnold Wells/ABJ*

DeLorean plans to bring about 450 new jobs to the Alamo City, mainly in executive, management and engineering roles, according to an announcement. The company said it will work with regional educational institutions including Texas A&M University-San Antonio, the University of Texas at San Antonio, Trinity University, Texas State University and others.

Austin also has EV battery research expertise at the University of Texas. Professor John Goodenough won a Nobel Prize in 2019 for helping invent lithium-ion batteries, which are used in electric vehicles.

## **Local players**

Experts consider Tesla Inc. (Nasdaq: TSLA) to be the anchor to the local EV sector's future.

Tesla launched production late last year at its 4-million-plus-square-foot facility, off State Highway 130 east of Austin. The EV maker's impact on the region — already felt from multiple suppliers locating in the area — is expected to create thousands of jobs and potentially help

Central Texas usher in a wave of EV and battery production at a time when the global sector is booming.



*The Tesla electric vehicle factory east of Austin in January. RealPhoto Inc.*

Boyd said that the SH 130 corridor is "on the map like never before" for EV projects.

Economic development leaders have said that several EV manufacturers and battery suppliers are actively considering Central Texas for expansion or relocation. Boyd added that DeLorean's HQ plans represent the national theme of companies wanting to be in pro-business markets, such as Texas.

In the northeast suburb of Hutto, an unnamed high-tech electric vehicle manufacturer is eyeing roughly 140 acres under the codename "Project D12," according to past ABJ reporting. De Vries said DeLorean is not related to this project.

De Vries indicated the rising cost of living in Austin was one reason why the company chose San Antonio for its HQ.

"Austin offers an infrastructure that is much more mature than San Antonio, but Austin also has a cost level that is very different from San Antonio, too," de Vries said. "San Antonio offered us, as an EV startup company, an environment that is allowing us to grow much faster than what we could have done in Austin."

In a follow-up email, de Vries said that in addition to cost of living, other factors considered in the HQ location were traffic, airport activity and supply chain connections.

"Austin was never in consideration as the HQ mainly because of the 'quality of life' equation vs. other places in Texas," he said. "Austin as a 'neighbor' however is fantastic ..."

EV businesses based in the region include Volcon Inc., a fast-growing all-electric power sports company; Ayro Inc., a Round Rock-based maker of light-duty work EVs that continues to grow; Hylion Holdings Corp., an electric trucking technology company headquartered in Cedar Park. Additionally, REE Automotive Ltd., and Israel-based EV technology company, picked Austin for its U.S. headquarters.