



Williamson County companies pulling people from far reaches to satisfy a growing workforce

Killeen, Fort Cavazos are key sources for our region's largest employers



The intersection of I-35 and State Highway 45 in Round Rock, looking north.



By Justin Sayers – Staff Writer, Austin Business Journal
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A normal work day for John Hale begins at 4:20 a.m.

He goes through his morning routine then jumps in his car around 5 a.m. to make the 60-mile trek from home in Copperas Cove to his job at Dell Technologies Inc. in Round Rock. He then works from 6 a.m. to 3:15 p.m., before hopping back on the road to beat traffic and spend time with his family before doing it again the next day.

It's a schedule that Hale has more or less stuck to for more than two decades. He moved out to the area 28 years ago, drawn by the great school districts for his children and a lower cost of living than Austin — aspects he still finds true.

But he admits the roads have gotten more crowded as more of his neighbors flock south to take advantage of the jobs brought by Austin's boom. In the 24 years he's worked at Dell, he's always had co-workers from nearby cities like Killeen, Belton, Salado, Temple and Gatesville. Yet, his commute more than doubled to 2 1/2 hours in 2018 from the roughly one hour it took in 2008.



John Hale

"I think that companies are looking for talented people, I don't think they are looking in any particular location," said Hale, who joined the Copperas Cove City Council last year.

It's no secret that the reach of the Austin metro's economy continues to grow. But a new phenomena is developing as well — a geographic widening of the workforce. With so many companies locating to the Austin suburbs, they are scouring wherever they can for workforce to fill factories with skilled labor. For example, Tesla Inc. recently reported it has 1,000 employees from Killeen, the second largest source of workers at its plant that currently employs 20,000. The company runs daily shuttles from the Bell County city to east Travis County.

It's a trend that is showing no signs of slowing down and is, essentially, stretching the bounds of the Austin metro. Several companies in Williamson County, often seen as the northern point of the region, said they are looking even farther north for talent — even as far as North Texas — as Austin's unemployment rate remains low. And some are relocating their businesses to the northern point of the metro to cut down commute times for employees who are drawn to the outskirts by more affordable housing and a better quality of life.

Exacerbating the workforce issue are a bevy of site selectors looking to locate clients close to big factory projects such as the Samsung Electronics Co. Ltd. factory in Taylor. The onus is on government officials, economic development leaders and workforce boards to prioritize upskilling labor. Leaders have said a more collaborative approach is being used across Central Texas to address workforce gaps, infrastructure needs and more attainable housing for employees.

"We are seeing an influx of having to go outside of our standard pipelines to get the talent," said Kelly Moreno, chief solutions officer for Workforce Solutions Rural Capital Area, one of the main organizations charged with keeping workers in the pipeline. "I think what you're really starting to see is a paradigm shift, honestly, of how we're approaching developing that pipeline and all of us coming together ... to build that to support that growth that is happening in our area."

Less 'hustle and bustle,' but still muscle

Hale has had a front row seat to growth coming from all directions. Every time a new traffic light or signal has gone in, he's changed his route to work. He now makes sure to use navigation every morning to find the fastest route.

Despite the growth, he said Copperas Cove has maintained its small-town feel and philosophy. He credited his director at Dell for allowing him to shift to his current hours from a typical schedule so could spend more quality time with his family instead of sitting in traffic.

"Many people enjoy the hustle and bustle of big city life, like New York City for instance. Austin is a different type of hustle and bustle and it's spread out over miles," Hale said.

That is evident by looking at population growth. Killeen is pulling in more millennials than Austin. The region that includes Killeen, Fort Cavazos and Temple has grown from 330,714 people in 2000 to an estimated 505,380 in 2022, or a roughly 53% increase, according to U.S. Census Bureau estimates. For comparison, Williamson County had a population of 671,418 in 2022.

Texas State Demographer Lloyd Potter said it's part of a wave of domestic migration all the way up and down the I-35 corridor — as far south as San Antonio, all the way up to the Dallas Metroplex, and everywhere in between — that's being driven by economic opportunities.



Lloyd Potter is the state demographer and director at the Institute for Demographic and Socioeconomic Research at the University of Texas - San Antonio.

"There are jobs being created in Killeen, Waco, Temple — the whole area up into Bell County," Potter said. "Economically, those communities are growing and there's economic opportunity being created there for people to take jobs there and consequently live there."

He said economic development tends to be "concentric" — meaning it starts in one locale and moves out in waves. The growth in Bell and Williamson counties is largely driven by Austin, which is more built out, has a higher cost of development and a lower unemployment rate. That's ultimately pushing development to the outskirts, where land is cheaper, construction costs are lower and there's better access to talent, Potter said.

Right now, companies are "pulling from everywhere" for talent, including Hays, Caldwell, Fayette, Lee and Bastrop counties, Moreno said. She said the talent pull near Bell County is being driven by Fort Cavazos, as companies are targeting the region to hire those exiting from the military.

Moreno said she doesn't see the shift as a bad thing, but it is a challenge. It's required collaboration from workforce boards and K-12 and higher education institutions to identify gaps in training and to strategically implement that in schools around the state. The commutes can be tough, and they're hoping to address infrastructure needs. But, it ultimately provides access to high-paying jobs that allow alternatives to attaining a career, raise a family and retire. Plus, the creation of advanced manufacturing opportunities funnels down toward other industries, like first responders or hospitality jobs to service an influx of population.

"There's definitely a ripple effect in any community," Moreno said. "All industries are going to be impacted at different levels. But the need is always going to be there. I just see more and more growth coming into this area."

Companies follow the workforce

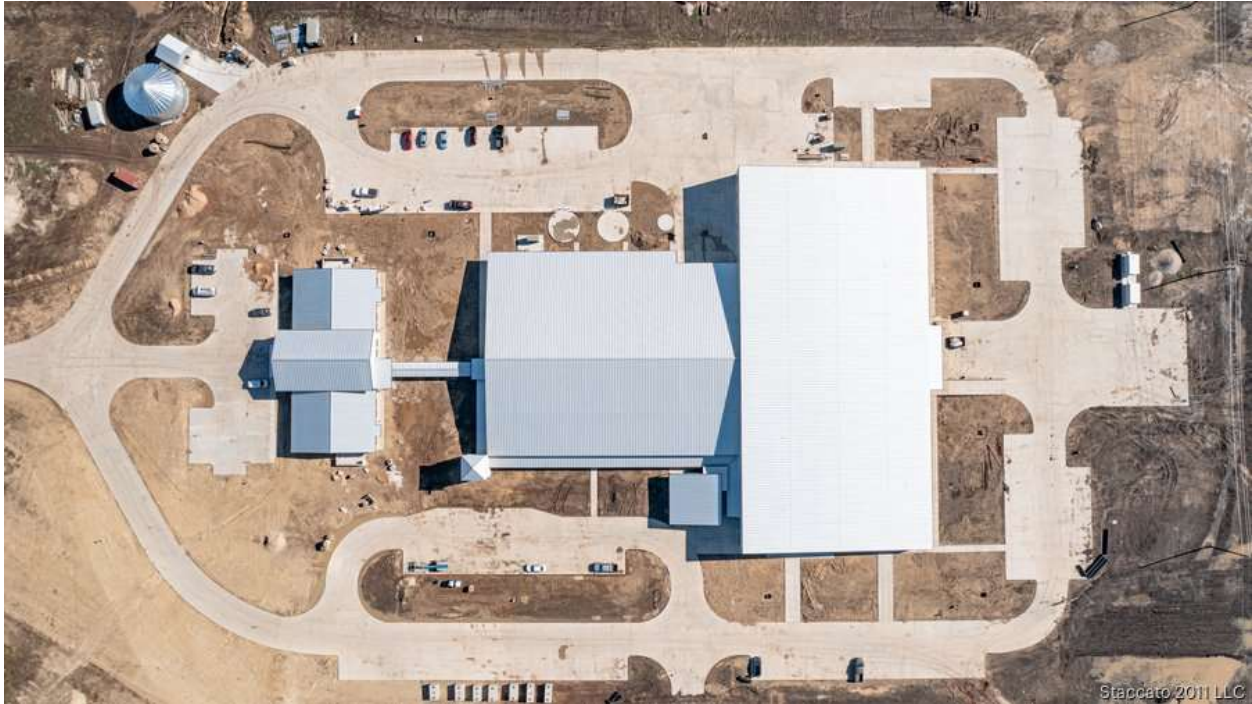
About three months ago, employees at handgun manufacturer Staccato 2011 LLC packed up their longtime 35,000-square-foot Georgetown headquarters and moved about 20 miles up the road to a 90,000-square-foot facility on an 800-acre ranch in Florence. Its guns are used by more than 1,400 law enforcement agencies.

There were a number of factors for the move: they needed more space, they wanted to expand capacity and they wanted shooting range space for customers to try their products. But the actual location was chosen to better serve their 250 employees, up from 180 earlier this year. About 25% of Staccato's workforce lives in the Fort Cavazos and Killeen areas, and about 20% live near Round Rock. Only 5% live in the city of Austin.

"For many years, Austin was a highly desirable city, given its strong culture, economic opportunity and quality of life – including its affordable cost of living," Staccato CEO Nathan Horvath said. "But, with Austin's immense population growth, the cost of living has inevitably increased, making it difficult for people to find affordable living inside the city of Austin. ... Companies like Staccato that are creating jobs in these areas provide these communities with desirable jobs and shorter commutes."

Horvath said Austin is a very competitive market for talent, with large companies moving into the region every day. That, coupled with Austin's low unemployment rates — 3.5% compared to Killeen's 5.3% — made the far reaches of the Austin metro desirable.

That's ultimately allowed them to create a better culture that fits with their business. About 30% of Staccato's workforce are veterans, including Horvath.



Staccato's new HQ.

"Killeen has one of the highest populations of military employees and veterans in the country, giving Staccato a strong foundation for hiring more of these skilled and committed Americans in the next chapter of their lives," Horvath said.

The region's biggest and fastest expanding employers are taking notice, too. Samsung, which has a presence in North Austin and is working on its factory in Taylor, has about 600 veterans on staff.

Samsung Austin Semiconductor Vice President of Fab Engineering and Public Affairs Jon Taylor, who is an Army veteran himself, said he believes veterans embody the innovation, skill and determination to help a company excel. Samsung participates in military job fairs and recruits regularly in Fort Cavazos, where they also run an internship program.

Fort Cavazos has also become a target for some companies ramping up hiring, such as Cellink Corp., which recently opened its long-anticipated factory in Georgetown. The company builds wire harnesses that are used in electric vehicles and reportedly is a supplier to Tesla Inc.

Robb Misso, the company's vice president of global operations, said Cellink has about 60 employees, and it's aiming to add dozens more early next year. Executives have found no shortage of talent, saying that employees want to work closer to affordable housing options. There's been a fear among manufacturers that Tesla would eat up all the manufacturing talent at its factory but that hasn't been the case yet.

Before he worked for CelLink, Misso ran a company in the semiconductor industry that had employees driving in from Killeen or Fort Cavazos, so it's not a new trend for companies to go up to the region for employees – but one that is likely to continue.

"I think it's ideal for a company to move closer to where the labor is, versus having the labor have to commute and burn up fuel and burn up our roads driving into Austin," Misso said. "Georgetown is proving to be a really strategic location for CelLink."

Sites to see

After spending 30 years working in the Houston area, Copperas Cove Economic Development Director Fred Welch joked that a short commute for him is about 45 minutes. But even he admitted that he has been surprised at how many people are making the 45-minute drive to places like Georgetown since he moved north of Williamson County over a year ago.

There are anywhere between 500 to 1,000 soldiers a month that exit from Fort Cavazos either through retirement or finishing their service commitment, officials said. Some estimated that between one-third and half want to stay in the region, but they'll need jobs.

That puts the responsibility on people like Welch to balance attracting jobs to the region while also training a labor force. He said people with military background have been attractive for companies in the realms of artificial intelligence, defense, health care, bioscience and more, and they're working with local community colleges, K-12 to start building the pipeline.

In the past, Copperas Cove's economy has mostly been based on homegrown businesses. Now, they're tapping into leads from the state or regional partners like the Greater Austin Chamber of Commerce in other areas, like advanced manufacturing. He said there are a lot of opportunities for Samsung suppliers due to their proximity to Taylor and because of a wider push for more in-sourcing and domestic manufacturing.

John Boyd Jr. of site selection firm The Boyd Co. said there is plenty of "recruiting potential" in the area for companies. That's partly due to the workforce and low unemployment in areas closer to Austin. But also based on success of other companies that have tapped into the region for talent and areas near other bases in the state where economies have boomed. Cities near Fort Cavazos are aggressively marketing themselves based on these attributes and logistics possibilities with the future Interstate 14 being mapped out in the region.

"It is no surprise that employers in the Austin market are extending themselves on the recruiting front as we see with Tesla busing in workers from the Killeen area to the north which can translate into a one-way 90-minute commute under the best of circumstances, given the notoriously congested I-35 — especially the problematic big rig truck traffic," Boyd said.



John Boyd Jr., principal of corporate site consulting firm The Boyd Company Inc., says water is now a major determinant in what cities can compete for companies and jobs.

There's been evidence of success in nearby Killeen. The city announced last year Dongjin Semichem Texas Inc., a chemical manufacturer and supplier for Samsung, is building a \$70 million, 91,000-square-foot facility there. It will join MGC Pure Chemicals America Inc., another chemical manufacturer that opened a few years ago and also supplies Samsung. There is also Harrington Industrial Plastics LLC, which opened last year and is providing construction materials to the Taylor plant.

Scott Connell, president of the Greater Killeen Chamber of Commerce, said while it's good to win those projects, it's also not a surprise. For years, the largest companies in the country, including Ford Motor Co. and General Motors Co., have attended job fairs at the nearby base to attract workers, he said.

Connell echoed the need for regional partnerships on efforts with the military and local schools like Texas A&M University's regional campus to better train future employees. But it also takes investments in real estate to have space for companies looking to come in.

As far as he sees it, the growth was always coming for Williamson County. And as that area keeps growing, it's getting closer and closer to home. They are just preparing themselves to be part of it.

"Killeen is the largest city between Austin and Dallas," Connell said. "That means you have a lot of people here ready to go. I think it makes only sense that we're elevating our game and recognizing we can't hold on to all the people in town, and there's always going to be back and forth, but we're just glad there are folks that are getting connected here."