

Summary Background

Demographic and Socioeconomic Data

Population

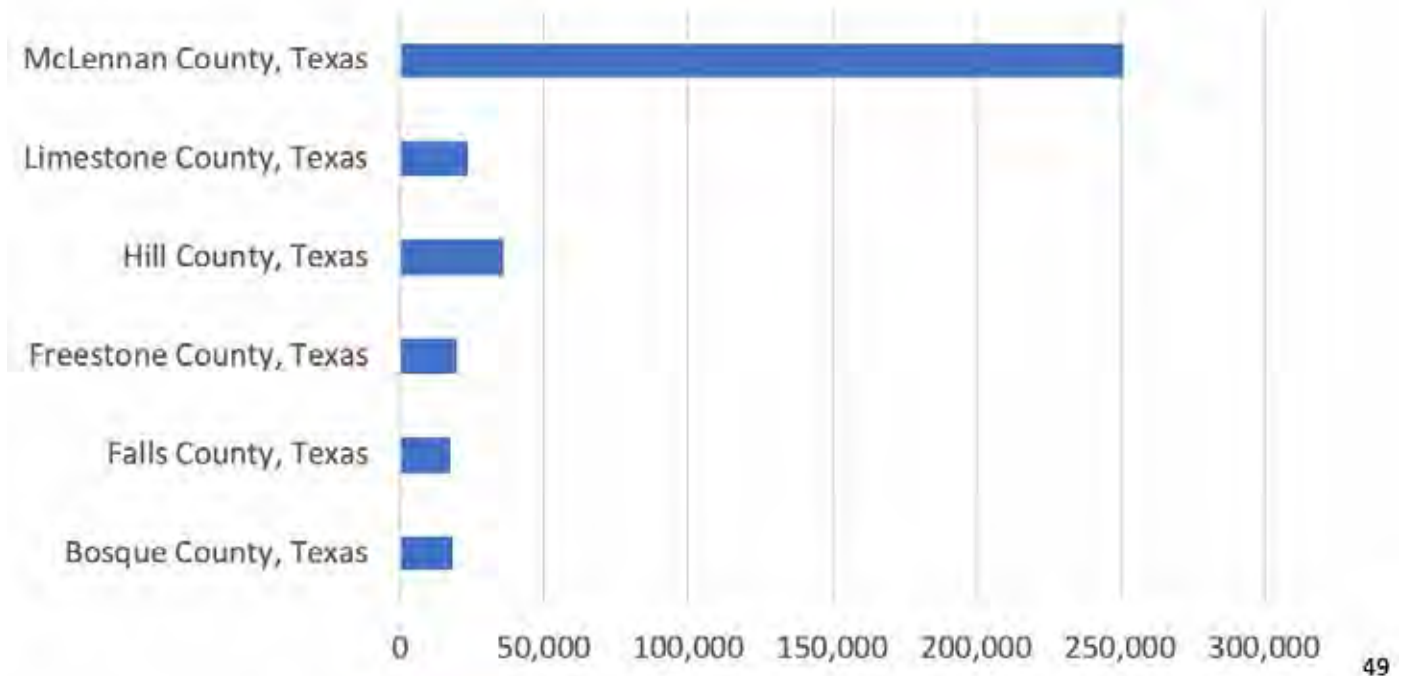
- The Heart of Texas region’s population as a whole is growing, albeit not as fast as the State of Texas, seeing population declines in all counties except McLennan.

The Heart of Texas region had an estimated population of 366,511⁴³ in 2020,⁴⁴ up from 349,273 in 2010⁴⁵ which is an **increase of 16,204 (+4.6%) over a ten-year period**. During the same time period, the State’s population changed by 4,532,107 residents from 25,145,561 to an estimated 29,677,668 persons, or an **18% increase**.

The Texas State Demographers Office predicts that population growth in the Heart of Texas region will continue at a higher rate through 2050. (+6.6%),⁴⁶ although all of this **growth will be consolidated to McLennan County** unless economic development initiatives are successful in attracting people and investment to the other five counties.⁴⁷

The State of Texas is expected to grow from 29,677,668 in 2020 to 47,342,105 in 2050, at a whopping 59.5% increase. This is significantly faster than the rate of growth in the U.S. for the same time period (16.9%).⁴⁸ Growth in the state overall creates opportunities for the Heart of Texas region to attract additional workforce.

2019 Population

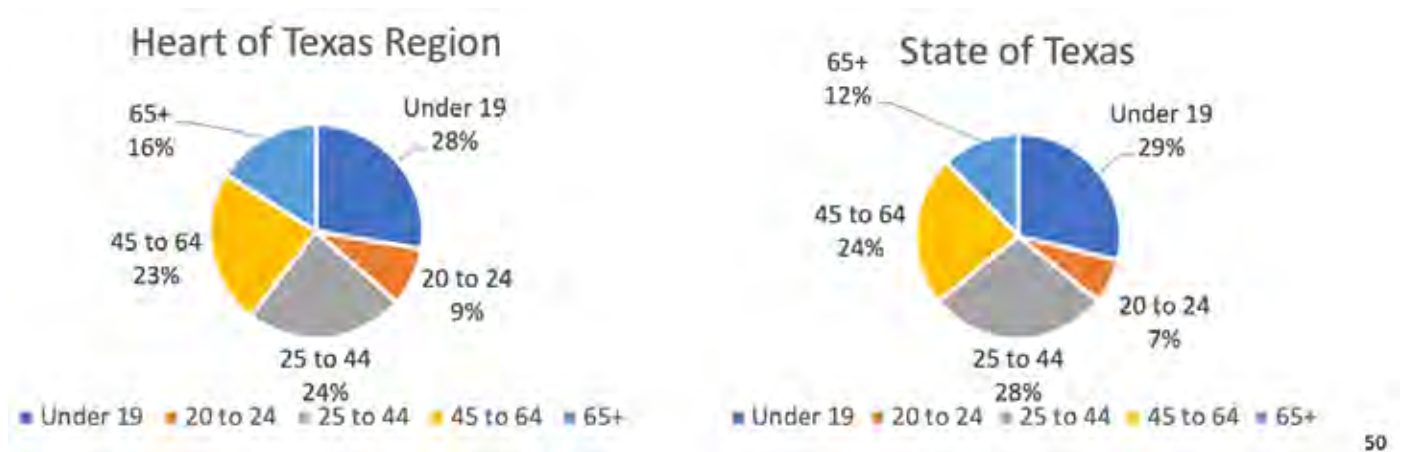


Number and Percent Population Change by County, Region, State, and Country

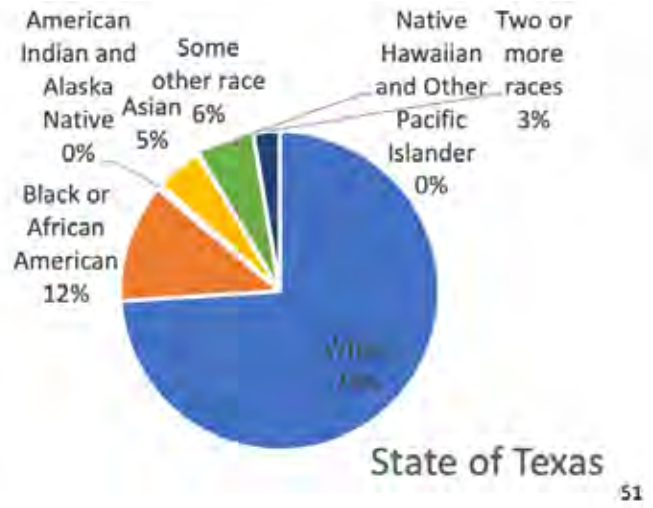
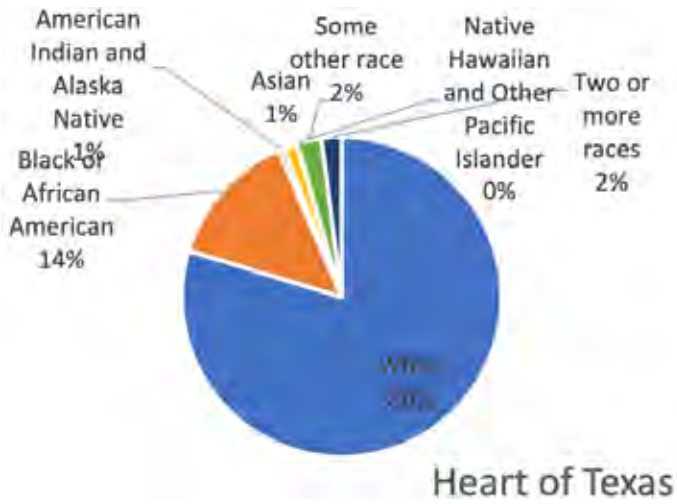
	2010	2020	2030	2040	2050	2020-2050 # Change	2020-2050 % Change
Bosque	18,212	17,765	17,011	15,635	14,415	(3,350)	-18.9%
Falls	17,866	16,603	15,663	14,748	13,845	(2,758)	-16.6%
Freestone	19,816	19,860	19,555	18,715	17,817	(2,043)	-10.3%
Hill	35,089	35,673	35,119	33,511	31,809	(3,864)	-10.8%
Limestone	23,384	23,544	23,243	22,255	21,240	(2,304)	-9.8%
McLennan	234,906	253,066	269,381	281,304	289,847	36,781	14.5%
Heart of Texas	349,273	366,511	380,035	386,168	388,973	22,462	6.1%
Texas	25,145,561	29,677,668	34,894,452	40,686,496	47,342,105	17,664,437	59.5%
US		332,639,000	355,101,000	373,528,000	388,922,000	56,283,000	16.9%

Age, Race/Ethnicity, Sex, and Special Groups

- More than half the population of the Heart of Texas region is within working age (56%).
- Heart of Texas has a slightly older population than the state as a whole (16% 65+ vs. 12% 65+).
- The Heart of Texas region is not particularly diverse, showing a higher percentage of White (+6pp) and Black (+2pp) individuals, and fewer individuals of other races, compared to the state of Texas. A workforce attraction strategy that includes minority outreach could provide the region with additional growth opportunities.



HEART OF TEXAS CEDS



- Of the area's population, 49.3% are male and 50.7% are female, comparable to the statewide percentage of 49.7% male and 50.3% female.

Sex Distribution by County, Region, and State

Area	Population 2020	Male Count	Male Percent	Female	Female Percent
Bosque County	17,765	8,678	48.8%	9,087	51.2%
Falls County	16,603	7,905	47.6%	8,698	52.4%
Freestone County	19,860	10,364	52.2%	9,496	47.8%
Hill County	35,673	17,673	49.5%	18,000	50.5%
Limestone County	23,544	12,113	51.4%	11,431	48.6%
McLennan County	253,066	124,023	49.0%	129,043	51.0%
Heart of Texas	366,511	180,756	49.3%	185,755	50.7%
State of Texas	29,677,668	14,740,035	49.7%	14,937,633	50.3%



- Older workers
 - The population cohort **45 and over is higher than the State average** (39% vs. 36%), suggesting a **stable, mature population** comprised of mainly “empty-nesters,” retirees and the aged.⁵²
- 65+
 - There are more individuals in this region who are 65+ compared to the state of Texas (16% vs. 12%), indicating a **need for older worker programs**.⁵³
- Ages 25-44
 - The 25-44 age cohort is lower than the State average (24% vs. 28%), but still close, indicating a healthy economic situation since this group contains the greatest share of the labor force. Decreases over time in this group, especially when similar changes are not occurring statewide, can be an indication that people are moving out of an area they consider to be a poor labor market.⁵⁴
- 18+
 - According to the Texas Demographic Center, 277,121 individuals, or 75.6% of the regional population are over 18, on par with the State of Texas at 22,162,539, or 74.7%.⁵⁵
- Veterans⁵⁶
 - According to the Census Bureau, of the total civilian population in the Heart of Texas region in 2019, 8% were veterans, compared to 7% for the State of Texas as a whole. Hill County has the highest percentage with 9.7% and Freestone has the lowest with 7.5%.

Geographic Area Name	Civilian population 18 years and over	Veterans	Veteran Percent	Nonveterans
Texas	20,829,050	1,453,450	7.0%	19,375,600
Bosque County, Texas	14,396	1,198	8.3%	13,198
Falls County, Texas	13,590	1,188	8.7%	12,402
Freestone County, Texas	15,196	1,145	7.5%	14,051
Hill County, Texas	27,368	2,662	9.7%	24,706
Limestone County, Texas	18,143	1,517	8.4%	16,626
McLennan County, Texas	188,749	14,555	7.7%	174,194
Heart of Texas	277,442	22,265	8.0%	255,177

- Disability Status⁵⁷
 - According to the Census Bureau, 12.7% of Americans have a disability, compared to 11.5% in the state of Texas.
 - Data were unavailable for all counties except McLennan County which reported:
 - 33,935 individuals, or 13.4% with a disability
 - Of those with a disability, 13.9% were ages 5-17, and 86.1% were over the age of 18.



County Migration⁵⁸

- Two counties saw a population decrease from 2010-2020:
 - Bosque (-2.45%) and Falls (-7.07%)
- Freestone, Hill and Limestone saw population remain fairly stagnant over the last decade.
- **McLennan** was the **only county to see an increase** in population (+7.73%).
- **Bosque and Hill counties saw more deaths than births**, which will aid population loss in those areas.

Population Estimates⁵⁹

	2010	2020	Numerical Change	Percent Change
Bosque	18,212	17,765	(447)	-2.45%
Falls	17,866	16,603	(1,263)	-7.07%
Freestone	19,816	19,860	44	0.22%
Hill	35,086	35,673	587	1.67%
Limestone	23,384	23,544	160	0.68%
McLennan	234,906	253,066	18,160	7.73%

“Retaining and attracting new residents is vital to the economic success of rural communities. **Population loss** translates into **fewer customers and workers for local businesses and a diminishing tax base** for public services” such as infrastructure and public schools, assets that may help attract businesses and workers.⁶⁰

According to William H. Frey, a demographer with the Brookings Institution, population decline in areas could be due to **fewer economic prospects compared with other areas in the region or state**. These fewer prospects are less likely to attract migrants from elsewhere in the state, other states, and especially abroad.⁶¹

A few strategies to attract new residents or retain existing ones are:⁶²

- Create “a dynamic, growing job market” to attract new people in search of work. Studies have shown “that rural counties with higher salaries and job growth were especially effective in attracting workers from urban areas, with local economic conditions having a larger effect for short distance moves. Natural amenities — think scenic landscapes and pleasant climates — matter more in remote rural places for attracting urban residents.”
- Attract retirees. “Retirees are pulled by a pleasing climate, such as mild winter temperatures and beautiful views.” Access to health care services, which Heart of Texas has, are particularly attractive for this cohort.
- Connect with high schools and local businesses for vocational training, to counter the perception that there is no opportunity for jobs in their hometown, and to combat the loss of college-bound youth.



Vital Statistics

- According to the Texas Department of State Health Services⁶³ for vital statistics for the year 2015, the Heart of Texas region had a total of 4,833 live births which represents a live birth rate of 13.5 births for every 1,000 persons, compared to a statewide rate of 14.8 births per 1,000 persons in the population. The Heart of Texas region had a total of 3,472 deaths,⁶⁴ representing a rate of 9.7 for every 1,000 persons compared to a statewide rate of 6.9.
- **Bosque and Hill counties saw more deaths than births**, which will aid population loss in those areas.

	2015 Population	2015 Births	2015 Deaths
Texas	27,326,193	403,439	189,166
Bosque	17,952	186	224
Falls	17,223	207	178
Freestone	19,847	215	202
Hill	35,475	389	455
Limestone	23,481	308	290
McLennan	243,882	3,528	2,123
Heart of Texas	357,860	4,833	3,472

Workforce, Employment and Unemployment

Civilian Labor Force:

- **The labor force has increased in Heart of Texas** (mostly from McLennan County) but decreased in Texas from October 2019-2020.
- Unemployment has increased likely due to residual effect of COVID-19 and the closure of Big Brown Coal Plant and exit of Manitou Group.
 - **Oil and gas pipeline construction appears in the top five unemployment claims** in four of the six counties.⁶⁵
- Limestone County is experiencing an unemployment rate on par with the State of Texas, while other counties and the region as a whole are seeing lower rates.

The most recent civilian labor force estimates from The Bureau of Labor Statistics for Texas in October 2020 is 14,084,000, a slight decrease (-76,862) from October 2019's 14,160,862.⁶⁶ The Heart of Texas region had a civilian labor force of 168,742 in October 2020, a 2,344 increase from October 2019.⁶⁷

- An **indicator of a thriving workforce is that the civilian labor force in Heart of Texas has increased** despite a statewide decrease.

	Empl Oct 2020 ⁶⁸	Empl Oct 2019	Labor Force Oct 2020	Labor Force Oct 2019	Unemp Oct 2020	Unemp Oct 2020	Unemp Oct 2019	Unemp Oct 2019
Texas	13,115,800	13,663,754	14,084,000	14,160,862	968,200	6.9	497,108	3.5
Bosque	7,872	8,101	8,260	8,374	388	4.7	273	3.3
Falls	6,378	6,413	6,737	6,619	359	5.3	206	3.1

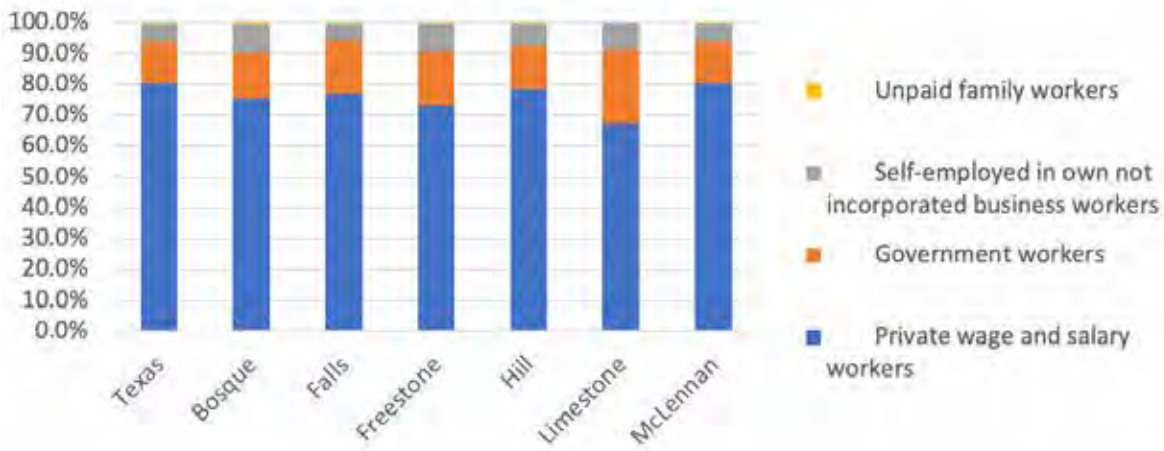
HEART OF TEXAS CEDS

Freestone	5,774	6,119	6,264	6,424	490	7.8	305	4.7
Hill	15,548	16,064	16,457	16,548	909	5.5	520	3.1
Limestone	8,090	8,331	8,685	8,649	595	6.9	318	3.7
McLennan	115,765	116,007	122,339	119,784	6,574	5.4	3,777	3.2
Heart of Texas	159,427	161,035	168,742	166,398	9,315	5.5%	5,399	3.2%

• According to the Bureau of Census/American Community Survey (ACS) estimates, the area had:

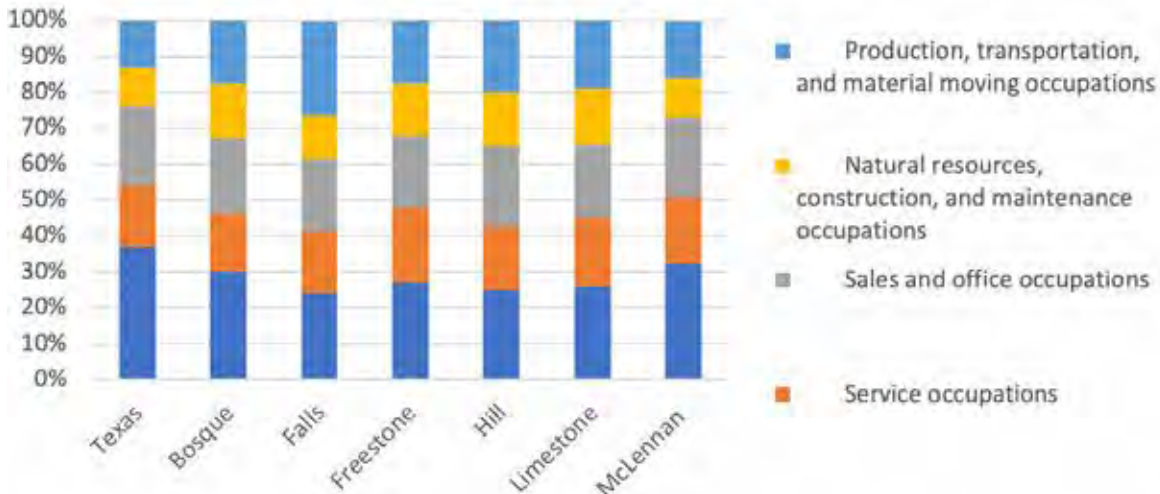
- 125,895 or 78.8% private wage and salary workers (vs. 80.1% Statewide)
- 23,077, or 14.4% government workers (vs. 13% Statewide)
- 10,385, or 6.5% were self-employed, (vs. 6.7% Statewide)
- 439 were unpaid family workers representing 0.3% (vs. 0.2% Statewide)

Class of Worker



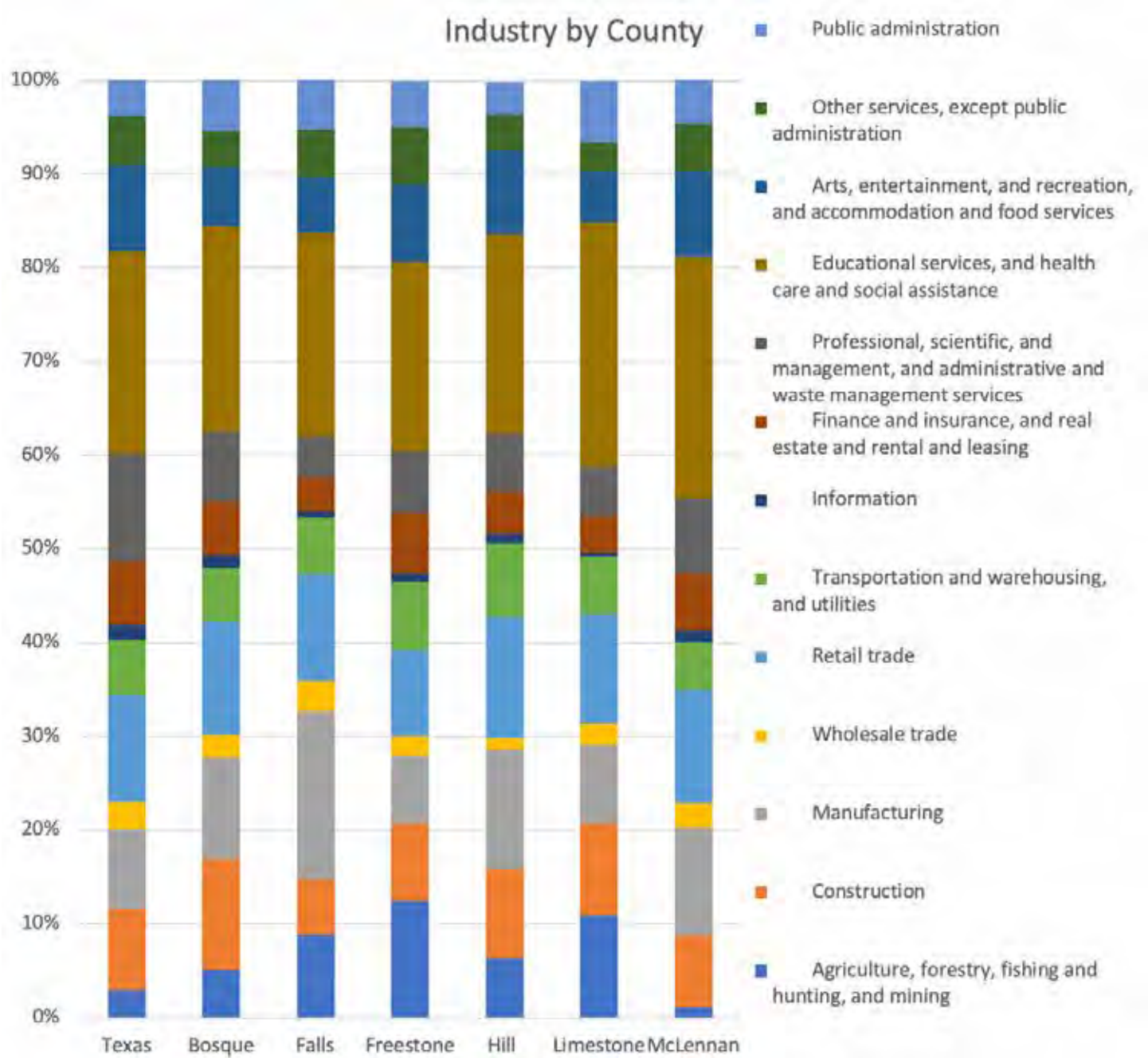
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Occupations by County



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Quarterly Workforce Indicators

- Employment numbers increased QoQ for 2019, however saw a slight dip during the first quarter of 2020, likely due to the onset of COVID-19.
- There were **more hires than separations**, indicating a healthy workforce.



Quarterly Workforce Indicators for the Region⁷²

	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20
Employment	136,750	138,394	138,507	139,081	137,293
Hires	23,475	27,728	28,966	25,401	23,531
Separations	22,494	26,818	28,379	24,785	N/A
Turnovers	0.093	0.093	0.089	N/A	N/A
Avg Monthly Earnings	4,029	4,033	4,101	4,316	N/A

Quarterly Workforce Indicators for the State⁷³

	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20
Employment	12,145,170	12,333,679	12,347,495	12,514,766	12,405,964
Hires	2,086,759	2,466,007	2,516,089	2,411,133	2,079,388
Separations	1,997,460	2,308,885	2,479,696	2,283,806	N/A
Turnovers	0.098	0.097	0.095	N/A	N/A
Avg Monthly Earnings	5,443	4,978	5,010	5,342	N/A

Income:⁷⁴

- Median household income is lower than Texas in all 6 counties, indicating an **economically depressed region**.
- Hill County has the highest median income, while Falls County sees the lowest median income.

	Texas	Bosque	Falls	Freestone	Hill	Limestone	McLennan
Median household income (dollars)	\$61,874	\$52,148	\$39,497	\$49,471	\$53,307	\$44,418	\$49,778

Economic Stress Criteria⁷⁵

- For the region as a whole, unemployment is one percentage point below the U.S. rate, however,
- 2019 Per Capita Money Income is **\$25,229, or 74%** of the U.S. amount of \$34,103
- 2019 Per Capita Personal Income is **\$41,272, or 73%** of the U.S. amount of \$56,490
 - **Falls County** sees the lowest Per Capita Personal Income at **\$35,258, or 62.4%** of the U.S. rate
 - **Bosque County** sees the highest Per Capita Personal Income at **\$42,366 or 75%** of the U.S. rate



Economic Distress Criteria–Primary Elements

	Heart of Texas	U.S.	Threshold Calculations
24-month Average Unemployment Rate (BLS) period ending October 2020	4.6	5.61	-1.01
2019 Per Capita Money Income (5-year ACS)	\$25,229	\$34,103	73.98%
2019 Per Capita Personal Income (BEA)	\$41,272	\$56,490	73.06%

Economic Distress Criteria–Geographic Components

	24 Month Unemp	Threshold Calculation	2019 Per Capita Personal Income (BEA)	Threshold Calculation	ACS 5-Year PCMI	Threshold Calculation
Bosque County, TX	4.31	-1.3	\$42,366	75	\$26,636	78.1
Falls County, TX	4.36	-1.25	\$35,258	62.4	\$18,745	55
Freestone County, TX	6.32	0.71	\$38,182	67.6	\$24,621	72.2
Hill County, TX	4.55	-1.06	\$41,240	73	\$26,370	77.3
Limestone County, TX	5.17	-0.44	\$37,774	66.9	\$22,595	66.3
McLennan County, TX	4.5	-1.11	\$42,159	74.6	\$25,703	75.4

Hires⁷⁶

- New hires represent workers at a business who were not working at that same business in the previous quarter. These data answer the question of which industries are doing the most hiring. The data does not say anything about job quality, simply hiring activity. New hires as a percent of total employment points to the employment volatility of an industry. Although a high percentage of new hires could indicate rapid hiring activity typically higher numbers represent more volatile, high turnover industries.
 - Accommodation and Food Services hired the most new employees; however, this industry is typically volatile.
- These five industries employ the most individuals in the region. Heart of Texas should focus on increasing their manufacturing facilities, utilizing industrial parks and partnering with renewable energy farms to supply resources.
 - Health Care and Social Assistance
 - Educational Services
 - Manufacturing
 - Retail Trade
 - Accommodation and Food Services
- Mining, Quarrying, and Oil and Gas Extraction saw no hires in Q1 2020, likely due to the closure of Big Brown Coal Plant and the decline of oil and gas as renewable energy becomes more mainstream.

HEART OF TEXAS CEDS

Top Industries hiring in Q1 2020	New Hires Q1 2020	Employment Q1 2020	Hires as % of Employment
Accommodation and Food Services	4,450	12,927	34%
Administrative and Support and Waste Management and Remediation Services	3,518	9,226	38%
Health Care and Social Assistance	2,716	19,935	14%
Retail Trade	2,547	14,661	17%
Manufacturing	2,368	17,578	13%
Construction	2,058	9,302	22%
Educational Services	1,271	18,331	7%
Professional, Scientific, and Technical Services	1,098	4,324	25%
Wholesale Trade	617	6,082	10%
Other Services (except Public Administration)	579	3,210	18%
Transportation and Warehousing	475	3,069	15%
Real Estate and Rental and Leasing	418	N/A	N/A
Public Administration	345	5,189	7%
Finance and Insurance	317	5,123	6%
Agriculture, Forestry, Fishing and Hunting	97	610	16%
Mining, Quarrying, and Oil and Gas Extraction	None	0	N/A
Utilities	None	1201	N/A

Occupation Groups by Employment

- The total number of persons 16 years of age or older who were employed in Heart of Texas in 2019 was 159,796. The following presents a table of those employed by occupational categories for this region compared to statewide percentages.
 - The industries that employ the most people in the region are
 - Education
 - Retail Trade
 - Manufacturing



Industry	Texas		Heart of Texas	
	Estimate	Percent	Estimate	Percent
Civilian employed population 16 years and over	13,253,631	100.0%	159,796	100.0%
Educational services, and health care and social assistance	2,863,828	21.6%	39,477	24.7%
Retail trade	1,507,002	11.4%	19,198	12.0%
Manufacturing	1,125,176	8.5%	18,342	11.5%
Arts, entertainment, and recreation, and accommodation and food services	1,216,771	9.2%	13,644	8.5%
Construction	1,137,958	8.6%	13,016	8.1%
Professional, scientific, and management, and administrative and waste management services	1,524,750	11.5%	11,903	7.4%
Finance and insurance, and real estate and rental and leasing	884,408	6.7%	9,081	5.7%
Transportation and warehousing, and utilities	777,044	5.9%	8,893	5.6%
Other services, except public administration	684,780	5.2%	7,882	4.9%
Public administration	528,412	4.0%	7,565	4.7%
Agriculture, forestry, fishing and hunting, and mining	397,032	3.0%	5,070	3.2%
Wholesale trade	378,542	2.9%	3,873	2.4%
Information	227,928	1.7%	1,852	1.2%

Occupation Demand

- Current job postings indicate what roles employers are seeking to fill in real time, rather than job projections, which calculate industry and population changes to predict occupational need. The following chart shows the Top 25 occupations in demand based on aggregate jobs postings for 2020 YTD.
 - Truck Drivers, Heavy and Tractor-Trailer, Combined Food Preparation and Serving Workers, Including Fast Food, Maintenance and Repair Workers, General, Laborers & Freight, Stock & Material Movers, Hand, and Driver/Sales Workers are all skilled jobs that do not require extensive higher education, reflecting the current workforce. This is a good indicator that not only are these jobs in demand, but the workforce is available to fill these roles, which would be a good way to attract future businesses who want to set up manufacturing and production facilities, or warehouse, distribution, logistics and supply centers in the Heart of Texas region.

Top 25 Occupations by Help Wanted Postings⁷⁷

Between January 2020 and November 2020

Rank	SOC	SOC Title	Postings
1	41-1011	First-Line Supervisors/Managers of Retail Sales Work	1,649
2	29-1141	Registered Nurses	1,580
3	41-2031	Retail Salespersons	1,541
4	43-4051	Customer Service Representatives	1,501
5	41-4012	Sales Rep., Wholesale & Manufacturing, Except Tech. & Scientific Products	1,480
6	53-3032	Truck Drivers, Heavy and Tractor-Trailer	1,416
7	5-3021	Combined Food Preparation and Serving Workers, Including Fast Food	960
8	49-9071	Maintenance and Repair Workers, General	886
9	53-7062	Laborers & Freight, Stock & Material Movers, Hand	759
10	53-3031	Driver/Sales Workers	667
11	29-2061	Licensed Practical and Licensed Vocational Nurses	655
12	37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	575
13	Nov-51	Food Service Managers	571
14	39-9021	Personal Care Aides	505
15	Nov-99	Managers, All Other	500
16	31-1014	Nursing Assistants	464
17	27-1026	Merchandise Displayers and Window Trimmers	462
18	25-2022	Middle School Teachers, Except Special and Vocation	436
19	43-5081	Stock Clerks and Order Fillers	434
20	37-2012	Maids and Housekeeping Cleaners	427
21	33-9032	Security Guards	414
22	43-6014	Secretaries & Administrative Assistants, Except Legal, Medical, & Executive	387
23	11-1021	General and Operations Managers	379
24	41-2011	Cashiers	370
25	35-2014	Cooks, Restaurant	359



Occupational Projections:⁷⁸

- The following chart shows the occupations projected to grow by the most number of jobs by 2028. Because projections calculate industry and population changes to predict occupational need, this will change dependent on Heart of Texas's ability to attract new industries to the region that create new jobs, including in manufacturing and production, warehouse, distribution, logistics and supply centers.

SOC Code	Occupation Title	Estimated Employment (2018)	Projected Employment (2028)	Change in Employment	Percentage Change
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1,047	1,310	263	25.12
35-2014	Cooks, Restaurant	869	1,083	214	24.63
47-2061	Construction Laborers	766	971	205	26.76
39-9021	Personal Care Aides	384	578	194	50.52
47-2061	Construction Laborers	449	631	182	40.53
21-2011	Clergy	1,410	1,588	178	12.62
35-3031	Waiters and Waitresses	1,731	1,865	134	7.74
37-3011	Landscaping and Groundskeeping Workers	379	501	122	32.19
43-6013	Medical Secretaries	506	619	113	22.33
29-1141	Registered Nurses	358	468	110	30.73
25-2031	Secondary School Teachers, Except Special and Career/ Technical Education	1,463	1,567	104	7.11
25-2021	Elementary School Teachers, Except Special Ed.	1,479	1,581	102	6.9
31-9092	Medical Assistants	343	439	96	27.99
29-2061	Licensed Practical and Licensed Vocational Nurses	309	390	81	26.21
25-9041	Teacher Assistants	1,203	1,283	80	6.65
53-3022	Bus Drivers, School or Special Client	313	393	80	25.56
25-2022	Middle School Teachers, Except Special and Career/ Technical Education	983	1,054	71	7.22
33-3051	Police and Sheriff's Patrol Officers	732	803	71	9.7
29-1123	Physical Therapists	190	261	71	37.37
39-9011	Childcare Workers	346	414	68	19.65

Establishments:

- The Greater Waco Chamber provides custom reports listing major employers operating in the Heart of Texas region
 - There are more businesses in the Manufacturing Industry that employ the most individuals in the Greater Waco Area than any other industry, indicating that Heart of Texas has a **robust manufacturing workforce**.
 - More than 30 aviation and aviation-related companies that manufacture aircraft, components and materials are operational in the region.⁷⁹

Industry	Count
Manufacturing	49
Education	20
Health Care	17
Retail	15
Logistics	12
Professional Services	12
Construction	11
Financial	9
Local Government	7
Utility	7

* Full list is in the appendix

Major Employers⁸⁰

Company	Industry	Total Employment
Baylor University	Education	3,253
Waco ISD	Education	2,373
H-E-B	Retail	2,000
Baylor Scott & White Medical Center - Hillcrest	Healthcare	1,736
Texas State Technical College Waco	Education	1,706
Ascension Providence	Healthcare	1,622
City of Waco	Local Government	1,518
McLennan County	Local Government	1,201
Sanderson Farms Inc.	Manufacturing	1,200
Wal-Mart	Retail	1,174
Midway ISD	Education	1,081
Veterans Administration Medical Center	Healthcare	886
Examination Management Services, Inc. (EMSI)	Professional Services	824
Veterans Affairs Regional Office	Federal Government	796
AbbVie	Manufacturing	785
L3Harris	Aerospace	774
McLennan Community College	Education	719
Mars Wrigley Confectionery	Manufacturing	700
Aramark	Professional Services	696
American Income Life	Insurance	693

Industries

Employment by major industry for Region, State, and Nation

- When employment changes at a higher rate than the State, there may be comparative advantages in the local economy which are driving these changes. Conversely, when change is at a lower rate, then the Super Sector is showing less change in comparison to the State and may consequently have a smaller comparative change impact.
- Comparing Q2 2019 to 2020, **all industries saw a decline in the State of Texas, however, in Heart of Texas, Construction, Manufacturing, Professional Business, and Public Administration saw growth**, indicating promising target industry sectors in the region.
- Natural resources and mining saw a decline due to the closure of Big Brown Coal Plant and the decline of oil and gas in the region.

Employment by Industry (2nd Quarter 2020, 2019)⁸¹

Heart of Texas

Industry	Q2 2019 Employment	Q2 2020 Employment	Employment Change	Percent Change
Natural Resources and Mining	2,261	1,842	(419)	-18.53%
Construction	9,461	9,591	130	1.37%
Manufacturing	16,994	17,128	134	0.79%
Trade, Transportation and Utilities	27,032	25,937	(1,095)	-4.05%
Information	1,192	1,042	(150)	-12.58%
Financial Activities	7,822	7,193	(629)	-8.04%
Professional and Business Services	13,343	13,790	447	3.35%
Education and Health Services	39,125	37,372	(1,753)	-4.48%
Leisure and Hospitality	15,522	12,421	(3,101)	-19.98%
Other Services	3,253	2,966	(287)	-8.82%
Public Administration	6,579	6,794	215	3.27%

Texas

Industry	Q2 2019 Employment	Q2 2020 Employment	Employment Change	Percent Change
Natural Resources and Mining	311,677	247,672	(64,005)	-20.5%
Construction	806,541	761,406	(45,135)	-5.6%
Manufacturing	908,725	858,552	(50,173)	-5.5%
Trade, Transportation and Utilities	2,570,925	2,444,585	(126,340)	-4.9%
Information	217,547	199,153	(18,394)	-8.5%
Financial Activities	778,747	772,066	(6,681)	-0.9%
Professional and Business Services	1,796,512	1,701,797	(94,715)	-5.3%
Education and Health Services	2,922,817	2,790,442	(132,375)	-4.5%
Leisure and Hospitality	1,437,194	1,030,807	(406,387)	-28.3%
Other Services	347,154	282,652	(64,502)	-18.6%
Public Administration	461,739	467,500	5,761	1.2%



Manufacturing:

- **Manufacturing is proving to be a prominent industry in the region.** The top Manufacturing employers are below:

Major Employers⁸²

Rank	Company	Industry	Total Employment
9	Sanderson Farms Inc.	Manufacturing	1,200
15	AbbVie	Manufacturing	785
18	Mars Wrigley Confectionery	Manufacturing	700
22	Texas Materials	Manufacturing	672
23	Cargill Value Added Meats	Manufacturing	646
26	Versalift	Manufacturing	518
29	Howmet Fastening Systems	Manufacturing	490
30	Pilgrims	Manufacturing	480
33	Coca-Cola North America	Manufacturing	440
37	O-I Glass	Manufacturing	385
46	Packaging Corporation of America	Manufacturing	313
51	Lochridge Priest	Manufacturing	264
54	Clayton Homes	Manufacturing	260
57	Fleetwood Homes	Manufacturing	230
70	TYMCO	Manufacturing	177

Environmental, Geographic, Climatic, and Cultural Resources

Environment

The region has shown significant advances in the realm of environmental awareness by its public and economic development agencies. Showcase LEED buildings have been constructed by the Greater Waco Chamber of Commerce and McLennan Community College that boast such features as recycled building materials and green roofs. Solid Waste reduction programs offered by the Heart of Texas Council of Governments have seen strong participation. Of all of the environmental challenges facing the region, air quality has grown as a local issue and will become an even greater priority, especially if the standard for ground-level ozone is lowered from the current level of 75 parts per billion. However, the closure of the Big Brown Coal Plant will positively affect air quality as renewable energy moves into the region.

Solar Energy

As the Texas economy continues to grow, electricity consumption has correspondingly increased. Environmental regulations and various market pressures have forced a significant amount of generation to exit the market in recent years (coal, oil, and gas) while older generation sources continue to be retired. Thus, **new solar generation capacity is required to meet the Texas market's demand.**

Texas ranks 2nd in a national ranking of solar energy adoption and is poised to become a nationwide leader in solar energy, something the Heart of Texas region can leverage to attract more green energy companies. Capacity is expected to increase from 6,751.45 MW in December 2020 to 15,906 MW over the next five years, ranking second in growth projection, with appropriate state policy that removes market barriers and recognizes solar's benefits.⁸³

- Solar farms generate more taxes than farmland.⁸⁴

While Texas has the land and the climate to fuel solar farms, which brings in tax revenue and helps air quality, this industry does not produce significant jobs.

- OCI Solar Power, a new solar farm in Falls county, only plans on **hiring one person at an annual wage of \$48,000** once the project is operational in 2022.⁸⁵

Texas Solar Facts⁸⁶

- **Solar Installed (MW):** 6,751.45
- **National Ranking:** 2nd (2nd in 2019)
- **Enough Solar Installed to Power:** 783,663 homes
- **Percentage of State's Electricity from Solar:** 1.76%
- **Solar Jobs:** 10,261
- **Solar Companies in State:** 475 (80 Manufacturers, 195 Installers/Developers, 200 Others)
- **Total Solar Investment in State:** \$8,628.77 million
- **Prices have fallen** 45% over the last 5 years
- **Growth Projection and Ranking:** 15,906 MW over the next 5 years (ranks 2nd)
- **Number of Installations:** 91,756

Wind Energy:

- Winds in the region average about 7 meters per second at a height of 80 meters, according to a U.S. Department of Energy map.⁸⁷ This indicates a successful climate for gathering wind energy.

Infrastructure Assets

Interstates and Highways

- Access to both I-35 and I-45, and US Highway 84, which makes the region within easy driving distance of four of the fastest growing metropolitan areas in the country.
- Old Mexia-Fairfield road was expanded for **increased commercial and industrial traffic**. The project will help retain and encourage existing business to expand and draw manufacturing and industrial users to the newly completed Industrial Park by providing a roadway facility that can support truck traffic, and improve access to and from Interstate 45, which a vital infrastructure route between Houston and Dallas.
- TxDOT is adding four lanes to each side of I-35, with complete reconstruction to frontage roads, in order to keep up with Waco's growing popularity. The I-35 project is on track to be completed in the next 3 years (2023).⁸⁸

Local Transit

- **Heart of Texas Rural Transit District** offers one way demand response transportation to the general public in Bosque, Falls, Freestone, Hill, and Limestone counties Monday through Friday, for \$1 within county, and \$2 for out of county. Service is provided using a fleet of HOTCOG ADA accessible vans. Clients call to schedule rides to their specific destination with rides based on availability.⁸⁹
- **Waco Transit**,⁹⁰ or WTS, offers single rides to the general public in McLennan county for \$1.50 and unlimited fixed route rides for the duration of the calendar day during normal operating hours, for only \$3.
- WTS is **looking to expand service** as Holt, Amazon, and other companies enter the region.⁹¹
- **FREE Shuttle Service in Downtown**, running every 15-20 minutes, Monday through Saturday, from 9 a.m. to 6:30 p.m. ⁹²

Rail

- Union Pacific Railway⁹³ operates a line-haul route through Bellmead Yard in McLennan County.
- Fairfield, Texas is located:
 - 75 miles south of the UP Dallas Intermodal Terminal in Wilmer, TX.
 - 10 miles from the BNSF Teague Terminal.

Airports

Waco Regional Airport⁹⁴

- Commercial service with American Airlines
- Car rental from Avis, Enterprise, and Hertz
- Baylor University Flight Center,⁹⁵ offers Baylor Aviation Science majors a one-of-a-kind integrated pilot training system that is unique in the world of collegiate aviation, using three different aircraft models from only one manufacturer – Tecnam - in addition to all Tecnam-specific simulators for training purposes.
- General aviation services and manufacturing⁹⁶

McGregor Executive Airport

- Offers general aviation and pilot training opportunities⁹⁷

Texas State Technical College Airport

- Provides an 8,600-foot industrial runway and on-site training⁹⁸

Industrial Parks

Texas Central Park⁹⁹ encompasses 3,000 acres, with 1,200 of them available for development. Located in the intersection at the intersection of I-35, Texas Highway 6, and US Highway 84, the park is served by the Union Pacific main railroad line and is home to 75 companies with over 8,600 employees and over 10 million square feet, including Coca Cola North America, Masterfoods USA, Caterpillar, and Allergan, to name a few.

Robinson Business Park¹⁰⁰ provides more than 600 acres of land at the crucial intersection of Interstate 35 and Highway 6/Loop 340.

The Robinson Business Park is the Waco Industrial Foundation's newest acquisition and is comprised of approximately 175 acres of commercial-zoned land, and more than 460 acres of light industrial land. The property is served with transmission-grade utilities that can serve virtually any demand requirements and is one of the few industrial parks accessing the WMARSS reclaimed/purple pipe water system (20" line).

Plans call for a new roadway that will bisect the Robinson Business Park, granting access onto Interstate 35, Loop 340 and Greig Drive, which serves as the southeastern boundary of the property. Unrecorded covenants have been drafted to ensure a premium quality business park that seamlessly brings together commercial and retail with light industrial and distribution users.

Waco International Aviation Park¹⁰¹ near Texas State Technical College (TSTC) and Interstate 35, is prime property for those in the aviation industry. TSTC is home to an all-weather runway that is 8,600 feet x 150 feet. Because the airport is not utilized by commercial airlines, the airspace is not congested. Over 300 acres of land are available for lease on TSTC airport. Adjacent to the airport is property that is particularly well suited to aircraft manufacturing and assembly. Other acreage is appropriate for aviation supplier networks not needing flight line access. Approximately 700 acres are available for development. The park is currently home to L-3 Integrated Communications, Sanderson Farms, and Dr Pepper Bottling.

Waco Regional Airport Industrial Park¹⁰² is open to all types and sizes of business. The location lends itself naturally to businesses involved in the development or production of aviation-related products and services, and also works well for businesses that are compatible with the restrictions and regulations established by the FAA for land uses near airports. There are prime locations with ramp access connected directly to the airport runways. Businesses not requiring direct access to ramps can be located in either obligated or non-obligated areas of the airport. Non-obligated property can also be considered for sale through the newly created land sale incentive program at Waco Regional. This industrial park is also home to a Foreign Trade Zone to better meet the needs of all aviation, aviation-related, and non-aviation businesses that may locate there.

Fairfield Industrial Park North¹⁰³ is home to 45 acres of quality developed land with the best infrastructure and location that a business could ever want. Located just off Interstate 45 in Fairfield, Texas, our "45 on 45" is home to industry leading companies such as Norwesco manufacturer of proprietary rotationally molded polyethylene tanks for agricultural, water, closed-top industrial and below ground septic and cistern applications), Archrock (natural gas contract compression services), Custom Hose (hydraulic hoses, hydraulic equipment & supplies, air & water hoses, pressure relief valves, oil field equipment & supply and industrial plumbing supplies), Baker Hughes (provider of integrated oilfield products, services and digital solutions), Windstream Communications (network communications and technology solutions) and Chris Christensen Systems (Professional Grooming Products and Tools for dogs).

Fairfield Industrial Park South¹⁰⁴ is now complete and available with 125 acres of shovel ready sites for business development. The new park is located just one-half mile off Interstate 45 allowing for excellent truck transportation access to the site.

Mexia Industrial Park,¹⁰⁵ with access to I-35, I-45, and US 84, has recently invested about 600 acres of land adjacent to the existing Industrial Park. The sites have direct access to State Highway 14 with its connection to Interstate 45 and is located just ½ mile north of US Highway 84, which connects Interstates 45 and 35. Infrastructure is currently in planning to provide full access and amenities to the property. Mexia Industrial Park is currently home to Aggregate Haulers, Carry-On Trailer Manufacturing, Kennedy Auctions, Kioti Tractors, Martin-Marietta Concrete, Navarro College, Rogers Manufacturing, and Texas Department of Health & Human Services.

Proximity to Port of Houston: Fairfield, Texas is approximately 160 miles from Port Houston and is situated in the perfect location on I-45 to benefit as an inbound and outbound location to move, store and assemble products.¹⁰⁶

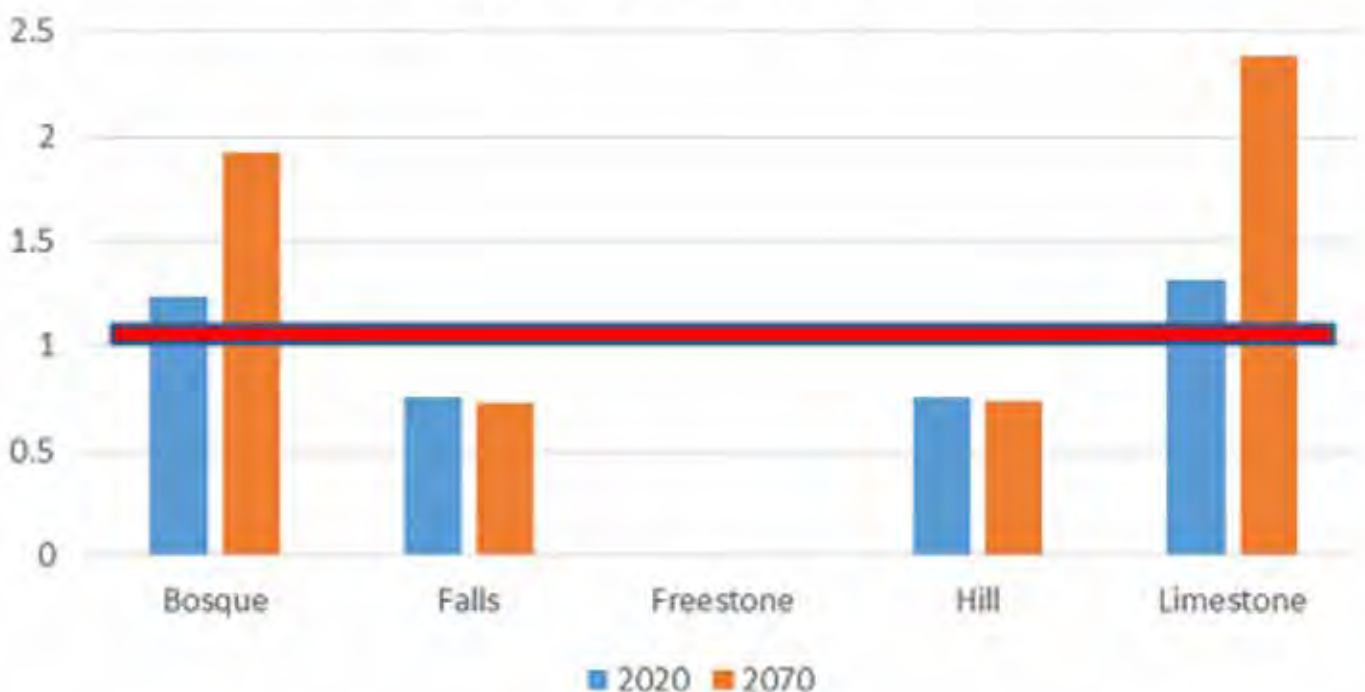
Foreign Trade Zone:¹⁰⁷ U.S. Foreign Trade Zone No. 246 covers over 400 acres in Waco. It is the only foreign trade zone located between Dallas and Austin to provide businesses with advantages in international trade and distribution, such as tariff exemption on goods that are imported, manufactured, and then exported.

Existing Locations:¹⁰⁸ Waco Regional Airport, Waco International Airpark (TSTC Airport), Texas Central Industrial District, Texas Central Park and Waco International Aviation Park. Other areas can be incorporated via subzone designation or minor boundary modification.

Water:

As in most of Texas, the Heart of Texas region is placing increasing emphasis on water management and drought Preparedness.

Regional Water Demand



Commuting to Work:¹⁰⁹

Commuting to work has a number of implications for transportation and municipal services, including need for public transit, and congestion on roads. According to the American Community Survey (ACS) The Heart of Texas region had a total of 157,436 workers aged 16 and over commuting to work. Of these commuters,

- 82.9% drove their car to work alone, vs. 80.5% for the State of Texas.
- 10% car-pooled, the same as the State of Texas.
- 0.3% used public transportation, lower than the State of Texas' 1.4%.
- 2% walked to work, higher than the State of Texas 1.5%.
- 1.2% used other means to get to work, vs. 1.6% for the State of Texas, and
- 3.6% worked from home, vs. 5% for the State of Texas.

Factors Directly Affecting Economic Performance

State Incentives¹¹⁰

The State of Texas offers a wide variety of incentives to attract businesses to Texas. Texas takes the initiative to invest in its future by offering competitive incentives to companies who are creating jobs and driving innovation in Texas. The incentives in this section are a summary of the most commonly utilized state offerings administered by the Department of Economic Development Finance.

Texas Enterprise Fund

The Texas Enterprise Fund (TEF) is the largest “deal-closing” fund of its kind in the nation. The fund is used as a final incentive tool for projects that offer significant projected job creation and capital investment and where a single Texas site is competing with another viable out-of-state option.

www.texaswideopenforbusiness.com/services/texas-enterprise-fund

Texas Enterprise Zone Program

The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state.

www.texaswideopenforbusiness.com/services/tax-incentives

Skills Development Fund

The Skills Development Fund is an innovative grant program created to assist Texas public community and technical colleges finance customized job training for their local businesses.

www.twc.state.tx.us/partners/skills-development-fund

Texas Capital Fund

The Texas Capital fund Infrastructure Development and Real Estate Programs are economic development tools designed to provide financial resources to non-entitlement communities. Funds from the program can be utilized for public infrastructure needed to assist a business that commits to create and/or retain permanent jobs, primarily for low- and moderate-income persons. Funds from the real estate program must be used for real estate development to assist a business that commits to create and/or retain permanent jobs, primarily for low and moderate-income persons. The real estate and/or improvements must be owned by the community and leased to the business.

www.texasagriculture.gov/grantsservices/ruralEconomicDevelopment/TexasCapitalFund.aspx

Product Development and Small Business Incubator Fund

The Product Development and Small Business Incubator Fund (PDSBI) is a revolving loan program financed through original bond issuances. The primary objective of the program is to aid in the development, production and commercialization of new or improved products and to foster and stimulate small business in the State of Texas.

Waco-McLennan County Economic Development Corporation

Cash grant program for new job creation and capital investment in support of existing industry expansion and new business attraction.

Waco Industrial Foundation

Non-profit real estate development foundation that works with economic development partners for the qualified project. Purchases land and develops infrastructure in industrial areas.

Tax Abatements from City, County, Community College

Real and/or personal property tax abatements for value-added investment and job creation in new facilities and business expansion.

Business Grant Program from City and County

Grant program for qualified projects based on location, capital investment and job creation. The program provides grants for value-added real and/or personal property investments in an amount equal to all or a portion of the increased taxable value.

Freeport Tax Exemption from City, County, School Districts

Inventory tax exemption available to companies for products that leave the state of Texas within 175 days of manufacture or entry into Texas. McLennan County, the cities of Waco, McGregor, Beverly Hills and Bellmead, and five area school districts (Bosqueville, LaVega, McGregor, Moody and Waco) offer tax exemption to companies within these jurisdictions.

Aircraft components are eligible for 670 days from exemption for qualifying components that leave the state.

Regional Economic Development Corporations

Regional economic development corporations and municipalities outside of Waco work in partnership with the Greater Waco Chamber to support business growth within their jurisdictions. EDC's can provide incentives in the form of grants, loans and development assistance.

Historic Preservation Tax Credit

Municipal tax credit on locally designated or recognized historic property that undergoes rehabilitation.

Owner-Occupied Renovations and Development Tax Abatement

Encourages redevelopment/renovation of substandard structures that create mixed-use facilities associated with the Brazos River Corridor and the Public Improvement District.

Tax Exempt Bond Financing

The program offers businesses the opportunity to apply for facility bonds. Bonds are used to finance property development at lower interest rates than conventional financing.

Tax Increment Financing

Three designated incentive zones within Waco's central city for revitalization and development projects.

Taxes:¹¹¹

Personal Taxes

- There are no personal income taxes in the State of Texas.

Corporate Taxes

- There are no corporate taxes in the State of Texas. There is however a Franchise Tax as follows.

Franchise Tax

- The Texas franchise tax is a privilege tax imposed on each taxable entity chartered/organized in Texas or doing business in Texas. Please see the following website for more information. www.comptroller.texas.gov/taxinfo/franchise

Ad-Valorem Tax Rates - Local

Inventory Taxes

- Inventory would be taxed at the same rates as noted above. Qualifying businesses can apply for Freeport Tax Exemption and Goods-in-Transit Exemption in some cases.

Sales and Use Tax Rates

Following are the sales and use tax rates for the proposed location:

- City General Fund – 1.5%
- City EDC – .5%
- State of Texas – 6.25%

Other Factors Related to Economic Performance

- Safety
 - Close-knit communities with good neighbors
- Walking score
 - Streets in need of repair
 - No sidewalks
- Cultural challenges
 - The Heart of Texas region is predominantly white with little diversity

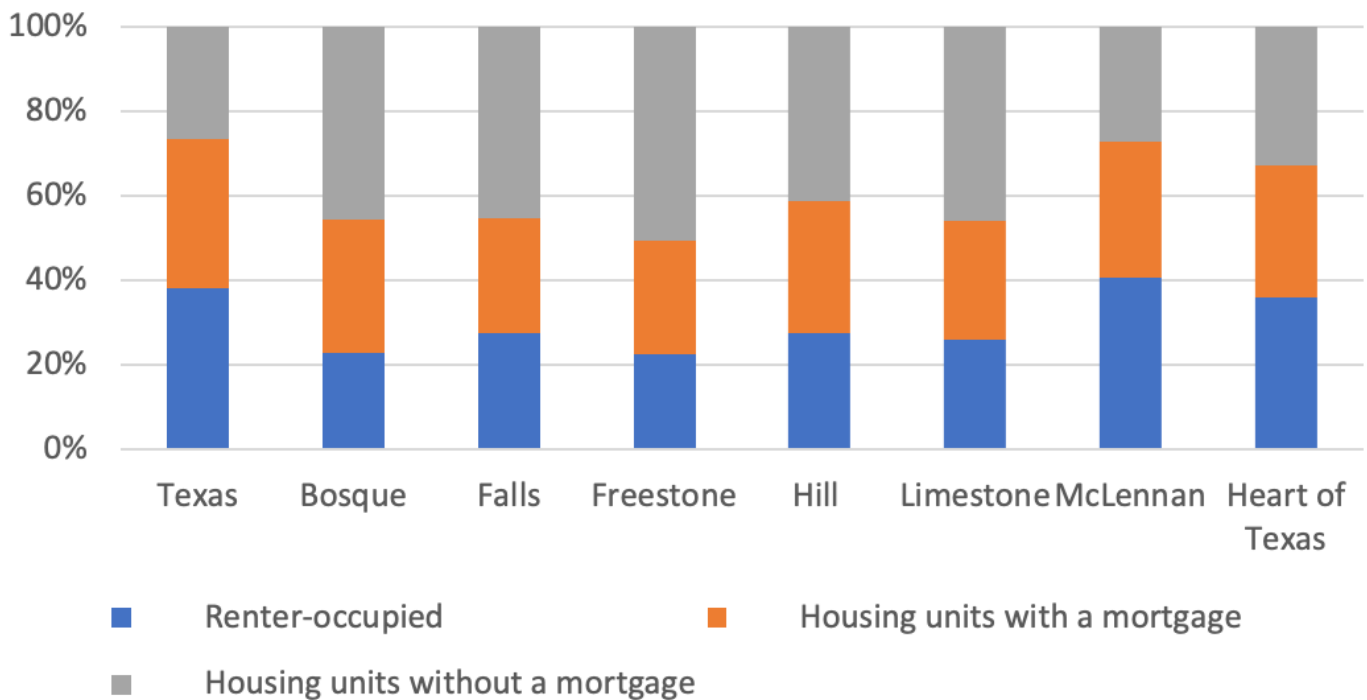
HEART OF TEXAS CEDS

Housing¹¹²

- The Heart of Texas region has a **high percentage of vacant housing** (15.9% vs. 11.4% in State of Texas). This creates an opportunity to attract people in search of affordable housing.
- More than 25% of housing is vacant in Bosque, Falls, and Freestone counties.

	Texas	Bosque	Falls	Freestone	Hill	Limestone	McLennan	Heart of Texas
HOUSING OCCUPANCY								
Total housing units	10,937,026	9,767	7,781	9,495	16,337	10,731	101,142	155,253
Occupied housing units	88.60%	73.80%	66.80%	71.20%	79.50%	78.10%	89.00%	84.1%
Vacant housing units	11.40%	26.20%	33.20%	28.80%	20.50%	21.90%	11.00%	15.9%

Housing Burden

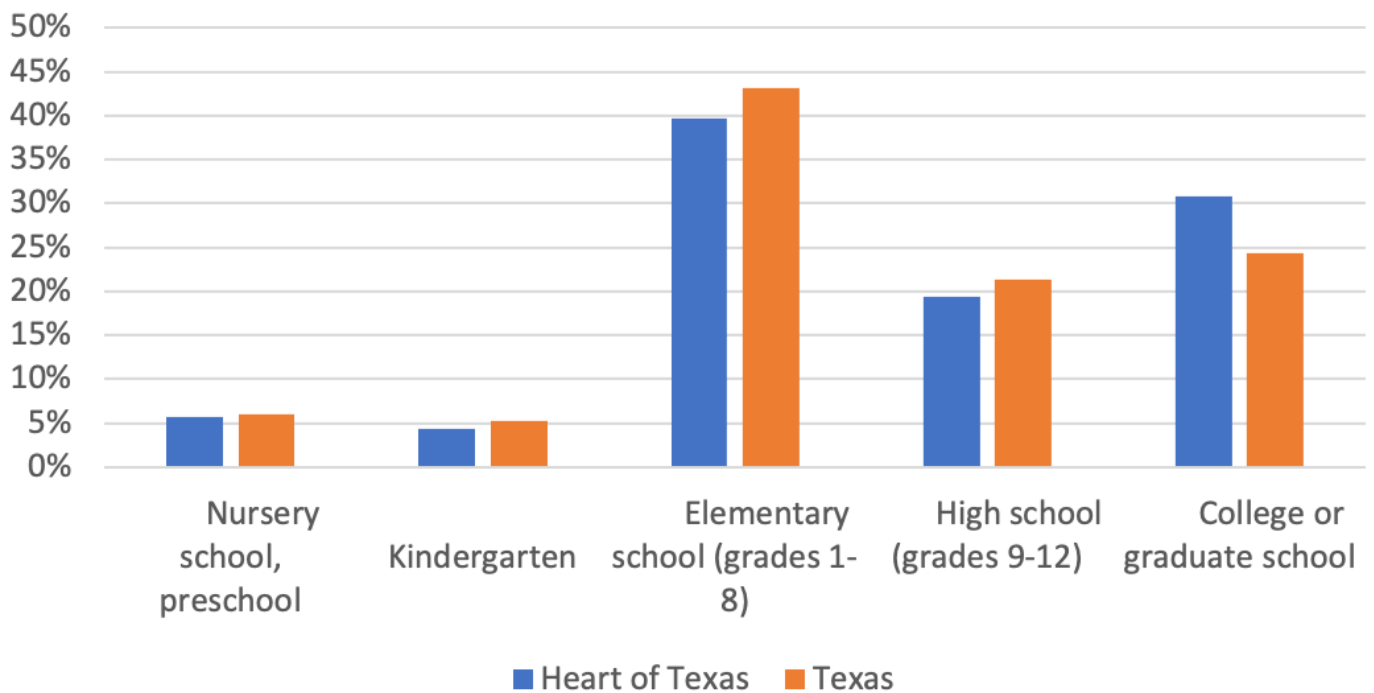


Education

Enrollment

- Of all the individuals enrolled in school in 2019, Heart of Texas has a higher percentage of the enrolled in higher education. Those with some college, even without obtaining a credential, are more likely to hold a job than those with just a high school diploma.
- However, there is a gap in attainment of bachelor’s degrees compared with the state of Texas (21.5% vs. 29.9%).

School Enrollment



Heart of Texas Texas

SCHOOL ENROLLMENT	Estimate	Percent	Estimate	Percent
Population 3 years and over enrolled in school	100,223		7,681,758	7,681,758
Nursery school, preschool	5,669	5.7%	458,628	6.0%
Kindergarten	4,444	4.4%	409,022	5.3%
Elementary school (grades 1-8)	39,719	39.6%	3,312,486	43.1%
High school (grades 9-12)	19,462	19.4%	1,638,387	21.3%
College or graduate school	30,929	30.9%	1,863,235	24.3%

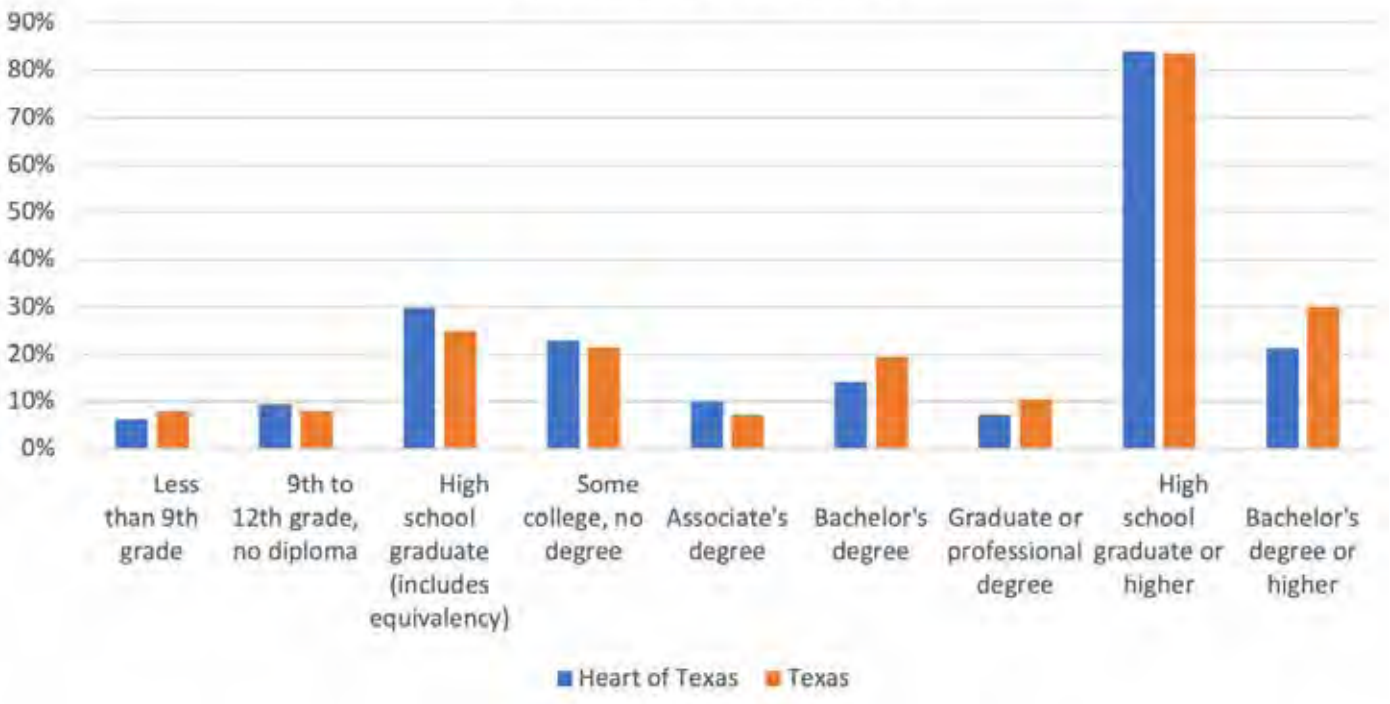


Educational Attainment

- There is an education gap when comparing the Heart of Texas region to the State of Texas.

EDUCATIONAL ATTAINMENT	Heart of Texas		Texas	
	Estimate	Percent	Estimate	Percent
Population 25 years and over	232,108	100.0%	18,131,554	100.0%
Less than 9th grade	14,573	6.3%	1,482,952	8.2%
9th to 12th grade, no diploma	22,478	9.7%	1,475,007	8.1%
High school graduate (includes equivalency)	68,850	29.7%	4,525,099	25.0%
Some college, no degree	53,227	22.9%	3,918,815	21.6%
Associate's degree	23,178	10.0%	1,309,005	7.2%
Bachelor's degree	32,740	14.1%	3,534,714	19.5%
Graduate or professional degree	17,062	7.4%	1,885,962	10.4%
High school graduate or higher	195,057	84.0%	15,173,595	83.7%
Bachelor's degree or higher	49,802	21.5%	5,420,676	29.9%

Educational Attainment



- There are six institutions of higher education in the Heart of Texas region
 - One Private Institution, Baylor University,
 - 3 community colleges, Hill College, McLennan Community College, and Navarro College,
 - Texas State Technical College.
- Southern Careers Institute is a for-profit institution offering vocational training in various fields such as medical billing and coding, medical office specialist, medical assistant and welding. It is authorized to grant associate degrees, grant credits toward degrees, and to use certain protected academic terms at the Austin, Texas campus by the Texas Higher Education Coordinating Board.¹¹³ Additionally, Southern Careers Institute has been accredited for over 25 years by The Commission of the Council on Occupational Education (COE), and is also approved by the Texas Workforce Commission (TWC), and Texas Veterans Commission to train eligible veterans.¹¹⁴
- Texas State Technical College is now offering an **Industrial Systems training program**, designed to provide our students with a wide range of valuable skills, from basic machining to boiler maintenance and even programmable logic controllers, which are the prevalent control systems in the industry today. With a labor force education in Industrial Systems, Heart of Texas will become an attractive area to bring industrial systems, welding, and other heavy equipment and manufacturing fields.¹¹⁵
- Tesla to create **talent pipeline through partnership with Texas State Technical College** - partner with this institution to attract articulation agreements to provide curriculum and study to create talent pipeline in region.
- University Center at McLennan Community College in Waco¹¹⁷
 - This opportunity **local students to pursue undergraduate and graduate degrees from Texas Tech University, Tarleton State University, Midwestern State University, The University of Texas Medical Branch**. The program allows student to remain in their jobs and at home, and the average cost of tuition and fees less than \$25,000.
- Baylor Research and Innovation Collaborative:¹¹⁸
 - City of Waco, City of Bellmead, Greater Waco Chamber, Cooper Foundation, McLennan County, Texas State Technical College, and Waco Foundation partnered with Baylor University, created a **high technology research, workforce development/training and industry solutions center**. The BRIC allocates 45,000 square feet for an advanced workforce technology training and workforce development center to be used by its partner, Texas State Technical College Waco, on behalf of BRIC clients.

Institution Name ¹¹⁹	Street address or post office box (HD2019)	City location of institution (HD2019)	ZIP code (HD2019)	County name (HD2019)
Baylor University		Waco	76798	McLennan County
Hill College	112 Lamar Dr	Hillsboro	76645	Hill County
McLennan Community College	1400 College Dr	Waco	76708	McLennan County
Southern Careers Institute-Waco	700 South IH-35 Suite A	Waco	76706-3756	McLennan County
Texas State Technical College	3801 Campus Drive	Waco	76705	McLennan County
Navarro College	901 N Dr M.L.K. Jr. Hwy	Mexia	76667	Limestone County