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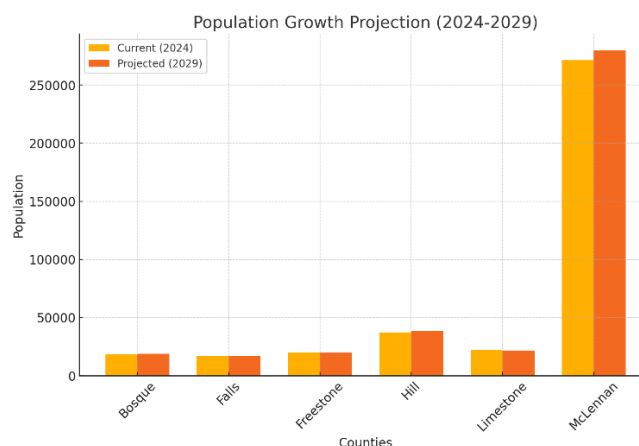
Demographic and Socioeconomic Data

Population

The Heart of Texas region's population is steadily growing, although at a slower pace compared to the State of Texas. Current population estimates for 2024 place the region's total population at **385,047**, with a projected increase to **394,910 by 2029**, representing a growth rate of **2.6% over five years**.²

While all counties within the region are experiencing some level of demographic change, growth remains predominantly concentrated in McLennan County. Population trends for individual counties are as follows:

- **Bosque County:** Current population of **18,561**, expected to grow to **18,713 by 2029** (+0.8%).
- **Falls County:** Current population of **16,899**, projected to decline slightly to **16,896 by 2029** (-0.02%).
- **Freestone County:** Current population of **19,802**, expected to increase to **20,000 by 2029** (+1%).
- **Hill County:** Current population of **37,359**, projected to grow to **38,516 by 2029** (+3.1%).
- **Limestone County:** Current population of **21,914**, anticipated to decline to **21,771 by 2029** (-0.7%).
- **McLennan County:** Current population of **271,356**, forecasted to reach **279,859 by 2029** (+3.1%).



The region's population has grown from **366,511 in 2020** to **385,047 in 2024**, marking a growth of **5.1% over four years**. In contrast, the State of Texas continues to experience rapid population growth, increasing from **29,677,668 in 2020** to an estimated **30.3 million in 2023**,

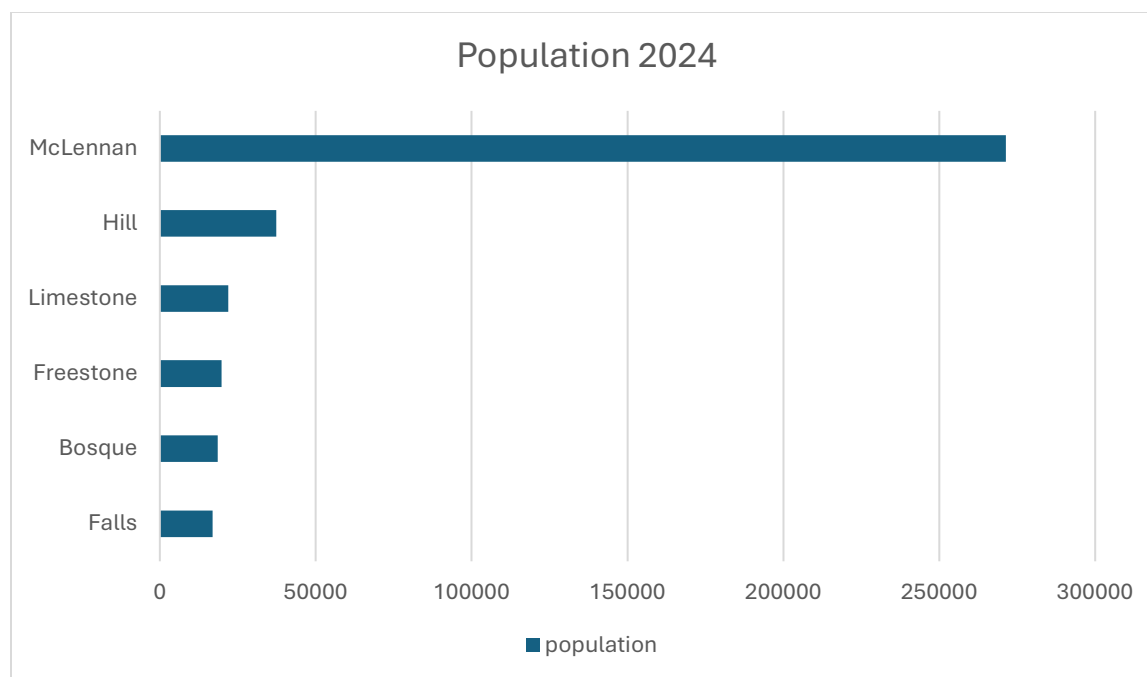
with a projected growth of **59.5% by 2050** to a population of **47,342,105**. This state-level growth is significantly faster than the national growth rate of **16.9% during the same period**.

Future Projections and Opportunities

The Texas State Demographers Office predicts that population growth in the Heart of Texas region will continue through 2050 at a rate of **+6.6%**, although the majority of this growth is expected to remain concentrated in McLennan County. Without targeted economic development initiatives, other counties may face stagnation or slight population declines.

However, the state's overall rapid growth presents significant opportunities for the region. With strategic planning and investment, the Heart of Texas region can attract a larger share of the state's expanding workforce and population. Initiatives to enhance infrastructure, diversify the economy, and improve quality of life in all counties will be essential to spreading growth more evenly across the region.

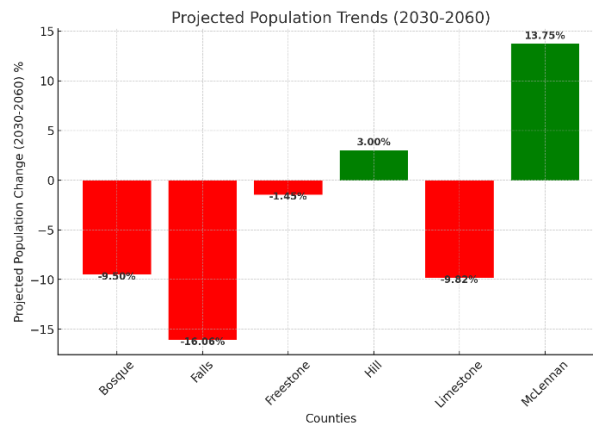
These demographic trends emphasize the need for balanced and inclusive economic development strategies to ensure sustainable growth and prosperity for the Heart of Texas region.



Here is an analysis of population trends for the counties over the decades, based on the given data:

General Trends

1. **Bosque County**
 - A steady population decline across decades.
 - The largest decline projected between 2030 and 2060 (-9.50%), indicating long-term population shrinkage.
2. **Falls County**
 - A pronounced decline in population.
 - The decrease accelerates over time, with a steep decline from 2030 to 2060 (-16.06%).
3. **Freestone County**
 - Relatively stable population compared to other counties.
 - Minimal change in recent years; a slight decline projected for 2030–2060 (-1.45%).
4. **Hill County**
 - A modest but positive growth rate projected over all decades.
 - Growth rates increase slightly from 2024 to 2060, showing potential long-term stability.
5. **Limestone County**
 - Persistent population decline.
 - Declines steepen in later decades, especially from 2030 to 2060 (-9.82%).
6. **McLennan County**
 - The only county with consistent and substantial population growth across decades.
 - The growth rate accelerates in later decades, with significant growth projected from 2030 to 2060 (+13.75%).



Decade-by-Decade Analysis

2022–2024

- Minor population changes observed across counties.
- **Growth Leaders:** McLennan County (+1.38%) and Hill County (+0.38%).
- **Decline Leaders:** Falls County (-1.14%) and Limestone County (-0.34%).

2024–2030

- McLennan County shows the highest growth (+4.22%), followed by Hill County (+0.91%).
- Significant declines in Falls (-3.11%) and Bosque (-1.54%).

2030–2060

- McLennan County exhibits robust growth (+13.75%), while Hill County (+1.13%) sustains mild growth.
- Most counties decline significantly, particularly Falls (-16.06%) and Limestone (-9.82%).

Key Observations

- **Urbanization Effect:** McLennan County, as the most urbanized, benefits from migration and economic factors.
- **Rural Challenges:** Counties like Falls and Bosque face declining populations, likely due to aging demographics and reduced economic opportunities.
- **Steady Counties:** Freestone and Hill counties maintain relative stability, indicating a balance of rural and semi-urban appeal.

Implications

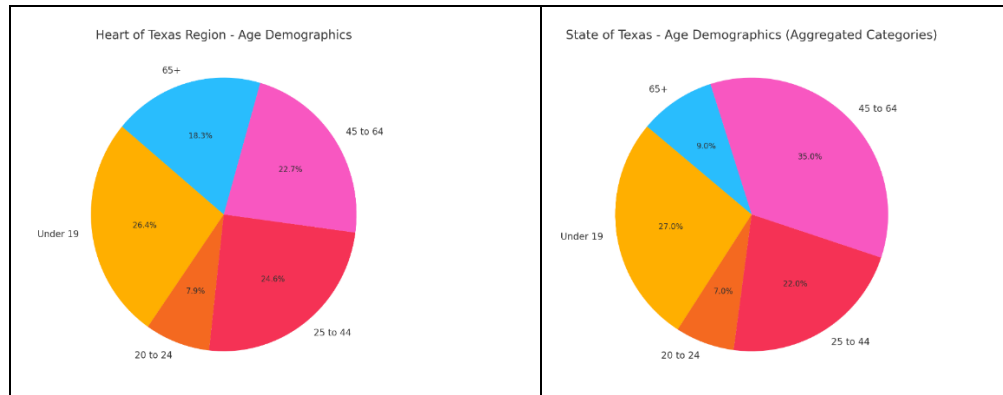
1. **Planning for Decline:** Counties with consistent population loss (e.g., Falls, Bosque) need economic revitalization or programs to attract residents.
2. **Leveraging Growth:** McLennan County's growth can be harnessed to support neighboring counties via regional economic development initiatives.
3. **Sustainability:** Hill and Freestone counties should plan for sustained stability with small-scale development initiatives.

Age, Race/Ethnicity, Sex, and Special Groups

- More than half the population of the Heart of Texas region is within working age (55.25%).
- The Heart of Texas region has a relatively older population compared to the state overall, with 18% of its residents aged 65 and older, compared to just 9% statewide.
- The 25-44 age cohort is higher than the State average (24.6 % vs 22.0%). In the 2020-2025 CEDS, the Heart of Texas region's 25-44 age cohort was slightly below the state average (24% vs. 28%), reflecting a labor force share slightly smaller than the state benchmark. However, current data shows a reversal of this trend, with the 25-44 age cohort in the region now exceeding the state average (24.6% vs. 22.0%). This shift suggests an improvement in the region's labor market perception, as more individuals in this critical working-age group are choosing to remain in or relocate to the area. The increased share of this demographic may reflect growing economic opportunities, job

availability, and improved quality of life factors that attract and retain a younger workforce. Such trends indicate a strengthening regional economy and demonstrate the effectiveness of strategies aimed at workforce development and economic diversification within the Heart of Texas region.³

- According to the Texas Demographic Center, 73.6% of the regional population are over 18, on par with the State of Texas at 73%.



White Population:

- **Heart of Texas Region:** 61.59%
- **State of Texas:** 59.14%
- **Comparison:** The Heart of Texas Region has a slightly higher percentage of White residents (+2.45 percentage points).

Black or African American Population:

- **Heart of Texas Region:** 13.29%
- **State of Texas:** 12.15%
- **Comparison:** The Heart of Texas Region has a marginally higher Black or African American population (+1.14 percentage points).

Multiracial/Two or More Races:

- **Heart of Texas Region:** 11.44%
- **State of Texas:** 15.07%
- **Comparison:** The State of Texas has a notably higher percentage of Multiracial individuals (+3.63 percentage points).

Asian Population:

- **Heart of Texas Region:** 1.6%
- **State of Texas:** 5.17%

- **Comparison:** The State of Texas has a significantly higher percentage of Asian residents (+3.57 percentage points).

American Indian/Alaska Native:

- **Heart of Texas Region:** 0.96%
- **State of Texas:** 0.58%
- **Comparison:** The Heart of Texas Region has a slightly higher percentage of American Indian/Alaska Native residents (+0.38 percentage points).

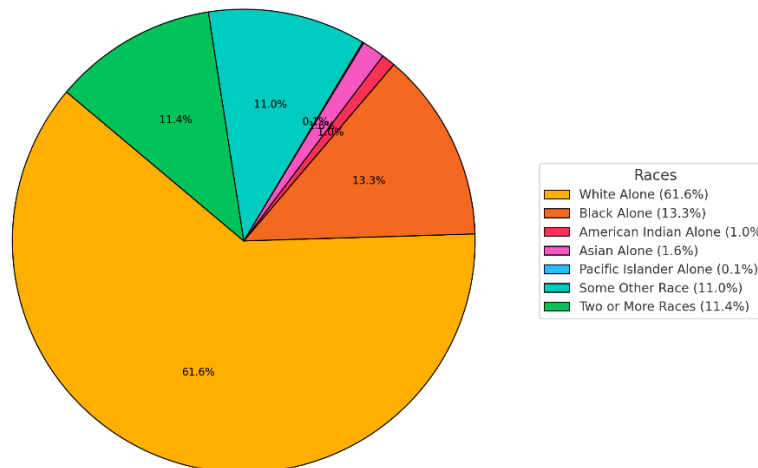
Native Hawaiian/Pacific Islander:

- **Heart of Texas Region:** 0.08%
- **State of Texas:** 0.09%
- **Comparison:** Both regions have a very small and comparable percentage of Native Hawaiian/Pacific Islander residents.

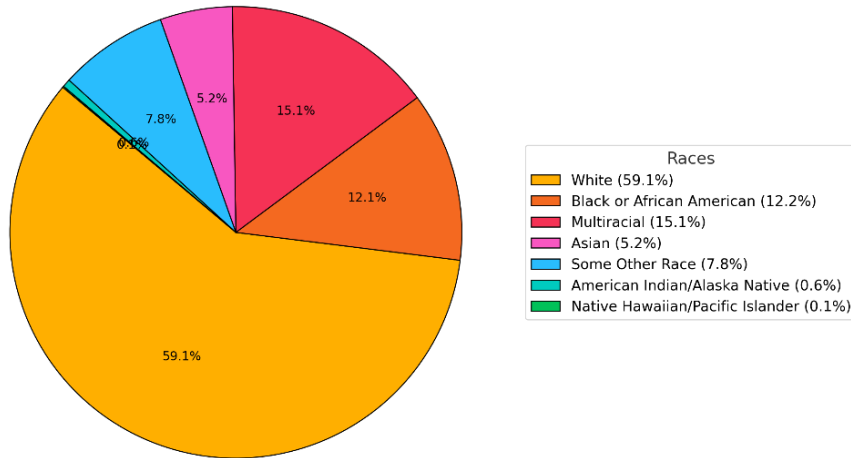
Some Other Race:

- **Heart of Texas Region:** 11.04%
- **State of Texas:** 7.80%
- **Comparison:** The Heart of Texas Region has a higher percentage of individuals identifying as "Some Other Race" (+3.24 percentage points).

Heart of Texas Region - Racial Demographics (2024)



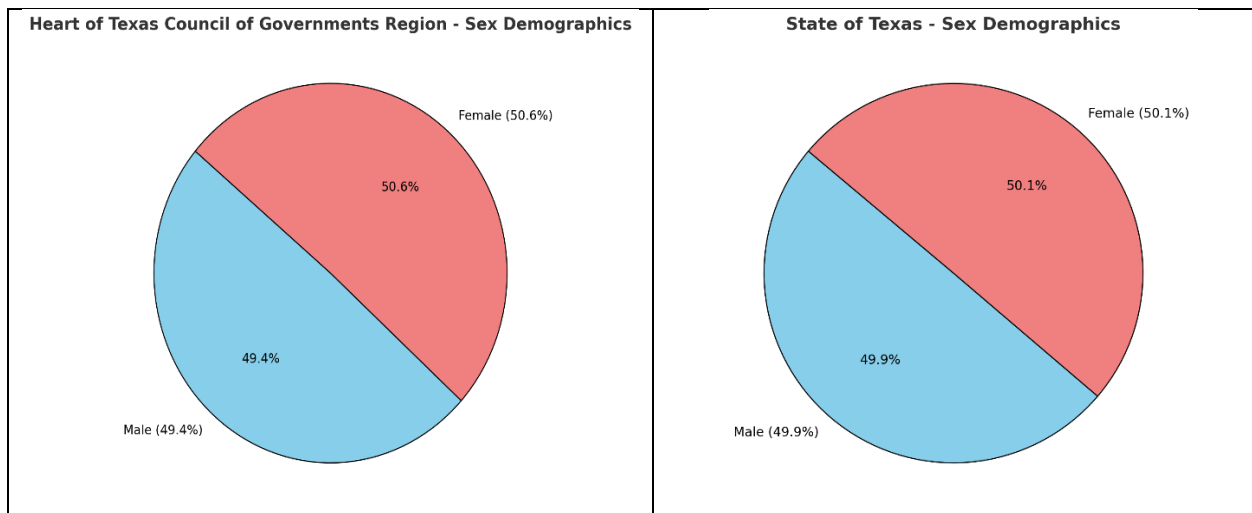
State of Texas - Racial Demographics



Regional Demographic Index:

The State of Texas shows greater racial mixture overall, as indicated by the higher representation of Asian, Multiracial, and Hispanic populations. The Heart of Texas Region, while less diverse, demonstrates opportunities for strategic engagement with underrepresented groups to support accessibility and regional growth.

Male and Female Demographics by HOTCOG Region and the State of Texas



Of the area's population, 49.4% are male and 50.6% are female, comparable to the statewide percentage of 49.9% male and 50.1% female.

Sex Distribution by County, Region, and State (2023)⁴

Area	Population	Male Count	Male %	Female Count	Female %
Bosque County	18,834	9,202	48.86%	9,632	51.14%
Falls County	17,364	8,168	47.04%	9,196	52.96%
Freestone County	20,342	10,589	52.05%	9,753	47.95%
Hill County	38,165	19,061	49.94%	19,104	50.06%
Limestone County	22,265	11,439	51.38%	10,826	48.62%
McLennan County	262,997	128,331	48.80%	134,666	51.20%
HOTCOG	379,967	186,790	49.16%	193,177	50.84%
Texas	30,516,218	15,143,912	49.63%	15,372,306	50.37%

Vital Statistics⁵

The updated vital statistics for 2020, as reported by the Texas Department of State Health Services, highlight several changes in birth and death rates across the Heart of Texas region compared to the data from 2015:

Birth Rates:

- The Heart of Texas region recorded a total of **4,384 live births** in 2020, a slight decrease from 4,833 in 2015.
- This represents a regional birth rate of approximately **11.5 births per 1,000 persons**, calculated using the estimated 2020 population of the region. This is notably lower than the statewide birth rate of **12.9 births per 1,000 persons**, reflecting a continued trend of lower birth rates in the region compared to the state.

Death Rates:

- The region experienced a total of **4,418 deaths** in 2020, an increase from 3,472 deaths in 2015.
- This represents a death rate of approximately **11.6 deaths per 1,000 persons**, which is significantly higher than the statewide death rate of **9.1 deaths per 1,000 persons**. This suggests that mortality in the region has risen faster than in Texas as a whole.

Analysis and Implications:

- The decrease in births and the increase in deaths have resulted in a natural population change (births minus deaths) of **-34** for the Heart of Texas region in 2020. This marks a shift from the net positive natural population change reported in 2015.

- The higher death rate compared to the state average could indicate demographic factors such as an aging population or disparities in health outcomes and access to healthcare within the region.
- In contrast, the statewide numbers indicate a more favorable natural population change, with a higher birth rate and a relatively lower death rate.

This data underscores the importance of addressing public health concerns, supporting maternal and child health programs, and exploring strategies to attract younger populations to the region to sustain economic growth and demographic balance.

	2020 Births	2020 Deaths
Texas	352,376	249,267
Bosque	181	332
Falls	178	199
Freestone	166	281
Hill	387	526
Limestone	273	338
McLennan	3199	2742
HOTCOG	4384	4418

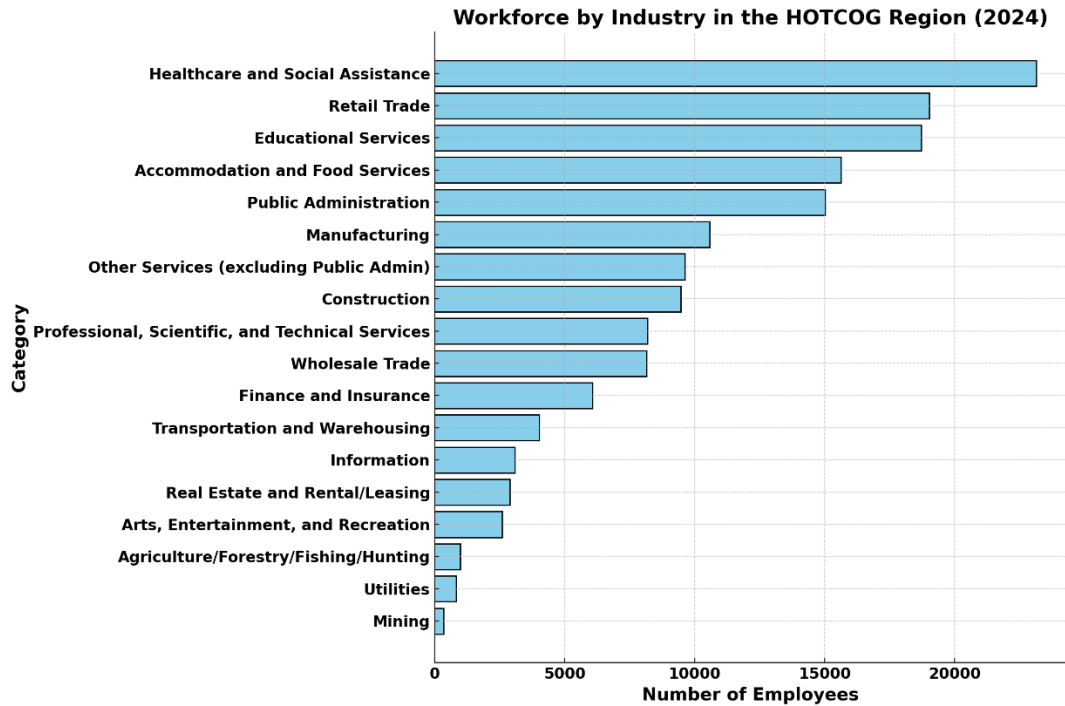
Workforce, Employment and Unemployment

The Heart of Texas region's workforce showcases extensive representation across industries, with a total of 162,883 employees as of 2024. Key sectors include **Healthcare and Social Assistance**, employing 23,140 individuals, and **Retail Trade**, which accounts for 19,017 employees. **Educational Services** also represents a major portion of the workforce with 18,704 employees, reflecting the region's investment in education as a driver for economic growth.

The **Manufacturing** sector employs 10,579 individuals, underscoring its importance as a cornerstone of the regional economy. Additionally, **Accommodation and Food Services** employ 15,624 workers, with the majority in Food Services and Drinking Places (14,030), highlighting the sector's contribution to the region's hospitality and tourism economy.

Emerging opportunities can be seen in **Professional, Scientific, and Technical Services**, which employs 8,178 workers, and **Construction**, which accounts for 9,470 employees, pointing to growth in infrastructure and technical capabilities. While smaller sectors such as **Agriculture/Forestry/Fishing/Hunting** and **Mining** employ 990 and 350 workers, respectively, they remain vital to the region's rural and resource-based communities.

This diverse workforce composition highlights the region's economic strengths in healthcare, education, manufacturing, and retail trade, while also suggesting opportunities to expand professional services, technology, and tourism to drive future growth. Continued investment in workforce development and cross-sector collaboration will ensure that the Heart of Texas region remains resilient and competitive.⁶



Veterans⁷

Veteran Population in the HOTCOG Region Compared to the State of Texas

The veteran population in the Heart of Texas Council of Governments (HOTCOG) region and the State of Texas is an important demographic that has implications for workforce development and regional services. Below is a breakdown of the data:

Region	Total Civilian Population	Veteran Population	% Veterans
Bosque County	14,646	1,327	9.1%
Falls County	13,459	1,086	8.1%
Freestone County	15,306	1,103	7.2%
Hill County	28,096	2,441	8.7%
Limestone County	17,194	1,492	8.7%
McLennan County	199,803	14,352	7.2%
HOTCOG Total	288,504	21,801	7.6%
State of Texas	22,039,680	1,408,009	6.4%

Comparison

- The veteran population in the HOTCOG region (7.6%) is notably higher than the state average (6.4%).

- Counties such as **Bosque (9.1%)** and **Hill (8.7%)** have significantly higher proportions of veterans compared to the state and regional averages.
- McLennan County, which has the largest total population in the region, has a lower percentage of veterans (7.2%) but contributes the largest number (14,352) to the regional total.

Implications for the Region

The higher proportion of veterans in the HOTCOG region highlights the need to incorporate veteran-focused initiatives for the HOTCOG region. Veterans bring a wealth of skills, discipline, and leadership to the workforce, making them an invaluable resource for economic growth.

Below are specific recommendations:

1. Regional Workforce Development

- Develop veteran-specific workforce training programs, emphasizing industries prevalent in the HOTCOG region, such as manufacturing, healthcare, construction, and professional services.
- Create partnerships with employers to provide opportunities for veterans to transition into civilian careers.

2. Veteran Entrepreneurship

- Provide resources and funding opportunities to encourage veteran-owned businesses.
- Facilitate networking events and mentorship programs tailored to veteran entrepreneurs.

3. Health and Social Services

- Address healthcare and mental health access gaps for veterans, particularly in rural counties like Bosque and Limestone, where veterans make up a higher percentage of the population.
- Expand support for housing programs targeting homeless or at-risk veterans.

4. Recognition and Outreach

- Partner with state and federal veteran organizations, such as the Texas Veterans Commission, to promote services and opportunities for veterans.
- Recognize veterans as a key demographic in public planning to attract additional state and federal resources to the region.

The HOTCOG region's higher veteran population, compared to the state, is both a strength and an opportunity. Veterans contribute significantly to the workforce and economic potential of the region. By integrating veteran-focused initiatives into the CEDS, the region can support its veteran population while promoting economic strength and development.

Disability Status⁸

According to the U.S. Census Bureau QuickFacts, the disability status of individuals under age 65 in the Heart of Texas Economic Development District (HOTEDD) reflects a higher prevalence of disabilities compared to both the national (9.1%) and Texas state (8.4%) averages. The counties within the region report the following disability rates: Bosque County at 11.8%,

Falls County at 14.3%, Freestone County at 14.3%, Hill County at 12.1%, Limestone County at 11.6%, and McLennan County at 9.3%.

This data highlights that Falls and Freestone Counties, in particular, have the highest percentage of residents under age 65 with disabilities, significantly exceeding both state and national averages. Hill, Bosque, and Limestone Counties also report disability rates notably higher than the state average, while McLennan County remains slightly above the national rate.

Incorporating this information is critical for addressing the unique challenges faced by this demographic. The strategy should prioritize:

1. **Workforce Development and Integration**

- Expand job training and placement programs for individuals with disabilities to ensure they have equitable access to employment opportunities.
- Partner with employers to create inclusive workplaces that accommodate diverse abilities.

2. **Accessibility Improvements**

- Invest in transportation, infrastructure, and housing that meet the accessibility needs of individuals with disabilities.
- Ensure compliance with the Americans with Disabilities Act (ADA) in both public and private facilities across the region.

3. **Healthcare and Support Services**

- Enhance access to affordable healthcare, rehabilitation services, and support programs for residents with disabilities.
- Promote partnerships with nonprofit organizations and local agencies to provide targeted assistance.

4. **Community Engagement**

- Foster initiatives that integrate residents with disabilities into community planning and decision-making processes.
- Raise awareness and reduce stigma surrounding disabilities to build a more inclusive region.

By addressing the higher prevalence of disabilities in the HOTEDD region, the CEDS can foster a more inclusive economy that values and supports all residents, enhancing the overall resilience and competitiveness of the region.

County Migration⁹

County	2010 Population	2020 Population	2024 Population	Growth/Loss 2010-2024	% of Growth/Loss
Bosque	18,212	18,235	18,561	349	1.92
Falls	17,866	17,341	16,899	-967	-5.41
Freestone	19,816	20,032	19,802	-14	-0.07
Hill	35,089	36,649	37,359	2,270	6.47
Limestone	23,384	23,384	21,914	-1,470	-6.29
McLennan	234,906	260,579	271,356	36,450	15.52

The migration data for the Heart of Texas Council of Governments (HOTCOG) region reflects diverse trends across the counties, highlighting both growth and decline over the 14-year period.

1. Notable Growth in Urban Centers:

- **McLennan County** continues to drive the region's population growth, with an increase of **36,450 residents** (14.83%) from 2010 to 2024. This growth underscores the county's status as the region's economic and population hub, likely driven by Waco's expanding economy, educational institutions, and healthcare services.
- **Hill County** also experienced a significant population increase, adding **2,270 residents** (6.47%). Its strategic location along the I-35 corridor likely contributes to its steady growth, benefiting from proximity to larger metropolitan areas and improved accessibility.

2. Stability with Minimal Growth:

- **Bosque County** showed modest growth, adding **349 residents** (1.92%) over the 14 years. This suggests relative stability but limited economic drivers for substantial population increases.

3. Population Declines in Rural Counties:

- **Falls County** experienced significant percentage decline, losing **967 residents** (-5.41%). This reflects ongoing challenges such as limited job opportunities, aging populations, and possible out-migration.
- **Limestone County** experienced the largest numeric decline, losing **1,470 residents** (-6.29%), indicating similar challenges in retaining residents.
- **Freestone County**, while relatively stable, experienced a slight decline of **14 residents** (-0.07%), suggesting stagnation in economic or population growth.

Conclusion

The population data reflects a dynamic pattern of growth and decline in the HOTCOG region. Urban counties like McLennan and Hill are thriving, while rural counties face stagnation or population loss. HOTCOG should prioritize balanced development by leveraging the strengths of growing urban centers while addressing the challenges faced by rural counties. This approach will ensure a more equitable and resilient regional economy.

Economic Stress Criteria as of 2024¹⁰

County	24-month unemployment	% of National Rate	Per Capita Income	% of National Average
Bosque	3.54%	94.31%	\$52,462	80.13%
Falls	4.10%	109.21%	\$42,198	64.45%
Freestone	5.08%	135.25%	\$44,999	68.73%
Hill	4.08%	108.57%	\$49,859	76.16%
Limestone	4.23%	112.48%	\$46,998	71.79%
McLennan	3.69%	98.22%	\$50,284	76.80%

1. Unemployment Rates:

- **Bosque County** maintains a low unemployment rate of 3.54%, which is below the national average of 3.76%.
- **Freestone County** continues to face the highest unemployment rate in the region at 5.08% (135.25% of the national average), indicating significant economic distress.
- Other counties such as **Falls** (4.10%) and **Limestone** (4.23%) also report higher-than-average unemployment rates.

2. Per Capita Income:

- **Bosque County** shows a strong per capita income at \$52,462, which is **80.13% of the national average**, the highest in the region.
- **McLennan County**, with its \$50,284 per capita income (76.80% of the national average), continues to be a significant economic hub.
- Rural counties, such as **Falls**, **Freestone**, and **Limestone**, report significantly lower per capita incomes ranging from 64.45% to 71.79% of the national average, highlighting income disparities.

3. Regional Disparities:

- Bosque and McLennan Counties are relatively stronger economically compared to rural counties like Falls and Freestone, which face lower incomes and higher unemployment.
- The income disparity between urban and rural counties in the region remains a critical challenge.

Workforce, Employment by Industry, Wages, and Fast-growing industries:¹¹

The data from the **Heart of Texas Workforce Development Area (HOTWDA)** highlights critical economic and workforce trends in the region.

1. Workforce Overview

• Labor Force:

- The civilian labor force in the region reached **185,385** in December 2024, reflecting a **6,363 increase** over the previous year. This indicates sustained labor market participation growth.
- The regional unemployment rate stands at **3.4%**, slightly below the state average of **3.7%** and the national average of **3.8%**, signaling a relatively healthy labor market.

2. Employment by Industry

• Top Industries by Employment:

- **Education and Health Services:** Largest industry, accounting for **26.4%** of total employment. This emphasizes the region's dependence on healthcare and educational institutions as economic drivers.
- **Trade, Transportation, and Utilities:** The second-largest sector at **19.7%**, showcasing the importance of logistics and retail industries.

- **Manufacturing:** Significant at **12.1%**, reinforcing its role as a key contributor to the regional economy.
- **Leisure and Hospitality:** Represents **11.1%**, reflecting the growing role of tourism and service-oriented businesses.
- **Smaller but Notable Sectors:**
 - **Professional and Business Services:** Accounts for **9.2%**, indicating a developing professional workforce.
 - **Construction:** At **7.2%**, highlights infrastructure and development activities in the region.
- **Natural Resources and Mining:** The smallest sector at **1.6%**, indicating minimal reliance on resource-based industries.

3. Wages

- **Regional Weekly Wage:**
 - The average weekly wage in the region during Q2 2024 was **\$1,106**, lower than the state average of **\$1,381** and the national average of **\$1,390**.
 - The yearly increase of **\$44** reflects modest wage growth, signaling the need for efforts to improve wages to attract and retain talent.

4. Fastest-Growing Industries

The projected fastest-growing industries (2022-2032) reflect the diversification of the region's economy:

- **Individual and Family Services:** Expected to grow by **41%**, driven by demand for healthcare and social services.
- **Warehousing and Storage:** Growth of **38.2%**, aligning with the rise of logistics and e-commerce.
- **Specialty Trade Contractors:** Growth of **35.3%**, indicating robust construction activities.
- **Technical and Management Consulting Services:** Growth of **34.4%**, highlighting the region's focus on professional services.

5. Employer Trends

- **Employment by Business Size:**
 - Small businesses dominate, with **38.4% of employment in establishments with fewer than 50 employees**.
 - Large employers (1,000+ employees) account for **17.8% of employment**, showcasing the importance of major employers like Baylor University and regional healthcare systems.
- **Employment by Ownership:**
 - **82.4%** of employment is in the private sector, reflecting a strong business-driven economy.

- Local government employment accounts for **12.4%**, while state and federal government roles remain limited.

Major Employers

Leading employers in the Waco/McLennan County area as provided for by the Greater Waco Chamber.¹²

Company	Number of Employees	Type of Employer
Baylor University	5,698	Education
Ascension Providence	2,518	Healthcare
Waco ISD	2,373	Education
Baylor Scott & White Hillcrest Hospital	2,283	Healthcare
HEB Stores	2,000	Retail
City of Waco	1,522	Government
Midway ISD	1,302	Education
Sanderson Farms, Inc. (Waco Production)	1,200	Manufacturing
WAL-MART	1,174	Retail
McLennan County	1,088	Government
Veterans Administration Medical Center	886	Healthcare
Mars Wrigley Confectionery	885	Manufacturing
L3Harris	843	Manufacturing
Dept of Veterans Affairs Regional Office	796	Professional Services
AbbVie	747	Manufacturing
S2G Support Services, LTD	715	Professional Services
Aramark Higher Education	696	Professional Services
American Income Life Insurance	693	Professional Services
McLennan Community College	679	Education
Versalift - A Time Manufacturing Company	638	Manufacturing
Clayton Homes #932	620	Manufacturing
Big Creek Construction	617	Construction
Cargill Value Added Meats	603	Manufacturing
Space X	590	Aerospace
Tractor Supply Distribution Center	585	Distribution
Waco Family Medicine	581	Healthcare
Pilgrim's	571	Manufacturing
Texas State Technical College	553	Education
Magnolia Market	549	Retail
Texas Department of Human Services	549	Government

Company	Number of Employees	Type of Employer
Connally ISD	481	Education
La Vega ISD	477	Education
Howmet Fastening Systems	463	Manufacturing
Brazos Masonry, Inc.	450	Construction
Coca-Cola North America	450	Manufacturing
Heart of Texas Region MHMR Center	438	Non-Profit
Sherwin Williams	400	Distribution

The presence of diverse and significant employers in McLennan County reflects the economic strengths and opportunities in the region.

1. Economic Strengths

- **Education and Healthcare Dominate:**
 - **Baylor University** (5,698 employees), **Waco ISD** (2,373), and **McLennan Community College** (679) highlight the region's focus on education as a major employer and economic driver.
 - **Ascension Providence** (2,518), **Baylor Scott & White Hillcrest Hospital** (2,283), and **Waco Family Medicine** (581) underscore the importance of healthcare to the local economy.
- **Diverse Manufacturing Base:**
 - Employers such as **Mars Wrigley Confectionery** (885), **L3Harris** (843), **AbbVie** (747), **Versalift** (638), and **SpaceX** (590) demonstrate a strong and diverse manufacturing sector, spanning confectionery, aerospace, pharmaceuticals, and industrial equipment.
- **Retail and Government Sectors:**
 - **HEB Stores** (2,000), **Walmart** (1,174), and **Magnolia Market** (549) indicate a robust retail sector, benefiting from local and regional demand.
 - **City of Waco** (1,522) and **McLennan County** (1,088) emphasize the importance of government jobs in providing stable employment.

2. Key Challenges

- **Economic Dependency on Core Sectors:**
 - The concentration in healthcare, education, and manufacturing poses potential risks in the event of industry-specific economic downturns.
- **Attracting and Retaining Talent:**
 - While McLennan County has a strong employment base, maintaining a skilled workforce to meet the needs of diverse industries is critical for sustained growth.
- **Geographic Disparities:**
 - Employment opportunities are centered in urban areas like Waco, while neighboring rural counties in the HOTCOG region may not experience the same economic benefits.

Environmental, Geographic, Climatic, and Cultural Resources¹³

Environmental & Geographic Resources

1. Natural Resources & Land Use:

- The HOTEDD region consists of diverse natural landscapes, including rivers, lakes, forests, and agricultural land. These resources contribute to local economies through agriculture, tourism, and recreation.
- The counties within HOTCOG, particularly Freestone and Limestone, have significant coal and mining operations, which play a role in employment but also pose environmental challenges.

2. Infrastructure & Water Resources:

- Water bodies such as Lake Waco and the Brazos River serve as key water sources for residential and industrial use. Ensuring sustainable water management is critical for long-term economic growth.
- Infrastructure development needs include improved roads and broadband expansion to accommodate growth in rural areas.

Weather-Related Hazards & Disaster Preparedness

3. Severe Weather Risks & Disaster Preparedness:

- The region is prone to severe weather events, including flooding, tornadoes, and droughts. Counties such as Hill and Limestone have experienced multiple federally -declared disasters in the past decade.
- Enhancing disaster preparedness and emergency response planning should be integrated into future development strategies to reduce economic disruptions caused by extreme weather events

4. Energy & Economic Development:

- While the region has a strong foundation in traditional energy industries like coal and oil extraction, there is growing potential for energy sector expansion, including natural gas production and grid modernization..
- Investments in energy infrastructure and technology will help strengthen economic growth, create jobs, and improve regional energy reliability.

Cultural & Historical Assets

5. Tourism & Heritage Sites:

- The region is home to several historical landmarks.
- Promoting heritage tourism can contribute to economic diversification, leveraging local assets for cultural and recreational activities.

6. Agritourism & Outdoor Recreation:

- Outdoor recreation, including hunting, fishing, and state parks, contributes significantly to the region's tourism economy.
- Counties such as Bosque and Falls have opportunities to expand agritourism initiatives, supporting local farmers and attracting visitors.

Infrastructure Assets¹⁴

The **Heart of Texas Council of Governments (HOTCOG)** region's infrastructure plays a vital role in economic development, supporting industries, workforce mobility, and quality of life.

1. Transportation and Logistics

- **Interstate Connectivity to Major Metro Areas:**
 - The HOTCOG region benefits from **Interstate 35 (I-35) and Interstate 45 (I-45)**, which provide **critical transportation corridors** connecting the region to **Dallas-Fort Worth, Houston, Austin, and San Antonio**.
 - These highways **support regional commerce, freight movement, and workforce mobility**, making the area attractive for logistics and distribution industries.
 - **Recommendation:** Leverage **interstate access to attract industries**, develop **logistics hubs**, and improve **highway infrastructure to support increased freight traffic**.
- **Airport and Port Accessibility:**
 - The distance to the nearest airport has improved across all counties, enhancing regional connectivity.
 - However, access to **water ports remains a challenge**, impacting logistics-heavy industries.
 - **Recommendation:** Improve **transportation corridors**, invest in **intermodal logistics centers**, and explore partnerships for **freight distribution**.

2. Energy and Utilities

- **Electricity Reliability Concerns:**
 - Several counties, including Falls, Freestone, and Limestone, have **declining electricity reliability**, highlighting potential risks for businesses and residents.
 - McLennan County has the **highest electricity affordability**, while other counties experience fluctuations in energy costs.
 - **Recommendation:** Invest in **grid modernization and alternative energy sources** (solar/wind) to increase reliability and sustainability.

3. Broadband and Digital Connectivity

- **Expanding Internet Access:**
 - **McLennan County** has the highest overall internet access, while rural counties like Freestone and Falls lag behind.
 - **Recommendation:** Expand **broadband infrastructure** to underserved areas, particularly in rural counties, to support business growth and remote work.

4. Environmental and Land Use Considerations

- **Superfund and Brownfield Sites:**

- Falls, Freestone, and McLennan Counties have **higher percentages of land classified as Superfund sites**, limiting development potential. “Superfund sites are **contaminated locations** in the United States that require **federal government intervention** for cleanup due to hazardous waste pollution. These sites are designated and managed under the **Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)** of 1980, commonly known as the **Superfund Program**.”
- **Recommendation:** Prioritize **environmental remediation programs** and develop economic reuse plans for brownfield sites.
- **Water Resources and Green Spaces:**
 - Self-supplied water usage is high in many counties, with notable water management needs in rural areas.
 - **Recommendation:** Implement **water conservation strategies** and expand access to **green infrastructure projects**.

5. Economic Resilience and Infrastructure Investments

- **Infrastructure Gaps and Regional Development:**
 - The urban core (**McLennan County, Waco**) has **strong infrastructure assets**, while rural counties face **challenges in energy, broadband, and transportation**.
 - **Recommendation:** Foster **regional collaboration** to extend infrastructure investments **beyond Waco** to support rural development.

Local Transit:

- **Waco Transit System (WTS):** Offers single rides to the general public for \$1.50, unlimited fixed route rides for the duration of the calendar day during normal operating hours for only \$3, and 31 Day Pass for \$40.
- **WTS** offers on demand micro transit service, “Micro Dash”, Monday-Saturday, 7:00 am -7:00 pm. The fare structure mirrors the fixed-route.
- **McLennan County Rural Transit District (MCRTD):** Offers Commuter Route Service from China Spring to Waco, Monday-Saturday 9:15 am – 10:15 am and 2:15 pm – 3:15 pm.
- **MCRTD** offers Commuter Route Service from Crawford/McGregor, Monday-Saturday, 7:45 am – 9:15 am and 12:45 pm – 2:00 pm.¹⁵
- **Heart of Texas Rural Transit District (HOTRTD)** provides affordable, demand-response transportation for the general public in Bosque, Falls, Freestone, Hill, and Limestone counties. Service operates Monday through Friday, with fares set at \$1 for trips within the county and \$2 for trips across county lines. Riders schedule trips in advance, with service availability based on demand. Transportation is provided using a fleet of ADA-accessible vans, ensuring mobility for all passengers.¹⁶

Rail¹⁷

The **Heart of Texas Council of Governments (HOTCOG)** region is well-positioned with both **passenger and freight rail infrastructure**, which supports regional connectivity, economic development, and supply chain logistics. Rail services in the region play a critical role in moving people and goods efficiently, reducing highway congestion, and providing essential transportation for industries such as manufacturing, agriculture, and distribution.

1. Passenger Rail Services

- Amtrak – McGregor Station (McLennan County)
 - Location: 1 Amtrak Boulevard, McGregor, TX 76657
 - Route: Part of the Texas Eagle, which connects Chicago to San Antonio, with some trains continuing to Los Angeles.
 - Proximity: 16 miles west of Waco, making it the closest Amtrak station for Waco residents.
 - Facilities: Waiting areas and parking are available, but the station is unstaffed, and passengers must purchase tickets in advance.

2. Freight Rail Services

Freight rail is a key economic asset in the HOTCOG region, supporting industries such as manufacturing, agriculture, logistics, and retail distribution.

- Union Pacific Railroad
 - Operates major north-south freight routes in McLennan, Hill, and other counties, providing vital connections for regional and national supply chains.
- Burlington Northern Santa Fe (BNSF) Railway
 - Offers freight rail services in Freestone, Hill, and McLennan Counties, supporting industries and improving goods movement.

County-Specific Rail Infrastructure

- Bosque County: Historically served by the Santa Fe Railroad, which played a major role in the county's development.
 - Recent investment: The U.S. Department of Transportation's Federal Railroad Administration has provided funding for a rail project in Clifton to improve highway-rail crossings and enhance safety.
- Hill County:
 - Union Pacific & BNSF rail lines traverse the county, supporting agriculture, manufacturing, and distribution.
 - These rail lines are critical freight corridors, helping move raw materials and finished goods efficiently.
- Freestone County:
 - Served by BNSF Railway, utilizing historical Trinity and Brazos Valley (T&BV) rail routes to support local industries and freight movement.

Airports¹⁸

Several airports serve as vital infrastructure assets, supporting economic development and connectivity.

McLennan County:

- Waco Regional Airport (ACT): Located in Waco, this airport offers commercial flights, primarily connecting to Dallas/Fort Worth International Airport, facilitating both passenger travel and cargo services.
- TSTC Waco Airport: Operated by the Texas State Technical College, this facility serves as a general aviation airport and supports aviation training programs.
- McGregor Executive Airport (PWG): Located near McGregor, this general aviation airport provides services for private and corporate aircraft, contributing to local business activities.

Hill County:

- Hillsboro Municipal Airport (INJ): Situated near Hillsboro, this general aviation airport provides services for private and corporate aircraft, contributing to local business activities.

Bosque County:

- Clifton Municipal Airport (7F7): Located in Clifton, this airport supports general aviation and serves the needs of local pilots and businesses.

Falls County:

- Marlin Airport (T15): Serving the Marlin area, this general aviation airport accommodates private flights and agricultural aviation services.

Freestone County:

- Teague Municipal Airport (68F): Located near Teague, this facility supports general aviation activities within the county.

Limestone County:

- Mexia-Limestone County Airport (LXY): Situated near Mexia, this airport provides general aviation services and supports local industries.

These airports enhance the region's transportation infrastructure, offering critical support for business operations, emergency services, and personal travel.

Industrial Parks

Texas Central Industrial Park in Southwest Waco is a 3,700-acre master-planned business park designed to support industrial growth, logistics, and manufacturing in the Heart of Texas region. With nine remaining development sites totaling 830 acres, the park offers industrial-grade infrastructure, including 12.5 kV and 138 kV Oncor electric options, Atmos Energy natural gas service, and City of Waco water, gray water, and wastewater services. Businesses benefit from protective covenants on select sites and a double Freeport tax exemption, making it an attractive location for warehousing, logistics, and manufacturing. Strategically positioned 90 miles south of Dallas-Fort Worth, 90 miles north of Austin, and 180 miles northwest of Houston and San Antonio, the park offers prime connectivity for regional and national distribution networks.¹⁹

Robinson Industrial Park in Robinson, Texas, is a 635-acre master-planned industrial and commercial development strategically positioned along Interstate 35 and South Loop 340. The park consists of 460 acres designated for industrial use and 175 acres for commercial development, offering divisible lot sizes to accommodate a variety of business needs. Protective development covenants ensure long-term sustainability and high-quality development standards. The park is equipped with robust infrastructure, including 12.5 kV and 135 kV Oncor electricity, 12" and 20" Atmos Energy natural gas lines, and extensive water and wastewater services through the City of Waco, including 16" and 18" water lines, a 20" WMARSS reclaimed water line, and a 36" WMARSS sewer line. With direct frontage along Interstate 35 and located just 2.5 miles from Highway 84, the site offers strong connectivity for logistics and distribution. Additionally, its location within the City of Robinson provides businesses with the benefit of a Triple Freeport Exemption, offering tax advantages for warehousing and manufacturing.²⁰

Waco International Aviation Industrial Park is a 1,100-acre master-planned business park, with 304 acres still available for development, designed to support aviation, manufacturing, distribution, and heavy commercial industries. Strategically located near Texas State Technical College (TSTC) and Waco Regional Airport, the park offers sites ranging from 5 acres to 254 acres with robust infrastructure, including a 12.5 KV Oncor electricity distribution line, 4" HIP Atmos Energy gas, 16" City of Waco water, and 8-24" City of Waco sewer services. Additional site features include a regional detention pond and an upgraded Tirey Road (*partially funded by EDA and City of Bellmead*) for improved access and stormwater management. Positioned along U.S. Highway 84, approximately two miles east of Interstate 35, the park provides easy connectivity to major transportation routes. It also benefits from a Triple Freeport Exemption and Foreign Trade Zone #246, making it attractive for businesses seeking tax advantages. Current tenants include Sherwin-Williams, Sanderson Farms, Dr Pepper Bottling, and L-3.²¹

Fairfield Industrial Park is a prime business development asset in Fairfield, Texas, strategically located just off Interstate 45, offering excellent transportation access for industries requiring efficient logistics and distribution. The Fairfield Industrial Park North consists of 45 acres of developed industrial land, already home to industry-leading companies such as Norwesco, Archrock, Custom Hose, Baker Hughes, Windstream Communications, and Chris Christensen Systems. To further support business expansion, the Fairfield Industrial Park South has been completed, adding 64 acres of shovel-ready sites available for immediate development.

In addition, the region has 300 more acres designated for future industrial growth, positioning it as a key site for long-term economic development. Businesses locating in Fairfield Industrial Park can leverage tailored incentive plans offered by the Fairfield Economic Development Corporation, helping offset investment and operating costs. The park's strategic location along I-45 provides direct access to major markets, making it an ideal site for manufacturing, logistics, and distribution industries.²²

Mexia Industrial Park is a 600-acre industrial site strategically positioned near State Highway 14 and U.S. Highway 84, with direct access to Interstate 45 and proximity to Interstate 35, making it an attractive location for industrial development. In February 2017, the Mexia Economic Development Corporation (MEDC) was awarded a \$1.2 million grant from the U.S. Department of Commerce's Economic Development Administration (EDA) to enhance roadway infrastructure and expand the park's capacity. The \$2.7 million project included resurfacing and upgrading Industrial Boulevard and constructing a new road to connect MEDC-owned property along Highway 14, significantly improving access to available industrial land. The park is fully equipped with on-site natural gas, water, sewer, fiber-optic connectivity, and telecom services, providing essential utilities for prospective businesses. With 600 acres of available land and ideal construction sites that are shovel-ready, Mexia Industrial Park is well-positioned to attract new industries seeking affordable and accessible industrial space. Its location 18 miles from the nearest Interstate 45 exit and 91 miles from Dallas Love Field International Airport further enhances its logistics and transportation capabilities.²³

Groesbeck Industrial Park offers 108 acres of available land, with 20 acres having direct utility access, making it a prime location for industrial, manufacturing, and distribution businesses. Located north of Groesbeck along TX Highway 14, the park provides direct highway access and is strategically positioned 35 minutes from Interstate 35 and Interstate 45, ensuring efficient transportation and logistics. The site consists of undeveloped greenfield space, allowing for build-to-suit opportunities, with industrial-level access to water, sewer, and 3-phase electric service. The park is already home to established industrial businesses, including SRM Concrete, Ellison Steel, and Kleen-Air - representing industries such as concrete and construction materials, steel fabrication, and fiber filtration manufacturing. Available plots within the park are flexible and can be combined or divided based on project requirements, offering customized solutions for businesses seeking expansion.²⁴

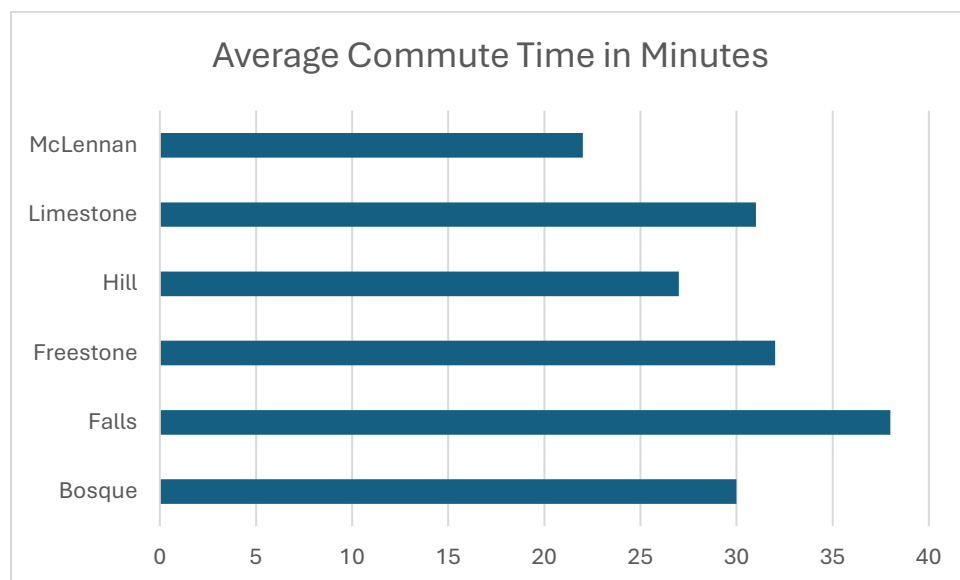
Hillsboro Industrial Park: The Hillsboro Industrial Park features 14 manufacturers that employ anywhere from 30 to over 300 local residents. They include Johns Manville (roof board) and Clayton Supply (warehouse, windows, trusses, wall board), both Berkshire Hathaway companies, IKO (shingles), Skeeter Emergency Vehicles (brush fire trucks), Frontier Supply Logistics (FSL) (trucking, FTZ), Gate Precast (precast concrete), L.B. Foster (precast concrete), Wisenbaker (cabinets) and more. The park is rail-served on a Hillsboro Economic Development Corporation (HEDC)-owned rail spur that is serviced by Union Pacific. The park is zoned heavy industrial with heavy power and water. Over 200 acres of land is currently available in the park. FSL took steps to create a Foreign Trade Zone (FTZ) for its company several years ago. When created, the company not only included its 200 acres in the industrial park, but encompassed all of Hill County, covering nearly 1,000 square miles. As such, any company moving to Hillsboro and Hill County can apply for an FTZ designation. The HEDC is in the process of creating a second industrial park

in north Hillsboro. It will include approximately 1,000 acres, with the HEDC owning 295 of those acres. A 16” water line serves the property and Oncor, the local electric provider, is in the preliminary phases of locating a substation in the development to provide heavy power.²⁵

Water:²⁶

The Heart of Texas Council of Governments (HOTCOG) region, encompassing Bosque, Falls, Freestone, Hill, Limestone, and McLennan counties, relies on a combination of surface water and groundwater resources to meet its water needs. Major surface water bodies in the area include the Brazos River and its tributaries, such as the Bosque and Leon Rivers, as well as reservoirs like Lake Waco and Lake Limestone. Groundwater is sourced from aquifers like the Trinity and Edwards aquifers, which are vital for municipal, agricultural, and industrial uses. Assessing the sufficiency of the water supply involves analyzing current resources against projected demands. According to the Texas Water Development Board's 2022 State Water Plan, the region is expected to experience population growth, leading to increased water demand over the next decade. For instance, McLennan County, which includes Waco, is projected to see a rise in water demand due to both population growth and economic development. Similarly, other counties in the HOTCOG region are anticipated to face varying degrees of increased water demand. To address these challenges, regional water planning groups have developed strategies to ensure a reliable water supply. These strategies include water conservation measures, infrastructure improvements, and the development of new water sources. For example, the Brazos G Regional Water Planning Group, which covers much of the HOTCOG area, has outlined plans to meet future water demands through a combination of conservation and the development of additional water supplies. In summary, while the HOTCOG region currently has access to significant water resources, proactive planning and management are essential to meet the anticipated increase in water demand over the next decade. Implementing recommended strategies will be crucial to ensuring a sustainable and sufficient water supply for the region's future.²⁷

Commuting to Work:



The Heart of Texas Council of Governments (HOTCOG) region presents a diverse range of commuting patterns that highlight both local workforce trends and regional transportation needs. Based on the most recent data²⁸, commute times vary significantly across counties, reflecting differences in employment centers, infrastructure, and workforce mobility.

Key Commute Trends:

1. Majority of Workers Commute by Car:
 - Across all six counties, the vast majority of employees drive alone to work, with a small percentage carpooling or working remotely.
 - McLennan County, home to Waco and a larger urban workforce, has shorter commute times compared to more rural counties like Falls and Freestone, where workers often travel longer distances for employment.
2. Average Commute Times:
 - The average commute across the HOTCOG region is approximately 25-30 minutes, with variations based on proximity to employment centers.
 - McLennan County has a higher share of short commutes (under 20 minutes) due to greater job availability in Waco.
 - In contrast, Falls, Freestone, and Limestone Counties see a higher percentage of commutes exceeding 30 minutes, indicating that many residents travel outside their home counties for work.
3. Long-Distance Commuting:
 - A significant portion of workers in Falls, Freestone, and Limestone Counties commute 45 minutes or longer, suggesting a reliance on jobs in Waco, Bryan-College Station, or even Dallas-Fort Worth.
 - Between 5-10% of workers in rural counties commute over 60 minutes, presenting transportation and workforce retention challenges.
4. Remote Work Trends:
 - While most workers commute in personal vehicles, there has been a slight increase in remote work, with approximately 5-7% of workers working from home, particularly in McLennan County.