

Merced County, California

2019-2024 Comprehensive Economic Development Strategy

INCLUDING THE CITIES OF ATWATER, DOS PALOS,
GUSTINE, LIVINGSTON, LOS BANOS, AND MERCED



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1. CEDS COMMITTEE

The Merced County Workforce Investment Board (WIB) sits as the CEDS Committee. The CEDS Steering Committee includes representatives from the Cities of Atwater, Dos Palos, Gustine, Livingston, Las Banos, Merced, Merced County, and the Workforce Investment Board.

CEDS Steering Committee

Mark Hendrickson, Merced County
Lori Waterman, City of Atwater
Douglas Dunford, City of Gustine
Stacy Souza Elms, City of Los Banos

Mark Mimms, Merced County
Darrell Fonseca, City of Dos Palos
Jose Antonio Ramirez, City of Livingston
Fran Quintero, City of Merced

CEDS Committee

Representing Business and Industry

Michael Altomare, Agrecom
Steve Newvine, PG&E
Leslie Abasta-Cummings, Livingston
Community Health
Amie Marchini, Amie Marchini Senior Care
Jack Mobley, ServiceMaster
Tim O'Neill, Image Masters
Stergios Roussos, Alliance for Community
Research & Development
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Representing Economic and Community Development

Mark J. Hendrickson, Merced County
Community and Economic Development

Representing Education

Steve Hobbs, Merced Adult School
Peter Schuerman, UC Merced

Labor and Workforce

Joshua Lepper, Laborers International Union
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Tim Robertson, North Valley Labor Federation
Steve Teitjen, Merced Office of Education
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Center
Terry Nichols, Title IV Vocational
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Local Government

Daron McDaniel, Supervisor District 3

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2. EXECUTIVE SUMMARY

Merced County is located in the northern portion of California's Great Central Valley, 60 miles north of Fresno, 115 miles south of Sacramento and east of San Jose. Merced County's economic base has traditionally relied on agriculture and light industry, and serves as the regional center for trade and services. The county has a total area of 1,979 square miles making it among the smaller central valley counties. There are six incorporated cities in the county and several unincorporated communities.¹

City of Atwater (population 29,118) is located on State Highway 99. Atwater is considered home to the former U.S. Air Force Strategic Air Command, Castle Air Force Base, which is located in unincorporated Merced County just outside of the city.

City of Dos Palos (population 5,189) has a strong economic base of agriculture, and food processing. The city sits on State Highway 33 near Los Banos and offers excellent access to Interstate 5 (I-5).

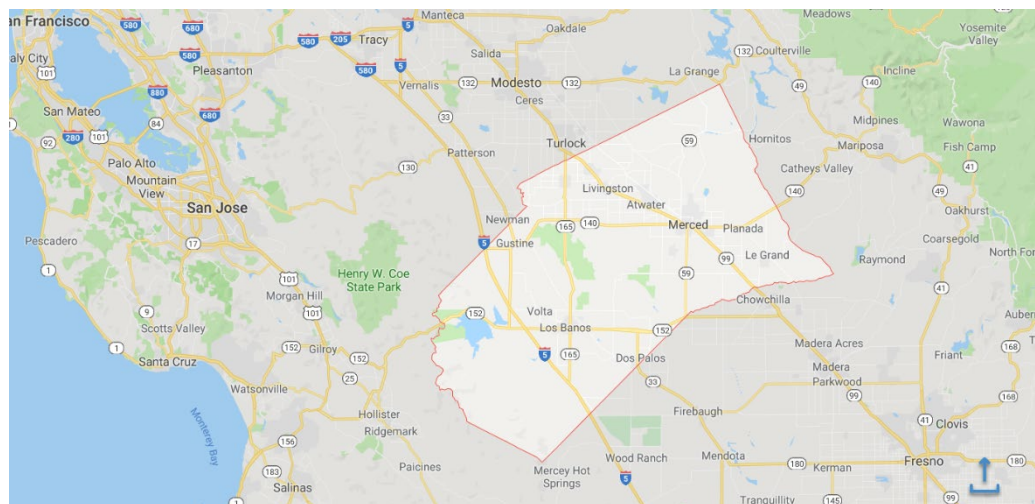
City of Gustine (population 5,735) is located on I-5 at the northern boundary of Merced County providing direct access to Bay Area markets. State Highways 140 and 33 intersect the city.

City of Livingston (population 13,831) is located just seven miles north of Atwater on Highway 99. The city's largest businesses are ag-related including poultry production, dairies, cattle, and grapes.

City of Los Banos (population 37,559) is located on the western side of Merced County at the intersection of State Highways 152 and 165. I-5 is about ten miles west of the city center and offers easy access to the South Bay and San Jose markets. Los Banos has become one of the communities of choice for Bay Area commuters searching for more affordable housing in a family-oriented community. As with most of the county, Los Banos has a strong ag-based economy.

City of Merced (population 82,008), is the county seat and home to Merced College and University of California Merced, the state's newest campus. The city's economy has traditionally relied on agriculture and food processing but with UC Merced's presence and the nearby Castle Commerce Center there is significant economic opportunity that is further diversifying the county's economy.

Figure 1.
Merced County,
California
(Google Maps)



¹ Population data is taken from the U.S. Census 2013-2017 American Community Survey Five-Year Estimates

2.1. Vision

Merced County organized an Economic Development Team in 2014 to collaborate on the preparation and implementation of a Comprehensive Economic Development Strategy (CEDS). The CEDS included participation and input from each city, key stakeholders, and organizations involved in all aspects of the County's economic development efforts. While much has been accomplished the work, commitment, and investment continues so that the vision and goals outlined in the 2014-2019 CEDS can be realized.

- Merced County will have an economic development team consisting of the county, cities, education, and business who collaboratively lead strategic economic development actions to grow the county's economy.
- Merced County will be one of the most competitive locations in the Central Valley with shovel-ready sites and a portfolio of buildings for businesses to choose for their expansion and new locations.
- Merced County will have a brand reputation for serving and assisting businesses quickly and efficiently.
- Castle Airport and Commerce Center will be a central hub for logistics and food products, and will include a thriving incubator and research space.
- Merced County's westside will break ground on a new mega-site industrial park taking advantage of the I-5 Corridor.
- Local ag industries will collaborate in food product sector strategies to continue growing value-added production using raw materials from Merced County and surrounding areas.
- Graduates from high schools, Merced College, and UC Merced will be skilled, experienced, and in demand. They will stay in Merced County to fill jobs and/or put their entrepreneurial mindsets to work by starting their own businesses.
- WorkNet and Merced College will engage with the local businesses, training work-ready residents who meet the needs of businesses.
- The high-speed rail connectivity will bring new opportunities for business and residents.

2.2. Goals

The Merced County Economic Development Steering Committee established goals during the creation of the 2014 Merced County Comprehensive Economic Development Strategy and progress has been made. The County's plans to move forward toward the vision as addressed in Section 5, Action Plan.



GROW OUR
ECONOMY



ENHANCE OUR
COMPETITIVENESS



DEVELOP
OUR TALENT

2.3. Strategies

The strategies below implement the goals of the 2019-2024 Merced County Five-Year Comprehensive Economic Development Strategy and are consistent with the jurisdictions and partner agencies' missions and goals. The action plan to implement these strategies is presented in Chapter 5.



Grow our Economy: Create jobs for local residents by helping existing businesses expand and attracting new businesses to start up or locate in Merced County.



Enhance our Competitiveness: Prepare Merced County for business investment by addressing real estate infrastructure and other constraints, facilitating permitting, and developing business parks.



Develop our Talent: Collaborate with education and business to create a work-ready labor force.

2.4. Public Process

The process of creating the CEDS involved data collection, review of recently completed documents (studies, plans, reports), group and individual interviews with stakeholders.

The Merced County Workforce Investment Board (WIB) sits as the CEDS Committee. The CEDS Steering Committee includes representatives from the Cities of Atwater, Dos Palos, Gustine, Livingston, Las Banos, Merced, Merced County, and the Workforce Investment Board all of whom participated in the completion of the Merced County 2019-2024 CEDS. The WIB / CEDS Committee meets monthly. Meetings are noticed and open to the public.

The Merced County 2019-2024 CEDS was presented to the WIB / CEDS Committee on August 22, 2019 at which time it was accepted and staff was directed to submit the document to the Economic Development Administration.

3. ECONOMIC CONDITIONS

This section contains a discussion of Merced County’s economic development conditions—the assets, challenges, and opportunities in the county and the region that impact economic success—and the initiatives or programs the communities and partners have put in place in response to those challenges and to take advantage of emerging opportunities. This discussion of factors affecting economic development is the basis for the goals, programs and activities presented in the Action Plan.

The statistical statements are supported by research and data collection which is detailed in the Appendix, *Economic Scan*. This section is further validated by studies, reports, and plans that have been completed recently by and for the county, cities, workforce development, transportation, education, and other partner agencies and organizations. A list of the documents that were reviewed in preparing the CEDS is included in the Appendix.

3.1. Demographics and Socioeconomics

This section is a brief discussion of the demographic changes and socioeconomic situation in Merced County. More specific information, data, and sources are provided in the Economic Scan in the Appendix.

3.1.1. Population

Population growth in Merced County has mirrored the state’s growth until recently. In 2017 the county’s population increased at a rate twice that of the state —1.5% vs. 0.7% population growth statewide. Racial diversity is increasing in Merced County and has matched that of the state over the past five years.

3.1.2. Labor Force

Merced County’s unemployment rate has been on the decline since before 2013. However, the Central Valley communities have long suffered from high unemployment primarily because of the significant size of the agriculture industry. Merced County is no different, even though the employment situation is improving, the county’s unemployment rate is still about twice that of the state.

Companies pay particular attention to an area’s talent pipeline, the amount and sources of new entrants to the workforce. These new entrants can be calculated from population growth (birth and in-migration, school enrollments, and collage graduates). Merced County’s data (as presented in the Appendix) shows a good talent pipeline from population growth estimates for the near- and longer-term. Unfortunately, it is a less optimistic picture when one combines the talent pipeline data with labor force participation data. The labor force participation rate in the county is consistently lower than the statewide rate and has been on a slow decline over the last five years (61% in 2013 to 59% in 2017).

3.1.3. Income

Median household income grew by 17% in the five year period 2013 to 2017 which is almost as good as the statewide median household income growth (19%). The share of Merced County’s population living below the poverty line (24%) has improved but it is still noticeably higher than the statewide rate (13%).

3.1.4. Affordability

The cost of living in Merced County is about 7% higher than the U.S. average but nearly 60 percentage points below the California average (168). Housing and utilities make up the higher cost items for Merced County residents.

In the first quarter of 2019 about 46% of households in Merced County could afford to purchase a median-priced home (\$275,000). The housing affordability index improved over the previous quarter (40%) and the same time period in 2018 (43%). Also, homes in Merced County have been steadily appreciating over the past several years.²

3.1.5. Housing

An adequate supply of housing options is necessary for a healthy community. The housing stock in Merced County is considered fairly affordable by California standards but there is still a good-sized demand for quality, affordable housing in the county. According to the Merced County Department of Public Health 2016 Community Health Assessment 45% of Merced County housing units are substandard as defined by the U.S. Department of Housing and Urban Development (HUD).³ The same public health document reports that 13% of Merced County housing units are overcrowded.

Within the county's general population there are several groups of people who have special housing needs that can make it difficult for them to find suitable housing. These groups include seasonal farmworkers, senior citizens, single-parents, people with disabilities, and low-income households.

The County addresses the need for diverse housing options by monitoring and obtaining grant funds, providing regulatory incentives for developers, forming partnerships with the public and private sector, and offering several housing assistance programs, e.g.:

- rental assistance to low and moderate-income families and individuals
- maintains a variety of public housing units, apartments, duplexes and single-family homes
- housing for year-round and migrant or seasonal domestic farm laborers
- temporary housing for migrant farm workers during the peak growing and harvest season
- voucher rental assistance through HUD funding specifically for qualifying homeless veterans
- first-time homebuyer loans, downpayment assistance, and neighborhood stabilization funds

3.1.6. Childcare

Merced County supports working families and single parents by encouraging and supporting the development of quality childcare services throughout the county. Childcare facilities in business parks,

² Source: California Association of Realtors, <https://www.car.org/marketdata/data/haitraditional>

³ HUD defines substandard housing as having one or more of the following: 1) incomplete plumbing, 2) incomplete kitchen facilities, 3) more than 1.01 occupants per room, 4) selected owner costs of greater than 30 percent of monthly income, or 5) gross rent greater than 30% of monthly income.

major job centers, and similar locations are allowed when safeguards are in place. Factors that influence the demand for child care in an area are listed below, all of these factors are relevant to Merced County.

- High unemployment and low family income
- Seasonal industries increase the demand for intermittent care
- Prevalence of 24/7 industry increases the demand for care at non-traditional hours and days
- Ethnically diverse population increases the demand for bi-lingual providers

A.C.C.E.S.S., the program established by Merced County Office of Education, administers state and federal supported child care programs. The program provides subsidized child care and education services to eligible parents to assist them in reaching self-sufficiency. Childcare is provided according to the parent's need and eligibility. Offices are located in Merced and Los Banos.

3.1.7. Health Care

Contributing factors to health inequities in Merced County include low educational attainment, high unemployment, poverty, inequitable access to health foods, and inadequate housing. Merced County is served by seven full-service hospitals or medical centers. Still health care is a problem for some residents. Many people in Merced County are uninsured, struggle with cost, availability, access (i.e. transportation to/from medical facilities), and wait time for services. Added to this is the fact that, according to the 2016 Merced County Community Health Assessment, 100% of the county is a Health Professional Shortage Area (HPSA); there are shortages of all types of health care providers across the county.

3.2. Environment

Merced County is in the process of creating a Climate Action Plan (CAP), a Policy Workshop was held in June 2019 to begin gathering public input. The CAP will address how the county plans to reduce its greenhouse gas emissions in keeping with statewide targets. The County's process is collaborative and includes extensive outreach about policies that are to be included in the CAP.

3.2.1. Air Quality

The San Joaquin Valley Air Pollution Control District consists of eight counties, including Merced. The District has about two dozen sites established throughout the Central Valley to monitor the air and pollutants; two sites are located in Merced County. Air pollution in the San Joaquin Valley stems from industrial operations, vehicles (autos, diesel trucks, and farm equipment) and consumer products. Natural challenges also play a large part in the ability to maintain clean and healthy air in the valley. Area designation for Merced County as of May 2019 is nonattainment for ozone and PM2.5, and attainment for PM10 and Carbon Monoxide.⁴

Jurisdictions, businesses, and people in the Central Valley met the challenge and moved from nonattainment to attainment in CO and PM10. Billions of dollars of investment by businesses, innovative regulations, and

⁴ Source: San Joaquin Valley Air Pollution Control District staff; May 28, 2019

dedication of residents, have helped make historic improvements in air quality—in 2013 the Valley was the first air basin in the country to go from an extreme nonattainment designation to attainment.

The District continues to work towards maintaining a healthy air quality through innovative strategies for achieving and maintaining attainment, non-regulatory measures, incentive programs, technology advancement, community outreach and education programs on energy efficiency, green purchasing and encouraging cleaner methods of generating power.

3.2.2. Drought and Rainfall

After six years of drought Merced County and several of the communities experienced historic amounts of rain from December 2016 to March 2017 (the typical rain season). Multiple reservoirs hit maximum capacity and mandatory releases led to high waters in the tributaries. The total rainfall reached 11 inches. Historically the average amount of rainfall during that period is 6.42 inches.

The community of Le Grand (southeastern Merced County) experienced severe flooding when the Mariposa Creek flood control dam exceeded capacity; the levees could not handle the excess water and Mariposa Creek over flowed in multiple sections. Flood waters moved into Le Grand damaging houses and agricultural farmland.

The Merced River and the San Joaquin River both converge in the community of Stevinson (western Merced County). The mandatory releases and increased flows throughout the rivers and creeks put the community at risk. Agricultural land located near the river bottom was submerged for days, some even months. As a result, numerous orchards and vineyards had to be replanted.

3.2.1. Protected Areas

Under the control of U.S. Fish and Wildlife Service are two protected areas in Merced County—the Merced National Wildlife Refuge and the San Luis National Wildlife Refuge. The Merced Refuge is about 10,260 acres of wetlands, grasslands, vernal pools, and riparian areas. Each fall 20,000 cranes, 60,000 arctic nesting geese follow the Pacific Flyway from Alaska & Canada and make the refuge home for six months. Thousands of other bird species use the refuge for a breeding habitat. The Merced National Wildlife Refuge also contains about 300 acres of cultivated corn and winter wheat crops and over 500 acres of irrigated pasture for wildlife. Local farmers, under agreements with the refuge, oversee the ground preparation, seeding, and irrigation of these croplands. The refuge incorporates a livestock grazing program that works in partnership with local ranchers and farmers

The San Luis Refuge is also on the Pacific Flyway. Established in 1966 the refuge contains 26,800 acres of wetlands, grasslands, shrubs, vernal pools, a wide variety of birds, and a herd of endangered tule elk which is found only in California. The refuge conducts wildlife and habitat monitoring programs to determine plant and animal distributions and sizes, and to judge the success of management programs.

3.3. Infrastructure

The quality and capacity of the infrastructure in Merced County is essential to its ability to maintain and grow its economic base and provide necessary services to businesses, residents, workers, and visitors. The

County and each of the Cities continually invest in infrastructure to maintain the area's economic competitiveness. The ability to grow the economic base and serve the anticipated population growth while protecting limited natural resources requires constant investment. Given limited financial resources and municipal budget constraints, jurisdictions and agencies work individually and jointly to expand service, maintain and upgrade equipment, and build sustainability into all the public services they provide.

3.3.1. Water

During California's recent severe drought, California Governor Jerry Brown signed a significant legislative initiative, the Sustainable Groundwater Management Act of 2014 (SGMA). The legislation dramatically changes groundwater basin management and provides a framework for long-term sustainable groundwater management across California.

Merced County is one of the areas identified by the California Department of Water Resources as being critically overdrafted and considered a high priority area. To meet the requirements of the Sustainable Groundwater Management Act the three Merced County Groundwater Sustainability Agencies (GSAs) created a Joint Powers Authority (JPA) to develop a unified Groundwater Sustainability Plan (GSP) for the entire Merced Groundwater Subbasin by 2020.

The development and implementation of the Merced Subbasin GSP involves the public and local stakeholders—residents, businesses, farmers, and ranchers—through outreach and engagement efforts. The Merced Subbasin GSA will also coordinate and cooperate with other GSAs operating in the Merced Groundwater Subbasin in order to meet the sustainability requirements outlined in SGMA.

How the resulting policies and actions of the GSP will impact the economic development potential of the county is unknown. Competition among users for a limited allocation could impact land use decisions, food processing, agriculture and other industries, housing, commercial and industrial development.

3.3.2. Solid Waste

Merced County Regional Waste Authority (RWA) owns and operates two regional landfills in Merced County—Billy Wright Landfill in Los Banos and Highway 99 Landfill in Merced.

Highway 59 Landfill is permitted until 2030 for mixed municipal, green materials, wood waste, tires, other hazardous and non-hazardous waste. The maximum permitted capacity is 30 million cubic yards. The 2019 maximum permitted daily disposal is 2,000 tons per day which will be increased incrementally to 3,000 tons per day in 2035. According to the RWA, as of June 2018 the Highway 59 Landfill is at 9.45% capacity.⁵

The Billy Wright Disposal Site, located in Las Banos, is permitted through 2054 to accept mixed municipal waste, construction and demolition debris, and agricultural waste. The maximum permitted capacity is 14.8 million cubic yards; the maximum permitted daily disposal is 1,500 tons per day. The remaining capacity is approximately 11.4 million cubic yards. According to the RWA, as of June 2018 the Billy Wright Site is at 29.8% capacity.⁶

⁵ Source: Merced County RWM and CalRecycle, <https://www2.calrecycle.ca.gov/SWFacilities/Directory/>

⁶ Source: Merced County RWM and CalRecycle, <https://www2.calrecycle.ca.gov/SWFacilities/Directory/>

3.3.3. Wastewater

Merced County is facing several issues related to wastewater. Many communities have wastewater facilities that are near capacity and not able to provide additional sewage treatment without being expanded and upgraded. The improper location or operation of septic tanks and other wastewater systems is affecting the quality of groundwater and impairing water use for domestic, recreation, and wildlife habitats. The County establishes policies and practices to support adequate wastewater capacity for development in unincorporated areas, promote phased facilities in growth areas, and encourages public education and monitoring for areas using septic systems.

3.3.4. Communications

Telecom and high-speed data lines that enable businesses to easily link with customers and suppliers are important factors to a community's economic development competitiveness. The availability of broadband along with the adoption rate of residents is an indicator of social equity and an important measurement of social well-being and progress. Today, access to broadband is a basic need for education, jobs, telemedicine, civic engagement, commerce, and overall quality of life.

AT&T and XFINITY from Comcast are the major internet service providers in Merced County. Other alternatives are two wireless providers and two satellite internet providers. The average download speed in Merced is 49.59 Mbps which is purported to be 101.7% faster than average in California and nearly 14% faster than the national average.⁷

According to the Social Progress Imperative, Merced County ranks 47 out of 56 (counties) overall on the Social Progress Index. Broadband adoption rate is 65% and 14% of households have slow or no broadband service.⁸

3.3.5. Energy

Electric services in Merced County are provided by Pacific Gas & Electric (PG&E), Merced Irrigation District (MID), and Turlock Irrigation District (TID). Natural gas service is provided by PG&E. The PG&E bankruptcy's impact on economic development may not be known or measureable for some time. However, to a prospective business looking for a new expansion location, changes stemming from the bankruptcy (e.g., rates, re-structuring, new regulations) are an unknown which means risk. This risk diminishes the county's economic development competitiveness. While the portions of Merced County that are served by the two alternate providers are somewhat protected from major impacts, PG&E provides service to approximately 80 percent of Merced County businesses and residents.

⁷ Source: www.broadbandnow.com

⁸ Source: www.socialprogress.org More discussion and data on the Social Progress Index is contained in the SWOT section of this document.

3.4. Transportation

The safe and efficient movement of goods and people is an important business climate factor and quality of life issue. Within Merced County there are many, often conflicting, transportation options and users—automobiles, public transit, bicyclists, pedestrians, trucks, farm equipment, and commodity haulers.

3.4.1. Roadways

Merced County maintains a mixture of roadways in both rural and urban areas and is committed to providing streets and roadways that are accessible and amenable to all users. The County encourages 1) land use patterns that promote short travel distances between residents and job centers, 2) non-auto travel, 3) traffic-calming designs and features, and 4) travel methods that reduce greenhouse gas emissions and improve air quality.

Several major interstate and state highways run through Merced County which adds to the area's economic development competitiveness.

- Interstate 5 (I-5) is the state's primary north/south route and is located in the western part of the county; access into Merced County from I-5 is via State Routes 33, 140, and 165.
- State Route 33 is also located on the county's west side; near Vernalis (San Joaquin County) SR 33 runs parallel with I-5 until it connects with SR 152 at the city of Gustine; from the south, SR 33 connects with SR 152 at the city of Dos Palos
- SR 99 connects SR 152 to the city of Merced
- SR 99 is a major north/south transportation route that traverses the entire California Central Valley; it is in the eastern portion of the county and runs through the city of Merced
- SR 140 "the gateway to Yosemite" starts at I-5 in Gustine, travels through the county and the city of Merced until it terminates at Yosemite National Park
- SR 152 begins west of Merced County in Watsonville (Santa Cruz County), travels southern Merced County through the city of Los Banos, Dos Palos; it connects with SR 33, I-5, SR 165, and SR 99
- SR 165 begins at I-5 south of Los Banos and runs through the county until it connects with SR 99 in Turlock (Stanislaus County)

3.4.2. Public Transportation

Transit services offered in the county has increased significantly over the past several decades. Increasing congestion and the necessity to reduce emissions and clean up the air quality, all modes of public transportation have become a priority throughout the county. Services are provided by:

- Merced County Transit (The Bus) connecting services between most cities in the county
- Cat Tracks, UC Merced's own transit system which connects with Merced County Transit
- Yosemite Area Regional Transportation (YARTS) connects Merced with Yosemite National Park
- Greyhound and Amtrak provide long-distance service

3.4.3. Airports

Air service in Merced County is provided by the Merced Regional Airport/Macready Field which is county-administered. The County recognizes that encroachment caused by incompatible land use threatens this asset which is important to commerce and to maintaining the County's competitive position. The County requires that any development within the area of influence is consistent with the Merced County Airport Land Use Commission's plan and is compliant with Federal Aviation Administration regulations.

Castle Airport is a General Aviation airport located near the City of Atwater in Merced County. Castle Commerce Center is a multimodal freight transportation hub that is supported by air, ground, and rail connections. Gustine Airport and Los Banos Municipal Airport are two additional general aviation airports located on the west side of the county.

Four major international airports are within 125 miles of Merced and offer cargo and passenger service, San Francisco (125 miles), San Jose (121 miles), Oakland (109 miles), and Sacramento (112 miles).

3.4.4. Rail Transit

Current plans for the state's high-speed rail line and for expanding the ACE train would make the city of Merced a principal transportation hub in the state. Governor Gavin Newsom's amended plans for the high-speed rail line still includes Merced County and is expected to have a significant economic development impact for Merced County and the City of Merced in particular. Under the revised plan a train will connect the Central San Joaquin Valley from Merced to Bakersfield. Three construction projects are in the works between Madera and Shafter. Merced is also in the plans for the ACE train (Altamont Corridor Express) expansion which currently runs between Stockton and San Jose serving commuters. Merced is also served by Amtrak with daily routes.

Cargo freight in Merced County is handled by Union Pacific and Burlington Northern Santa Fe. The City of Merced sits on the main lines of both.

3.4.5. Ports

Three container and bulk shipping facilities are within 100 miles of Merced, the ports of San Francisco, Oakland, and Stockton. Additionally, There are two more seaports within about 275 miles of Merced, the ports of Los Angeles, and Long Beach.

3.5. Industry

Merced County is the heart of California's most productive agricultural region. Jobs gains were seen in crop production (fruits, nuts, and greenhouses) and industries supporting the production. Growth is expected to continue. The projected annual U.S. job growth in the ag industry is estimated at 1.4 percent. The county's industrial base also includes several emerging technologies, renewable energy, food processing, manufacturing, logistics, healthcare, and a range of professional and technical service. Ten-year job growth estimates for U.S. industries are all positive, ranging from 1.5 to over 2 percent.⁹

⁹ Source: IMPLAN ES202 data, Bureau of Labor Statistics; see the Economic Scan in the Appendix for details.

3.6. Primary Development Sites

Merced County is positioned to serve global industries requiring locations on major transportation routes with proximity to air, sea, and rail options. To support their location asset, the cities and county of Merced are continually investing in land and business parks to ensure they remain competitive and are able to meet industry's needs.

- Mid-California International Trade District (MCITD) (aka Castle Commerce Center) is a 2,000-acre state of the art multimodal logistics center designed to accommodate up to 8 million square feet of modern industrial and logistics operations. MCITD is supported by air, ground, and rail connections. There are approximately 800 acres available for development. Merced County owns and has site control of the entire project site and is committed to its full development.
- Western Industrial Park (Merced) is zoned for light industry and is served by Union Pacific Railroad. Over 30 fully-serviced acres are available for development.
- Airport Industrial Park (Merced) is zoned for light industry, owned by the City of Merced. Approximately 43 acres are available for development.
- University Industrial Park (Merced), zoned for heavy industry, is served by Burlington Northern and Santa Fe Railroad service. Over 700 acres is available for development with parcels up to 160 acres.
- Gateways Community (Merced) includes development sites for shopping centers, office, freeway-oriented businesses. Gateways Community totals about 70 acres. Near Gateways Community are two additional sites identified for commercial development (26 acres) and a business park (60 acres).
- The Northwest Industrial Area (Los Banos) is identified as a priority by the City of Los Banos and by the County of Merced for new office and industrial development. The area is over 99 acres and offers easy access to I-5
- Federally-designed Opportunity Zones are located throughout the County and in the communities of Atwater, Dos Palos, Gustine, Los Banos, and Livingston. Merced County has begun planning the marketing and development of the county Opportunity Zone, including including determine funding sources for the autonomous vehicle testing facility.

4. SWOT

A recap of Merced County’s economic development issues, challenges, assets, and opportunities discussed in the previous section are presented here and serve as the basis for the programs and strategies contained in the Action Plan.

| Assets | Challenges | Opportunities |
|---|--|---|
| <ul style="list-style-type: none"> • Higher education resources • Access to major metro markets • Multimodal transportation network • Multiple utility providers and lower electrical costs • Population growth • Cost of living, housing affordability • Greatly improved air quality • Amenities, Recreation Wildlife Refuges, Pacific Flyway | <ul style="list-style-type: none"> • Unknown impact from PG&E bankruptcy • High unemployment and low labor force participation rates • Workforce skill level • Large share of population living in poverty • Shortage of health care providers • Water: drought, flooding, and competing users demands • Fiscal resources limits funds for adding or upgrading infrastructure • Broadband speed, availability • Majority of jobs in typically lower-paying industries (ag, services) • Perceptions of California costs, business environment | <ul style="list-style-type: none"> • Available development sites and business parks • Castle and MCITD • Regional Foreign Trade Zone • Multiple Opportunity Zones • High-speed rail and transit-oriented development • Diverse economic base • Retain UC Merced and Merced College graduates for local workforce |

5. ACTION PLAN

The plan of action presented in this section implements the goals of the 2019-2024 Merced County Five-Year Comprehensive Economic Development Strategy and is consistent with the jurisdictions and partner agencies' missions and goals. The number in parentheses associated with each activity correlates with the numbered list of projects in the Appendix which contains a more complete description.



Grow our Economy: Create jobs for local residents by helping existing businesses expand and attracting new businesses to start up or locate in Merced County.

- UC Merced Medical School Innovation Healthcare Technology Cluster (11)
- Countywide Dairy Environmental Impact Report (13)
- Countywide Dairy Permitting Assistance Program (14)
- Collaborative Business Outreach Program (17)
- Downtown Core Area Revitalization (21)
- Downtown Revitalization (27)
- Innovation Place Network Business Plan and Operations Model (33)
- Downtown Revitalization and Small Business Assistance (36)
- Main Street Enhancements Project (45)
- Innovation Place Network Facility (46)
- Downtown Merced Investment Support (49)
- Olive Avenue Shopping Centers Renovation (63)



Enhance our Competitiveness: Prepare Merced County for business investment by addressing real estate infrastructure and other constraints, facilitating permitting, and developing business parks.

- Mid-California International Trade District Rail Infrastructure (1)
- Mid-California International Trade District Road/Utility Infrastructure (2)
- Mid-California International Trade District Safety Improvements (3)
- Complete Campus Parkway to UC Community (4)
- South Dos Palos Sewer Line (5)
- Community Main Street Enhancements Program (6)
- Atwater / Merced Expressway (7)
- Redevelopment of Mid-California International Trade District (8)
- State Highway 140 Improvements (9)
- Dos Palos Water Plant/Sewer System Expansion (10)
- Highway 99 Connection with Santa Fe Avenue Infrastructure Project (12)
- Santa Nella Project Area Infrastructure Improvements (15)
- Santa Nella Project Area Recreational Facilities (16)
- Predevelopment Study, Atwater Business Park Utilities (18)

- Bellevue Road West Side Interchange (19)
- City Entrance Enhancement for Atwater Boulevard North Sub Area (20)
- South Dos Palos Sewer (22)
- Dos Palos Water Plant (23)
- City of Dos Palos Water System Expansion (24)
- Dos Palos Wastewater Facility (25)
- City of Dos Palos Wastewater System Expansion (26)
- Infrastructure for Commercial and Industrial Users (28)
- Segment C Roundabout Improvements (29)
- Gustine Airport Regionalization (30)
- Wastewater Systems and Water System Improvements (31)
- Infrastructure Improvements along Robin Avenue and Vinewood Avenue (32)
- Industrial Park Infrastructure Project (34)
- Ground Water Recharge (35)
- Ward Street Improvements (37)
- Pioneer Road Connection (38)
- Pioneer Road Specific Plan (39)
- Los Banos Wastewater Plant Industrial Site (40)
- Rail Corridor, Trail and Community Center Construction (41)
- Ortigalita/#152 Intersection Upgrades (42)
- #152/Los Banos International Trade Route Intersection Improvements (43)
- Henry Miller Agricultural Industrial Park (44)
- Industrial Park Development Feasibility Study Implementation (47)
- Technology Corridors, Campus Parkway and Bellevue Road (48)
- Campus Parkway Phases II and III (50)
- Fiber Cable Installation (51)
- High Speed Rail and Altamont Corridor Express (52)
- Main Street 600 and Parking (53)
- Industrial Park Expansion Area (54)
- North Merced Industrial Expansion Area (55)
- Waste Water Trunk Line (56)
- South Airport Industrial Park (SAIP) Expansion (57)
- Highway 99/Mission Avenue Interchange Employment Center (58)
- Merced Police Headquarters (59)
- Merced Municipal Airport Master Plan (60)
- Community Park #42 Soccer Complex (61)
- Railroad Grade Separations (62)
- Highway 59 Improvements (64)



Develop our Talent: Collaborate with education and business to create a work-ready labor force.

- Increase access to sector pathway programs (65)

- Provide support services (66)
- Provide support for job retention, ongoing training, and career path progression (67)
- Accommodate schedules (68)
- Coordinate with the National Farmworker Jobs Program (69)
- Recognize and replicate best practices (70)
- Build cross-system data capacity (71)
- Career Pathways (72)
- Work-based Learning (73)
- Service integration and braid resources (74)
- Ensure area-wide coverage and engagement (75)
- Business engagement to support sector strategies (76)
- Support Services Capacity for Targeted Populations (77)
- Workplace Internship Network (78)
- Workplace Learning Center (79)
- Career Advancement Academy (80)

6. RESILIENCY

The Merced Office of Emergency Services (OES) leads the preparation efforts and coordination during large-scale emergencies and disasters that impact the county. OES coordinates with communities, special districts, state and local public and private agencies in planning, response, recovery, and mitigation activities.

6.1. Emergency Planning and Coordination

Merced County OES maintains Emergency Operations Plans (EOP) for the County and the six unincorporated cities within Merced County. The EOP conforms to the National Incident Management System (NIMS) and address threats such as fire, earthquake, law enforcement, medical, agricultural terrorism, public health, cyber terrorism. The Office also provides training to all agencies pertaining to the use of EOP.

6.2. Alert Systems

Whenever there are threats to citizens' health or safety Merced County issues critical notifications to citizens county-wide. The County maintains a database of landline phone numbers. Residents can also register on the "Citizen Alert" system to be notified via other methods, e.g. cell phone, work phone, email, fax, or instant messaging. When the Merced County Office of Emergency Services sends out messages about a potential safety hazard or concern the system continues trying to contact each registered resident until it receives a confirmation they have received the message.

6.3. Monitoring Risk

Merced County and the local jurisdictions work closely together with state and federal agencies to monitor and identify potential risks that may result in economic disruptions, health or safety concerns. The primary problems faced by the County have been related to the drought, the subsequent subsidence, and flooding.

Figure 2. Risks and Vulnerabilities in Merced County

| Hazard | Risk Potential |
|-------------|---|
| Air Quality | Merced County is one of the eight counties in the San Joaquin Valley Air Pollution Control District. The District established two monitoring sites in Merced County. Pollutants in the valley stem from industrial operations, automobiles, diesel trucks, farm equipment and consumer products. The valley's geography and topography play a large part in the District's ability to maintain clean air. However, in 2013 the valley went from an extreme nonattainment designation to attainment. |

| Hazard | Risk Potential |
|--------------------|---|
| Contaminated Soil | Contamination has degraded the water supply in several areas throughout the county. Merced County aggressively tracks and inspects hazard materials and waste to support good land use and growth management decisions. The County collects data related to underground storage tanks, hazardous material spill sites, and landfills. |
| Drought | Recent severe droughts have impacted the groundwater levels throughout the state. Merced County is considered “critically over-drafted” and a “high priority” area. In response to state legislation, the three Merced County Groundwater Sustainability Agencies (GSAs) created a Joint Powers Authority (JPA) to develop a unified Groundwater Sustainability Plan (GSP) for the entire Merced groundwater sub basin by 2020. In April 2019 draft documents were circulated for review. |
| Earthquake | Earthquakes of magnitude 6 to 7 occurred 30 or more years ago in the vicinity of Merced County; the epicenters were about 60 miles from City of Merced. Most recently (last two months) earthquakes in the vicinity of Merced County were located 30 to 50 miles away and measured less than 2 magnitude. ¹⁰ |
| Flood | Areas within Merced County are subject to flooding, about 380,000 acres are located in a FEMA floodplain. Merced County is subject to 2007 legislation (SB5) which requires the County to have a higher level of flood protection than is required by FEMA. |
| Infestation | Merced County participates with the University of California Cooperative Extension and the Agricultural Commissioner by supporting efforts to identify new crops and varieties that are resistant to heat, insects, and disease, and adaptable to growing seasons changes. |
| Utility Disruption | Pacific Gas and Electric (PG&E) the utility that serves much of Merced County recently filed for bankruptcy protection after accumulating an estimated \$39 billion in liabilities. The reorganization plan is unknown at this time, but higher market rates are expected, and they will be passed along to PG&E customers. The uncertainty due to the bankruptcy and reorganization can be expected to negatively impact existing businesses and prospective new businesses looking at Merced County as a possible location. The impact to alternative energy providers is another unknown. The rates solar and wind energy providers’ rates may be forced down which will greatly affect their profitability. |
| Fire | According to CalFire there are no <i>Very High Fire Hazard Severity Zones</i> (VHFHSZ) in Merced County and areas determined to be High or Moderate Severity Zones are in State Responsibility Areas (SRA) located in the foothills west of I-5 and east of Highway 99 in the Sierra National Forest. ¹¹ |

¹⁰ Source: www.earthquaketrack.com

¹¹ Source: www.fire.ca.gov/fire_prevention/fire_prevention_wildland_zones_maps

7. EVALUATION FRAMEWORK

The matrix below is used to measure the impact these priority activities have had on the County economy.

| Performance Factors | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------|------|------|------|------|------|
| Labor Force ¹² | | | | | | |
| Unemployment ¹² | | | | | | |
| Labor Force Participation Rate ¹² | | | | | | |
| Employment, All Industries ² | | | | | | |
| Manufacturing ² | | | | | | |
| Wholesale, Transportation, Utility ² | | | | | | |
| Retail ² | | | | | | |
| Information ² | | | | | | |
| Education/Health ² | | | | | | |
| Other private sector ² | | | | | | |
| Taxable Sales, Countywide ¹³ | | | | | | |
| Educational Attainment (BS & higher) ¹⁴ | | | | | | |
| Graduation Rate ¹⁵ | | | | | | |
| Median Household Income ¹⁶ | | | | | | |
| Poverty Rate ¹⁷ | | | | | | |

¹² California Employment Development Departments, Labor Market Information; Annual Average Unemployment

¹³ California Board of Equalization

¹⁴ U.S. Census, American Fact Finder; Population 25 years and over, Five-Year Estimates, Table S1501

¹⁵ California Department of Education, DataQuest

¹⁶ U.S. Census, American Fact Finder; Five-Year Estimates, Table S1903

¹⁷ U.S. Census, American Fact Finder; Five-Year Estimates, Table DP03

Merced County, California

2019-2024 Comprehensive Economic Development Strategy

APPENDIX

| | |
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| Economic Setting | 1 |
| Demographics and Socioeconomics..... | 6 |
| Industry Performance..... | 10 |
| Priority Projects..... | 15 |
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Economic Setting

Included in this section is a profile of Merced County's most-recent unemployment and per capital income by census tract. This is followed by the 24-month averages of same for each jurisdiction, the county, the State of California, and the nation. The information is presented as a profile of the County's socioeconomic conditions. Topics address current and historic conditions related to population, race and ethnicity, age, educational attainment, income and poverty.

The remainder of this section contains demographic and economic data, e.g. population statistics, housing, employment and industry. The data were obtained from the U.S. Census Bureau, American Community Survey (ACS), California Department of Finance, and the U.S. Census Bureau of Economic Analysis (BEA), and California Economic Development Department.

Unemployment and Income by Census Tract

Figure 1. 2013-2017 Five-Year Estimates¹

| Jurisdiction | Census Tract | Unemployment | Per Capita Income |
|---------------------|--------------|--------------|-------------------|
| Merced County | | 14.6% | \$20,120 |
| State of California | | 7.7% | \$33,128 |
| United States | | 6.6% | \$31,177 |
| Atwater | 6.01 | 13.0% | \$19,390 |
| | 6.02 | 17.4% | \$15,197 |
| | 6.03 | 13.9% | \$19,013 |
| | 7.01 | 25.7% | \$15,194 |
| | 8.01 | 14.4% | \$19,626 |
| | 8.02 | 7.4% | \$23,998 |
| Dos Palos | 24.01 | 6.5% | \$22,966 |
| | 24.02 | 21.1% | \$15,681 |
| Livingston | 3.01 | 13.0% | \$17,248 |
| | 3.04 | 7.7% | \$18,739 |
| Los Banos | 22.01 | 16.1% | \$14,274 |
| | 22.02 | 18.2% | \$16,607 |

¹ Source: U.S. Census Bureau, American Community Survey, 2013-2017 Five Year Estimates; Table S2301 (Unemployment); Table B19301 (Income); data collected April 2019.

| Jurisdiction | Census Tract | Unemployment | Per Capita Income |
|--------------|--------------|--------------|-------------------|
| | 23.02 | 15.6% | \$20,309 |
| Merced | 9.01 | 11.7% | \$28,432 |
| | 9.02 | 12.7% | \$17,712 |
| | 10.02 | 16.0% | \$24,075 |
| | 10.03 | 13.3% | \$14,884 |
| | 10.04 | 15.6% | \$22,136 |
| | 10.05 | 24.0% | \$15,782 |
| | 11.01 | 22.4% | \$27,573 |
| | 12 | 7.4% | \$27,842 |
| | 13.01 | 13.6% | \$19,148 |
| | 13.02 | 17.1% | \$16,592 |
| | 14.01 | 18.2% | \$16,227 |
| | 14.02 | 19.3% | \$20,821 |
| | 15.01 | 13.1% | \$18,170 |
| | 15.02 | 21.0% | \$9,521 |
| | 15.03 | 16.1% | \$10,539 |
| | 16.01 | 14.6% | \$7,132 |
| | 16.02 | 17.0% | \$23,398 |
| | 17 | 14.5% | \$12,055 |
| | 18.01 | 35.2% | \$29,614 |
| | 25 | 11.8% | \$30,045 |
| | 26 | 8.9% | \$30,155 |

Unemployment and Income Averages

Figure 2. Average Unemployment and Per Capita Income²

| Jurisdiction | Population | Unemployment | Per Capita |
|------------------------------|------------|--------------|------------|
| United States ^(a) | | | |
| 1-Year Estimate (2016) | | 5.8% | \$31,128 |
| 1-Year Estimate (2017) | | 5.3% | \$32,397 |
| 24-Month Average | | 5.6% | \$31,763 |
| 5-Year Estimate (2013-2017) | | 6.6% | \$31,177 |
| California ^(a) | | | |
| 1-Year Estimate (2016) | | 6.5% | \$33,389 |
| 1-Year Estimate (2017) | | 5.9% | \$35,046 |
| 24-Month Average | | 6.2% | \$34,218 |
| 5-Year Estimate (2013-2017) | | 7.7% | \$33,128 |
| Merced County ^(a) | 272,673 | | |
| 1-Year Estimate (2016) | | 14.4% | \$24,934 |
| 1-Year Estimate (2017) | | 12.2% | \$26,529 |
| 24-Month Average | | 13.3% | \$25,732 |
| 5-Year Estimate (2013-2017) | | 14.6% | \$20,120 |
| Atwater ^(b) | 29,118 | | |
| 5-Year Estimate (2013-2017) | | 14.2% | \$18,968 |
| Dos Palos ^(b) | 5,186 | | |
| 5-Year Estimate (2013-2017) | | 14.8% | \$16,823 |
| Gustine ^(b) | 5,735 | | |
| 5-Year Estimate (2013-2017) | | 16.1% | \$25,735 |
| Livingston ^(b) | 13,831 | | |
| 5-Year Estimate (2013-2017) | | 9.4% | \$17,558 |
| Los Banos ^(b) | 37,559 | | |
| 5-Year Estimate (2013-2017) | | 14.6% | \$19,613 |

² Sources: U.S. Census Bureau, American Community Survey; Population: U.S. Census Bureau 2017 Estimate; (a) 2016 and 2017 ACS one-year estimates; (b) 2013-2017 ACS five-year estimates; Table S2301 (Unemployment); B19301 (Income); Table B1003 (Population); data collected April 2019.

| Jurisdiction | Population | Unemployment | Per Capita |
|--------------------------------------|------------|--------------|------------|
| Merced ^(a) ^(b) | 82,008 | | |
| 1-Year Estimate (2016) | | 15.3% | \$19,340 |
| 1-Year Estimate (2017) | | 10.9% | \$19,659 |
| 24-Month Average | | 13.1% | \$19,500 |
| 5-Year Estimate (2013-2017) | | 16.0% | \$19,040 |

Economic Indicators

Figure 3. Economic Indicators Dashboard, Merced County³

| Performance Factors | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------------------|----------|----------|----------|----------|----------|
| Labor Force | 112,700 | 114,500 | 114,300 | 115,000 | 116,100 |
| City of Atwater | 13,200 | 12,300 | 12,200 | 12,300 | 12,400 |
| City of Dos Palos | 2,200 | 1,900 | 1,900 | 1,900 | 1,800 |
| City of Gustine | 2,700 | 2,300 | 2,300 | 2,300 | 2,800 |
| City of Livingston | 5,600 | 6,400 | 6,300 | 6,400 | 6,600 |
| City of Los Banos | 14,100 | 15,800 | 15,800 | 15,900 | 15,600 |
| City of Merced | 33,300 | 34,500 | 34,500 | 34,700 | 34,200 |
| Unemployment | 14.7% | 12.8% | 11.3% | 10.5% | 9.3% |
| City of Atwater | 15.0% | 14.1% | 12.5% | 11.6% | 8.0% |
| City of Dos Palos | 19.9% | 17.9% | 15.9% | 14.8% | 12.7% |
| City of Gustine | 8.4% | 13.2% | 11.7% | 10.8% | 11.4% |
| City of Livingston | 17.0% | 15.7% | 13.9% | 12.9% | 6.9% |
| City of Los Banos | 15.4% | 13.1% | 11.6% | 10.7% | 8.5% |
| City of Merced | 14.5% | 12.1% | 10.7% | 9.9% | 10.3% |
| Employment, All Industries | 74,000 | 75,800 | 77,500 | 79,000 | 81,600 |
| Manufacturing | 8,700 | 9,700 | 9,700 | 9,300 | 9,700 |
| Wholesale, Transportation, Utility | 4,600 | 4,200 | 4,200 | 4,500 | 4,700 |
| Retail | 7,600 | 7,800 | 8,000 | 8,100 | 8,300 |
| Information | 400 | 500 | 300 | 300 | 300 |
| Education/Health | 8,800 | 9,100 | 9,400 | 9,800 | 10,300 |
| Other private sector | 13,700 | 13,800 | 14,200 | 14,500 | 15,200 |
| Education: Bachelor's & Higher | 12.6% | 13.0% | 13.1% | 13.7% | 13.8% |
| Median Household Income | \$41,951 | \$43,066 | \$41,462 | \$44,397 | \$46,388 |
| Per Capita Income, Countywide | \$18,177 | \$18,464 | \$18,204 | \$19,130 | \$20,120 |

³ Sources: California Employment Development Department, (Labor Market Information, Labor Force, Annual Average Unemployment, Unemployment, Employment); U.S. Census American Fact Finder Five-Year Estimates Table S1501 (Education, Population 25 years and over); U.S. Census American Fact Finder Five-Year Estimates Table B19301 (Income)

Demographics and Socioeconomics

This section presents data in tables, charts and graphs on population, workforce, industry, income and poverty which supports the narrative contained in the Merced County CEDS document.

Population Growth

Population growth in Merced County has mirrored the state's growth until recently. In 2017 the county's population increased at a rate twice that of the state.

Figure 4. Population Growth, Merced County and California

| Year | County | % Growth | California | % Growth |
|------|---------|----------|------------|----------|
| 2013 | 263,228 | | 38,332,521 | |
| 2014 | 266,353 | 1.2% | 38,802,500 | 1.2% |
| 2015 | 268,455 | 0.8% | 39,144,818 | 0.9% |
| 2016 | 268,672 | 0.1% | 39,250,017 | 0.3% |
| 2017 | 272,673 | 1.5% | 39,536,653 | 0.7% |

US Census Bureau, American Community Survey, 2017; 1 Year Estimates, Table DP05

Diversity

Racial diversity is increasing in Merced County and matches that of the state during the five years between 2013 to 2017. The share of population identifying as white declined slightly in both the County and statewide between 2013 and 2017. Those identifying and another race or multiple races increased by nearly 16% and 17% in the county and state, respectively.

Figure 5. Population by Race, Merced County & California

| RACE/ETHNICITY | Merced Co | | % of Total 2017 | | 2013-17 5-Year Change | |
|---------------------------------|-----------|---------|-----------------|------------|-----------------------|------------|
| | 2013 | 2017 | County | California | County | California |
| White alone | 155,090 | 151,255 | 55.4% | 58.6% | -2.4% | -2.3% |
| Black or African American alone | 179 | 7,786 | 2.8% | 5.7% | -8.3% | -0.7% |
| American Indian alone | 1,509 | 2,883 | 1.0% | 0.7% | 9.0% | 12.7% |
| Asian alone | 21,317 | 21,738 | 7.9% | 15.5% | 1.9% | 10.6% |
| Other & Multiple Races | 76,819 | 89,011 | 30.1% | 32.6% | 15.9% | 17.1% |
| Hispanic (all races) | 149,418 | 162,490 | 59.5% | 39.1% | 8.7% | 5.1% |

US Census Bureau, American Community Survey, 2017; 1 Year Estimates, Table DP05: ACS Demographic and Housing Estimates

Income and Poverty

Median household income grew by 17% in the five-year period 2013 to 2017, which is almost as good as the state's median household income growth (19.3%). Per capita income grew by 26.9% in the same five-year period. The increase in per capita income outpaced the 23.9% the state experienced. While the share of Merced County's population living below the poverty rate has improved, it is still consistently noticeably higher than the state rate.

Figure 6. Income and Poverty Trends

| MEDIAN HOUSEHOLD INCOME | | | PER CAPITA INCOME | | POVERTY RATE | |
|-------------------------|----------|------------|-------------------|------------|--------------|------------|
| Year | County | California | County | California | County | California |
| 2013 | \$40,687 | \$60,190 | \$17,223 | \$21,397 | 25.2% | 16.8% |
| 2014 | \$44,084 | \$61,900 | \$18,585 | \$23,028 | 25.2% | 16.4% |
| 2015 | \$41,997 | \$64,500 | \$18,659 | \$23,046 | 26.7% | 15.3% |
| 2016 | \$47,739 | \$67,739 | \$21,802 | \$24,934 | 20.3% | 14.3% |
| 2017 | \$47,735 | \$71,805 | \$21,866 | \$26,529 | 23.8% | 13.3% |

US Census Bureau, American Community Survey, 2017; Table DP03: Selected Economic Characteristics

Reduced Meal Programs

Another indicator of the poverty and income challenges in Merced County is the share of students enrolled in the free and reduced meal programs. Over two-thirds of the county student population have been enrolled in the programs every one of the last five years. During four out of the last five years, the share participating in the programs has at or near 80%.

Figure 7. Free/Reduced Meals Program

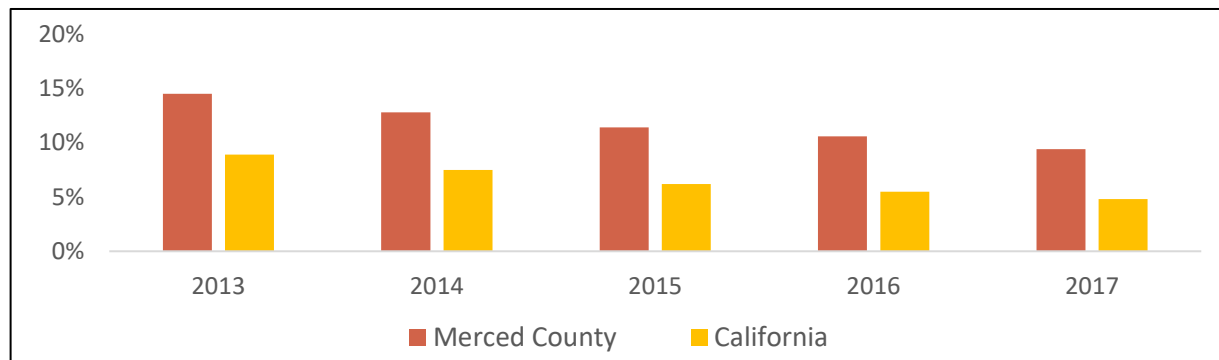
| Year | Percent of Students | |
|------|---------------------|-------|
| | County | Calif |
| 2013 | 65.7% | 45.5% |
| 2014 | 79.3% | 59.4% |
| 2015 | 79.6% | 58.6% |
| 2016 | 80.6% | 58.9% |
| 2017 | 78.6% | 58.1% |

Source: Department of Education, May 2019

Unemployment

Merced County's unemployment rate has been declining since before 2013. Central Valley communities have long suffered from high unemployment primarily because of the significant size of the agriculture industry. Merced is no different, even though the employment situation is improving, the county's unemployment rate is still about twice that of the state.

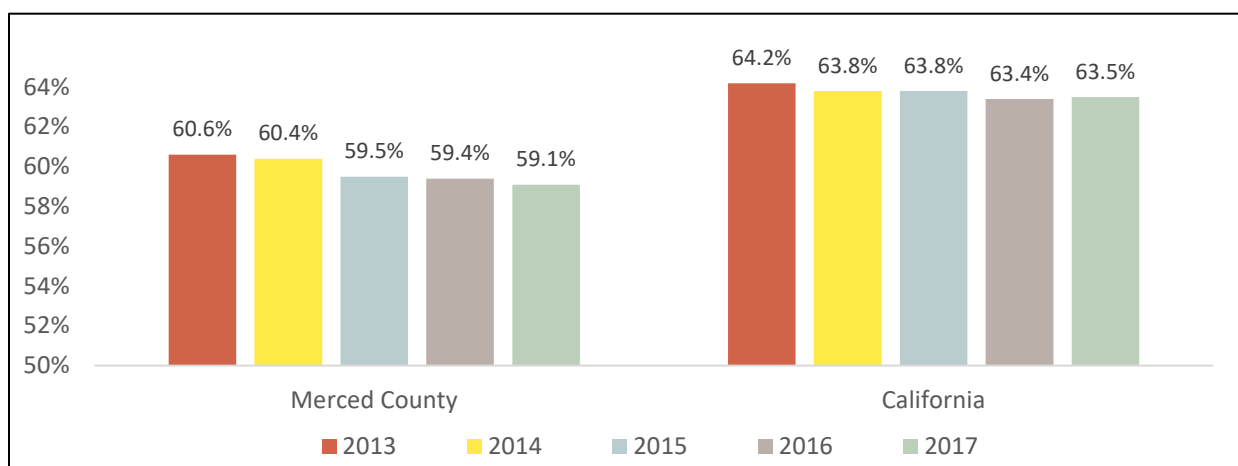
Figure 8. Average Annual Unemployment Rate, Merced and California



Labor Force Participation

Merced County's labor force participation is slightly lower than the state. The county's participation rate has been slowly declining over the last five years. The civilian population grew at about 1% for all but one year (2015 to 2016) but the labor force grew at a much slower pace, and lost participants in 2014 to 2015.

Figure 9. Labor Force Participation Rate



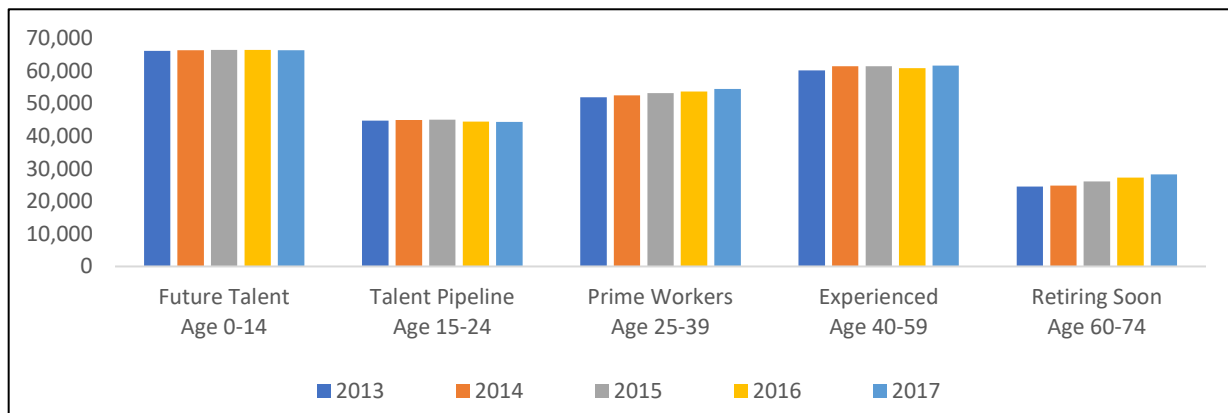
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, Table DP03 Selected Economic Characteristics

Talent Pipeline

Being able to replace their retiring workers is a concern of most businesses across the nation. Therefore having an adequate supply of new entrants to the workforce is an important factor to a community's economic development competitiveness. Merced shows a large talent pipeline for the short-range needs (Talent Pipeline) and long-range needs (Future Talent)—sufficient to fill job openings due to retiring workers. This assumes, of course, the incoming workers have the necessary skills.

In Merced the more immediate talent pipeline is supplemented with the students graduating from University of California Merced (7,900 fall enrollment, 2017) and Merced College (10,912 fall enrollment 2017).⁴

Figure 10. Merced County's Expected Talent Pipeline



US Census Bureau, American Community Survey, 2017. Table S0101; (<https://factfinder.census.gov/>), May 2019

Graduation Rate

The percentage of high school students graduating in Merced has improved in the last five years; drop-out rate in the 2016-2017 school year is half of what it was in the 2012-2013 school year. The rate in Merced County is lower than the statewide rate in each of the five-years shown. The percentage of Merced County graduates eligible to enter the UC/CSU system has consistently risen each year from 2013 to 2017, just slightly lower than the statewide rate.

Figure 11. Educational Performance, Merced County

| GRADUATES ELIGIBLE FOR UC/CSU ENTRANCE | | | | HIGH SCHOOL DROP-OUT RATE | | |
|--|---------------|-------|------------|---------------------------|------|------------|
| School Year | Merced County | | California | Merced County | | California |
| | Number | Rate | Rate | Number | Rate | Rate |
| 2012-13 | 1,061 | 28.7% | 39.4% | 582 | 3.4% | 3.9% |
| 2013-14 | 1,104 | 29.9% | 40.0% | 404 | 2.3% | 3.1% |
| 2014-15 | 1,240 | 32.2% | 43.4% | 387 | 2.3% | 2.8% |
| 2015-16 | 1,286 | 33.4% | 45.4% | 356 | 2.1% | 2.6% |
| 2016-17 | 1,341 | 34.0% | 46.7% | 275 | 1.6% | 2.4% |

Source: California Department of Education, DataQuest, May 2019

⁴ Source: National Center for Education Statistics, www.nces.ed.gov/collegenavigator

Industry Performance

The majority of employment in Merced County is in Agriculture (23%) and Services (29%), two industries which can include lower-paying jobs. The average wage for ag jobs in Merced County is \$34,935; the average wage for service industry jobs is \$34,763. Manufacturing, which provides 15% of the jobs in Merced County pays an average wage of \$47,592.

Figure 12. Merced County Share of State and Local Employment by Sector

| NAICS | Description | State of California | | Merced County | | Jobs | Firms | Jobs | Firms | Location Quotient* |
|-------|-------------------------------------|---------------------|------------------|---------------|--------------|----------------|----------------|----------------|----------------|--------------------|
| | | Jobs | Firms | Jobs | Firms | Share of Total | Share of total | Share of State | Share of State | |
| | Total | 14,288,843 | 1,439,095 | 61,559 | 6,342 | | | 0.43% | 0.44% | |
| 11 | Agriculture, Forestry, Fishing | 423,516 | 16,183 | 14,204 | 758 | 23.1% | 12.0% | 3.35% | 4.68% | 7.78 |
| 21 | Mining | 21,959 | 807 | 10 | 2 | 0.0% | 0.0% | 0.04% | 0.25% | 0.10 |
| 22 | Utilities | 58,273 | 1,180 | 69 | 8 | 0.1% | 0.1% | 0.12% | 0.68% | 0.27 |
| 23 | Construction | 769,580 | 70,260 | 2,349 | 291 | 3.8% | 4.6% | 0.31% | 0.41% | 0.71 |
| 31-33 | Manufacturing | 1,294,360 | 41,347 | 9,521 | 137 | 15.5% | 2.2% | 0.74% | 0.33% | 1.71 |
| 42 | Wholesale Trade | 715,989 | 59,174 | 1,666 | 104 | 2.7% | 1.6% | 0.23% | 0.18% | 0.54 |
| 44-45 | Retail Trade | 1,668,452 | 101,036 | 8,289 | 524 | 13.5% | 8.3% | 0.50% | 0.52% | 1.15 |
| 48-49 | Transportation | 512,104 | 20,697 | 2,799 | 140 | 4.5% | 2.2% | 0.55% | 0.68% | 1.27 |
| 51 | Information | 517,390 | 20,765 | 305 | 30 | 0.5% | 0.5% | 0.06% | 0.14% | 0.14 |
| 52 | Finance and Insurance | 540,807 | 47,010 | 1,304 | 146 | 2.1% | 2.3% | 0.24% | 0.31% | 0.56 |
| 53 | Real Estate | 275,950 | 46,936 | 544 | 131 | 0.9% | 2.1% | 0.20% | 0.28% | 0.46 |
| | Services | 7,393,390 | 932,288 | 17,912 | 1,376 | 29.1% | 21.7% | 0.24% | 0.15% | 0.56 |
| 54 | Professional and technical services | 1,212,898 | 130,594 | 1,133 | 174 | 1.8% | 2.7% | 0.09% | 0.13% | 0.22 |
| 55 | Management of companies | 225,770 | 4,460 | 1,092 | 14 | 1.8% | 0.2% | 0.48% | 0.31% | 1.12 |
| 56 | Administrative and support services | 1,078,883 | 46,826 | 1,637 | 145 | 2.7% | 2.3% | 0.15% | 0.31% | 0.35 |
| 61 | Educational services (private) | 304,876 | 12,696 | 190 | 14 | 0.3% | 0.2% | 0.06% | 0.11% | 0.14 |
| 62 | Health Services | 2,165,926 | 549,764 | 7,106 | 431 | 11.5% | 6.8% | 0.33% | 0.08% | 0.76 |
| 71 | Arts, entertainment, and recreation | 298,889 | 21,068 | 498 | 41 | 0.8% | 0.6% | 0.17% | 0.19% | 0.39 |
| 72 | Accommodation and food services | 1,586,193 | 78,777 | 5,085 | 314 | 8.3% | 5.0% | 0.32% | 0.40% | 0.74 |
| 81 | Other Services | 519,955 | 88,103 | 1,171 | 243 | 1.9% | 3.8% | 0.23% | 0.28% | 0.52 |

Source: IMPLAN ES202 2017 data by county and state data.

*Relative to California.

Figure 13. National High-Growth Industries

| | | Merced County | | | | | | Projected Annual | |
|---------------------------------|--|---------------|-------|------------------|---------|-------------|-----------|------------------|-----------|
| NAICS | Description | Employment | | Growth 2010-2017 | | Merced 2017 | | U.S. Growth | 2016-2026 |
| | | 2010 | 2017 | Absolute | Percent | Firms | Avg Wage | Employment | Output |
| National High Employment Growth | | | | | | | | | |
| 621610 | Home health care services | 160 | 129 | -31 | -19% | 8 | \$39,007 | 4.4% | 3.1% |
| 519110 | News syndicates | 0 | 0 | 0 | 0% | 0 | \$0 | 4.0% | 5.7% |
| 519120 | Libraries and archives | 0 | 0 | 0 | 0% | 0 | \$0 | 4.0% | 5.7% |
| 519130 | Internet publishing, broadcasting, Web portals | 37 | 36 | -1 | -2% | 2 | \$35,171 | 4.0% | 5.7% |
| 519190 | Other information services | 0 | 0 | 0 | 0% | 0 | \$0 | 4.0% | 5.7% |
| 621410 | Family planning centers | 56 | 50 | -6 | -11% | 6 | \$46,242 | 3.2% | 2.6% |
| 621420 | Outpatient mental health centers | 24 | 63 | 39 | 163% | 3 | \$26,710 | 3.2% | 2.6% |
| 621491 | HMO medical centers | 16 | 1 | -16 | -96% | 1 | \$102,002 | 3.2% | 2.6% |
| 621492 | Kidney dialysis centers | 12 | 113 | 101 | 826% | 5 | \$51,945 | 3.2% | 2.6% |
| 621493 | Freestanding emergency medical centers | 9 | 59 | 50 | 561% | 4 | \$46,354 | 3.2% | 2.6% |
| 621498 | All other outpatient care centers | 101 | 213 | 112 | 110% | 5 | \$49,895 | 3.2% | 2.6% |
| 621310 | Offices of chiropractors | 50 | 56 | 6 | 12% | 17 | \$23,627 | 2.7% | 3.4% |
| 621320 | Offices of optometrists | 68 | 65 | -3 | -4% | 11 | \$30,576 | 2.7% | 3.4% |
| 621330 | Offices of mental health practitioners | 6 | 1 | -5 | -90% | 1 | \$23,296 | 2.7% | 3.4% |
| 621340 | Offices of specialty therapists | 91 | 206 | 115 | 126% | 12 | \$55,515 | 2.7% | 3.4% |
| 621391 | Offices of podiatrists | 7 | 5 | -2 | -25% | 2 | \$32,591 | 2.7% | 3.4% |
| 621399 | Offices of miscellaneous health practitioners | 3 | 13 | 10 | 353% | 6 | \$46,522 | 2.7% | 3.4% |
| 621511 | Medical laboratories | 23 | 35 | 12 | 52% | 8 | \$36,495 | 2.5% | 3.2% |
| 621512 | Diagnostic imaging centers | 36 | 221 | 185 | 514% | 1 | \$68,736 | 2.5% | 3.2% |
| National High Output Growth | | | | | | | | | |
| 519110 | News syndicates | 0 | 0 | 0 | 0% | 0 | \$0 | 4.0% | 5.7% |
| 519130 | Internet Publishing, Web Search Portals | 37 | 36 | -1 | -2% | 2 | \$35,171 | 4.0% | 5.7% |
| 519190 | Other information services | 0 | 0 | 0 | 0% | 0 | \$0 | 4.0% | 5.7% |
| 517410 | Satellite telecommunications | 0 | 0 | 0 | 0% | 0 | \$0 | -1.9% | 5.3% |
| 517911 | Telecommunications resellers | 110 | 0 | -110 | -100% | 0 | \$0 | -1.9% | 5.3% |
| 517919 | All other telecommunications | 7 | 0 | -7 | -100% | 0 | \$0 | -1.9% | 5.3% |
| 511210 | Software publishers | 0 | 11 | 11 | 1144% | 1 | \$32,097 | 1.8% | 4.2% |
| 621111 | Offices of physicians, except mental health | 1,114 | 1,214 | 100 | 9% | 146 | \$65,989 | 2.0% | 3.7% |
| 621112 | Offices of mental health physicians | 7 | 12 | 5 | 71% | 3 | \$27,085 | 2.0% | 3.7% |
| 621310 | Offices of chiropractors | 50 | 56 | 6 | 12% | 17 | \$23,627 | 2.7% | 3.4% |
| 621320 | Offices of optometrists | 68 | 65 | -3 | -4% | 11 | \$30,576 | 2.7% | 3.4% |
| 621330 | Offices of mental health practitioners | 6 | 1 | -5 | -90% | 1 | \$23,296 | 2.7% | 3.4% |
| 621340 | Offices of specialty therapists | 91 | 206 | 115 | 126% | 12 | \$55,515 | 2.7% | 3.4% |
| 621391 | Offices of podiatrists | 7 | 5 | -2 | -25% | 2 | \$32,591 | 2.7% | 3.4% |
| 621399 | Offices of miscellaneous health practitioners | 3 | 13 | 10 | 353% | 6 | \$46,522 | 2.7% | 3.4% |
| 621511 | Medical laboratories | 23 | 35 | 12 | 52% | 8 | \$36,495 | 2.5% | 3.2% |
| 621512 | Diagnostic imaging centers | 36 | 221 | 185 | 514% | 1 | \$68,736 | 2.5% | 3.2% |
| 621910 | Ambulance services | 128 | 95 | -33 | -26% | 4 | \$42,959 | 2.4% | 3.2% |
| 621991 | Blood and organ banks | 10 | 5 | -5 | -48% | 1 | \$62,055 | 2.4% | 3.2% |
| 621999 | Miscellaneous ambulatory health care services | 0 | 0 | 0 | 0% | 0 | \$0 | 2.4% | 3.2% |
| 622110 | General medical and surgical hospitals | 1,527 | 1,516 | -11 | -1% | 5 | \$78,587 | 0.8% | 3.2% |
| 622210 | Psychiatric and substance abuse hospitals | 0 | 0 | 0 | 0% | 0 | \$0 | 0.8% | 3.2% |
| 622310 | Other hospitals | 130 | 0 | -130 | -100% | 0 | \$0 | 0.8% | 3.2% |

Source: IMPLAN ES202 data by county, Bureau of Labor Statistics Industry Employment and Output Projections, October 2017.

Figure 14. Growth Industries in Merced County, 2010-2017

Includes non-retail industries that have added 50 or more jobs in Merced County in the past seven years and are growth faster than the U.S. average for that industry.

| | | Merced County | | | | Merced-2017 | | | Projected Annual | |
|--|--|---------------|-------|----------------|---------|-------------|----------|----------|------------------|-----------|
| NAICS | Description | Employment | | Growth 2010-17 | | Firms | Average | Location | U.S. Growth | 2016-2026 |
| | | 2010 | 2017 | Absolute | Percent | | Wage | Quotient | Emplymt | Output |
| Agriculture and Food Processing | | | | | | | | | | |
| 111200 | Vegetable and Melon Farming | 2,102 | 2,250 | 148 | 7% | 64 | \$33,733 | 47.04 | 0.2% | 1.3% |
| 111300 | Fruit and Tree Nut Farming | 1,619 | 2,749 | 1,130 | 70% | 189 | \$30,724 | 28.89 | 0.2% | 1.3% |
| 111400 | Greenhouse, Nursery, and Floriculture Production | 42 | 158 | 116 | 276% | 8 | \$30,553 | 2.06 | 0.2% | 1.3% |
| 112100 | Cattle Ranching and Farming | 2,710 | 3,095 | 385 | 14% | 201 | \$41,542 | 38.85 | -0.3% | 1.5% |
| 113200 | Forest nursery and gathering forest products | 0 | 128 | 128 | 12771% | 2 | \$88,801 | 115.31 | 0.3% | 0.4% |
| 115100 | Support activities for crop production | 3,400 | 5,021 | 1,621 | 48% | 145 | \$30,916 | 29.85 | 0.7% | 1.6% |
| 311411 | Frozen fruit and vegetable manufacturing | 465 | 1,122 | 658 | 141% | 2 | \$51,033 | 72.30 | -0.5% | 0.5% |
| 311421 | Fruit and vegetable canning | 561 | 1,035 | 474 | 84% | 5 | \$42,220 | 34.41 | -0.5% | 0.5% |
| 311615 | Poultry processing | 1,886 | 2,267 | 381 | 20% | 30 | \$30,028 | 19.07 | 0.0% | 1.3% |
| 312130 | Wineries | 130 | 396 | 266 | 204% | 2 | \$53,275 | 12.28 | 0.5% | 0.7% |
| Paper and Plastic Products | | | | | | | | | | |
| 322211 | Corrugated and solid fiber box manufacturing | 61 | 191 | 129 | 212% | 1 | \$60,242 | 3.99 | -0.7% | 1.7% |
| 326111 | Plastics bag and pouch manufacturing | 0 | 235 | 235 | 23478% | 2 | \$49,619 | 14.01 | -0.8% | 1.4% |
| Nonmetallic Mineral Products | | | | | | | | | | |
| 327320 | Ready-mix concrete manufacturing | 106 | 179 | 73 | 69% | 5 | \$53,232 | 3.73 | -0.3% | 2.7% |
| Fabricated Metal Products | | | | | | | | | | |
| 332312 | Fabricated structural metal manufacturing | 3 | 103 | 100 | 3950% | 4 | \$56,123 | 2.33 | -0.3% | 1.1% |
| 332323 | Ornamental and architectural metal work mfg. | 22 | 91 | 70 | 322% | 1 | \$74,123 | 4.52 | -0.3% | 1.1% |
| Industrial Machinery | | | | | | | | | | |
| 333111 | Farm machinery and equipment manufacturing | 84 | 195 | 111 | 133% | 4 | \$51,486 | 6.67 | 0.8% | 3.1% |
| Transportation Equipment Manufacturing | | | | | | | | | | |
| 336212 | Truck trailer manufacturing | 18 | 105 | 87 | 476% | 1 | \$39,619 | 5.76 | -0.4% | 2.0% |
| 336412 | Aircraft engine and engine parts mfg. | 0 | 133 | 133 | 13284% | 1 | \$67,311 | 3.27 | -0.2% | 2.3% |
| Transportation & Logistics | | | | | | | | | | |
| 484110 | General freight trucking, local | 208 | 262 | 54 | 26% | 41 | \$45,754 | 2.07 | 0.3% | 2.2% |
| 484220 | Other specialized trucking, local | 651 | 744 | 93 | 14% | 31 | \$55,567 | 6.73 | 0.3% | 2.2% |
| 484230 | Other specialized trucking, long-distance | 0 | 51 | 51 | 5078% | 4 | \$29,736 | 0.75 | 0.3% | 2.2% |
| 493110 | General warehousing and storage | 192 | 926 | 734 | 382% | 7 | \$48,182 | 2.04 | 2.0% | 2.4% |
| Professional and Business Services | | | | | | | | | | |
| 551114 | Managing offices | 622 | 1,092 | 470 | 76% | 14 | \$72,439 | 0.99 | 0.6% | 2.2% |
| 561330 | Professional employer organizations | 82 | 265 | 183 | 223% | 2 | \$30,433 | 1.46 | 0.5% | 2.6% |
| Health Services | | | | | | | | | | |
| 621111 | Offices of physicians, except mental health | 1,114 | 1,214 | 100 | 9% | 146 | \$65,989 | 0.96 | 2.0% | 3.7% |
| 621210 | Offices of dentists | 372 | 445 | 73 | 20% | 71 | \$51,042 | 0.95 | 1.8% | 2.1% |
| 621340 | Offices of specialty therapists | 91 | 206 | 115 | 126% | 12 | \$55,515 | 1.07 | 2.7% | 3.4% |
| 621492 | Kidney dialysis centers | 12 | 113 | 101 | 826% | 5 | \$51,945 | 1.76 | 3.2% | 2.6% |
| 621493 | Freestanding emergency medical centers | 9 | 59 | 50 | 561% | 4 | \$46,354 | 0.79 | 3.2% | 2.6% |
| 621498 | All other outpatient care centers | 101 | 213 | 112 | 110% | 5 | \$49,895 | 2.66 | 3.2% | 2.6% |
| 621512 | Diagnostic imaging centers | 36 | 221 | 185 | 514% | 1 | \$68,736 | 6.01 | 2.5% | 3.2% |
| 623110 | Nursing care facilities | 698 | 878 | 180 | 26% | 13 | \$30,015 | 1.08 | 1.2% | 3.0% |
| 623220 | Residential mental and substance abuse care | 167 | 316 | 149 | 89% | 3 | \$40,467 | 2.77 | 1.2% | 3.0% |
| 623312 | Assisted living facilities for the elderly | 79 | 131 | 52 | 66% | 11 | \$18,614 | 0.61 | 1.2% | 3.0% |
| 624120 | Services for the elderly and disabled | 53 | 279 | 226 | 426% | 18 | \$10,833 | 0.32 | 3.4% | 2.5% |
| Hospitality | | | | | | | | | | |
| 713990 | All other amusement and recreation industries | 55 | 149 | 94 | 171% | 10 | \$24,376 | 1.58 | 0.9% | 2.0% |
| 721110 | Hotels and motels, except casino hotels | 224 | 286 | 62 | 27% | 24 | \$20,312 | 0.35 | 0.2% | 1.9% |

Source: IMPLAN ES202 data by county, Bureau of Labor Statistics Industry Employment and Output Projections, October 2017.

Figure 15. Basic Industries in Merced County with High Location Quotients

Includes basic industries in Merced County with a location quotient greater than 2.0 and 2017 employment of 50 or

| | | Merced County | | | | Merced-2017 | | | Projected Annual | |
|---------------------------------|--|---------------|-------|----------|---------|-------------|-----------|----------|------------------|-----------|
| | | Employment | | Growth | 2010-17 | | Location | U.S. | Growth | 2016-2026 |
| NAICS | Description | 2010 | 2017 | Absolute | Percent | Firms | Avg Wage | Quotient | Employment | Output |
| Agriculture and Food Processing | | | | | | | | | | |
| 111100 | Oilseed and Grain Farming | 75 | 73 | -2 | -3% | 15 | \$47,642 | 2.64 | 0.2% | 1.3% |
| 111200 | Vegetable and Melon Farming | 2,102 | 2,250 | 148 | 7% | 64 | \$33,733 | 47.04 | 0.2% | 1.3% |
| 111300 | Fruit and Tree Nut Farming | 1,619 | 2,749 | 1,130 | 70% | 189 | \$30,724 | 28.89 | 0.2% | 1.3% |
| 111400 | Greenhouse, Nursery, and Floriculture Production | 42 | 158 | 116 | 276% | 8 | \$30,553 | 2.06 | 0.2% | 1.3% |
| 111900 | Other crop farming | 657 | 431 | -226 | -34% | 86 | \$37,497 | 13.60 | 0.2% | 1.3% |
| 112100 | Cattle Ranching and Farming | 2,710 | 3,095 | 385 | 14% | 201 | \$41,542 | 38.85 | -0.3% | 1.5% |
| 112300 | Poultry and Egg Production | 70 | 93 | 23 | 33% | 11 | \$37,026 | 4.26 | -0.3% | 1.5% |
| 113200 | Forest nursery and gathering forest products | 0 | 128 | 128 | 12771% | 2 | \$88,801 | 115.31 | 0.3% | 0.4% |
| 113300 | Logging | 309 | 60 | -249 | -80% | 1 | \$115,987 | 2.46 | -2.2% | 1.1% |
| 115100 | Support activities for crop production | 3,400 | 5,021 | 1,621 | 48% | 145 | \$30,916 | 29.85 | 0.7% | 1.6% |
| 115200 | Support activities for animal production | 38 | 79 | 41 | 108% | 14 | \$49,649 | 5.26 | 0.7% | 1.6% |
| 311119 | Other animal food manufacturing | 122 | 124 | 2 | 2% | 5 | \$51,173 | 7.21 | 0.0% | 2.5% |
| 311411 | Frozen fruit and vegetable manufacturing | 465 | 1,122 | 658 | 141% | 2 | \$51,033 | 72.30 | -0.5% | 0.5% |
| 311421 | Fruit and vegetable canning | 561 | 1,035 | 474 | 84% | 5 | \$42,220 | 34.41 | -0.5% | 0.5% |
| 311423 | Dried and dehydrated food manufacturing | 697 | 253 | -444 | -64% | 3 | \$47,495 | 42.61 | -0.5% | 0.5% |
| 311511 | Fluid milk manufacturing | 315 | 344 | 28 | 9% | 3 | \$87,726 | 12.41 | 0.1% | 1.5% |
| 311513 | Cheese manufacturing | 968 | 978 | 11 | 1% | 3 | \$63,110 | 40.43 | 0.1% | 1.5% |
| 311612 | Meat processed from carcasses | 188 | 199 | 11 | 6% | 3 | \$41,120 | 3.11 | 0.0% | 1.3% |
| 311615 | Poultry processing | 1,886 | 2,267 | 381 | 20% | 30 | \$30,028 | 19.07 | 0.0% | 1.3% |
| 311911 | Roasted nuts and peanut butter manufacturing | 354 | 117 | -237 | -67% | 1 | \$46,255 | 14.85 | 0.5% | 1.0% |
| 312130 | Wineries | 130 | 396 | 266 | 204% | 2 | \$53,275 | 12.28 | 0.5% | 0.7% |
| Energy | | | | | | | | | | |
| 221115 | Wind electric power generation | 60 | 57 | -3 | -5% | 1 | \$261,082 | 18.86 | 0.2% | 1.5% |
| Paper Product Manufacturing | | | | | | | | | | |
| 322211 | Corrugated and solid fiber box manufacturing | 61 | 191 | 129 | 212% | 1 | \$60,242 | 3.99 | -0.7% | 1.7% |
| Plastic Products | | | | | | | | | | |
| 326111 | Plastics bag and pouch manufacturing | 0 | 235 | 235 | 23478% | 2 | \$49,619 | 14.01 | -0.8% | 1.4% |
| Nonmetallic Mineral Products | | | | | | | | | | |
| 327320 | Ready-mix concrete manufacturing | 106 | 179 | 73 | 69% | 5 | \$53,232 | 3.73 | -0.3% | 2.7% |
| Fabricated Metal Products | | | | | | | | | | |
| 332311 | Prefabricated metal buildings and components | 95 | 123 | 27 | 29% | 1 | \$77,384 | 8.05 | -0.3% | 1.1% |
| 332312 | Fabricated structural metal manufacturing | 3 | 103 | 100 | 3950% | 4 | \$56,123 | 2.33 | -0.3% | 1.1% |
| 332323 | Ornamental and architectural metal work mfg. | 22 | 91 | 70 | 322% | 1 | \$74,123 | 4.52 | -0.3% | 1.1% |
| Industrial Machinery | | | | | | | | | | |
| 333111 | Farm machinery and equipment manufacturing | 84 | 195 | 111 | 133% | 4 | \$51,486 | 6.67 | 0.8% | 3.1% |
| Transportation Equipment | | | | | | | | | | |
| 336212 | Truck trailer manufacturing | 18 | 105 | 87 | 476% | 1 | \$39,619 | 5.76 | -0.4% | 2.0% |
| 336412 | Aircraft engine and engine parts mfg. | 0 | 133 | 133 | 13284% | 1 | \$67,311 | 3.27 | -0.2% | 2.3% |
| 336612 | Boat building | 172 | 56 | -116 | -67% | 2 | \$42,100 | 2.77 | -0.8% | 1.5% |
| Transportation & Logistics | | | | | | | | | | |
| 484110 | General freight trucking, local | 208 | 262 | 54 | 26% | 41 | \$45,754 | 2.07 | 0.3% | 2.2% |
| 484220 | Other specialized trucking, local | 651 | 744 | 93 | 14% | 31 | \$55,567 | 6.73 | 0.3% | 2.2% |
| 493110 | General warehousing and storage | 192 | 926 | 734 | 382% | 7 | \$48,182 | 2.04 | 2.0% | 2.4% |
| Business Services | | | | | | | | | | |
| 323111 | Commercial printing (exc. screen and books) | 801 | 511 | -290 | -36% | 5 | \$50,102 | 3.16 | -1.8% | 2.3% |
| Health Services | | | | | | | | | | |
| 621498 | All other outpatient care centers | 101 | 213 | 112 | 110% | 5 | \$49,895 | 2.66 | 3.2% | 2.6% |
| 621512 | Diagnostic imaging centers | 36 | 221 | 185 | 514% | 1 | \$68,736 | 6.01 | 2.5% | 3.2% |
| 623220 | Residential mental and substance abuse care | 167 | 316 | 149 | 89% | 3 | \$40,467 | 2.77 | 1.2% | 3.0% |

Source: IMPLAN ES202 data by county, Bureau of Labor Statistics Industry Employment and Output Projections, October 2017.

Figure 16. Key Economic Base Components in Merced County

Includes industries with 250 or more employees in 2017 (exclusive of retail, wholesale, and personal services)

| NAICS | Description | Merced County | | | | Merced-2017 | | | Projected Annual | |
|---------------------------------|---|--------------------|--------------------|-----------------|----------------|-------------|----------|----------------------|---------------------------|---------------------|
| | | Employment 2010 | Employment 2017 | Growth Absolute | Growth Percent | Firms | Avg Wage | Location Quotient | U.S. Growth Employment | 2016-2026 Output |
| Agriculture and Food Processing | | | | | | | | | | |
| 111200 | Vegetable and Melon Farming | 2,102 | 2,250 | 148 | 7% | 64 | \$33,733 | 47.04 | 0.2% | 1.3% |
| 111300 | Fruit and Tree Nut Farming | 1,619 | 2,749 | 1,130 | 70% | 189 | \$30,724 | 28.89 | 0.2% | 1.3% |
| 111900 | Other crop farming | 657 | 431 | -226 | -34% | 86 | \$37,497 | 13.60 | 0.2% | 1.3% |
| 112100 | Cattle Ranching and Farming | 2,710 | 3,095 | 385 | 14% | 201 | \$41,542 | 38.85 | -0.3% | 1.5% |
| 115100 | Support activities for crop production | 3,400 | 5,021 | 1,621 | 48% | 145 | \$30,916 | 29.85 | 0.7% | 1.6% |
| 311411 | Frozen fruit and vegetable manufacturing | 465 | 1,122 | 658 | 141% | 2 | \$51,033 | 72.30 | -0.5% | 0.5% |
| 311421 | Fruit and vegetable canning | 561 | 1,035 | 474 | 84% | 5 | \$42,220 | 34.41 | -0.5% | 0.5% |
| 311423 | Dried and dehydrated food manufacturing | 697 | 253 | -444 | -64% | 3 | \$47,495 | 42.61 | -0.5% | 0.5% |
| 311511 | Fluid milk manufacturing | 315 | 344 | 28 | 9% | 3 | \$87,726 | 12.41 | 0.1% | 1.5% |
| 311513 | Cheese manufacturing | 968 | 978 | 11 | 1% | 3 | \$63,110 | 40.43 | 0.1% | 1.5% |
| 311615 | Poultry processing | 1,886 | 2,267 | 381 | 20% | 30 | \$30,028 | 19.07 | 0.0% | 1.3% |
| 312130 | Wineries | 130 | 396 | 266 | 204% | 2 | \$53,275 | 12.28 | 0.5% | 0.7% |
| Transportation & Logistics | | | | | | | | | | |
| 484110 | General freight trucking, local | 208 | 262 | 54 | 26% | 41 | \$45,754 | 2.07 | 0.3% | 2.2% |
| 484220 | Other specialized trucking, local | 651 | 744 | 93 | 14% | 31 | \$55,567 | 6.73 | 0.3% | 2.2% |
| 493110 | General warehousing and storage | 192 | 926 | 734 | 382% | 7 | \$48,182 | 2.04 | 2.0% | 2.4% |
| Business Services | | | | | | | | | | |
| 561320 | Temporary help services | 463 | 347 | -116 | -25% | 5 | \$26,514 | 0.24 | 0.5% | 2.6% |
| 561330 | Professional employer organizations | 82 | 265 | 183 | 223% | 2 | \$30,433 | 1.46 | 0.5% | 2.6% |
| 551114 | Managing offices | 622 | 1,092 | 470 | 76% | 14 | \$72,439 | 0.99 | 0.6% | 2.2% |
| 323111 | Commercial printing (exc. screen and books) | 801 | 511 | -290 | -36% | 5 | \$50,102 | 3.16 | -1.8% | 2.3% |
| Health Services | | | | | | | | | | |
| 621111 | Offices of physicians, except mental health | 1,114 | 1,214 | 100 | 9% | 146 | \$65,989 | 0.96 | 2.0% | 3.7% |
| 621210 | Offices of dentists | 372 | 445 | 73 | 20% | 71 | \$51,042 | 0.95 | 1.8% | 2.1% |
| 622110 | General medical and surgical hospitals | 1,527 | 1,516 | -11 | -1% | 5 | \$78,587 | 0.65 | 0.8% | 3.2% |
| 623110 | Nursing care facilities | 698 | 878 | 180 | 26% | 13 | \$30,015 | 1.08 | 1.2% | 3.0% |
| 623220 | Residential mental and substance abuse care | 167 | 316 | 149 | 89% | 3 | \$40,467 | 2.77 | 1.2% | 3.0% |
| 624120 | Services for the elderly and disabled | 53 | 279 | 226 | 426% | 18 | \$10,833 | 0.32 | 3.4% | 2.5% |
| Hospitality | | | | | | | | | | |
| 721110 | Hotels and motels, except casino hotels | 224 | 286 | 62 | 27% | 24 | \$20,312 | 0.35 | 0.2% | 1.9% |
| 722511 | Full-service restaurants | 1,237 | 1,377 | 140 | 11% | 85 | \$18,552 | 0.51 | 0.9% | 1.5% |
| 722513 | Limited-service restaurants | 2,591 | 2,870 | 279 | 11% | 141 | \$15,682 | 1.31 | 0.9% | 1.5% |
| 722515 | Snack and nonalcoholic beverage bars | 371 | 425 | 54 | 15% | 31 | \$16,558 | 1.24 | 0.9% | 1.5% |

Source: IMPLAN ES202 data by county, Bureau of Labor Statistics Industry Employment and Output Projections, October 2017.

Priority Projects

Listed by jurisdiction are the capital improvement and other priority projects for the County of Merced, unincorporated areas, and the Cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced.

County of Merced Projects

1. Mid-California International Trade District Rail Infrastructure

The project consists of expanding a current single-track spur that serves industrial customers and connects to the BNSF Stockton Subdivision. A rail transload facility will anchor the MCITD Rail District, support cargo handling and movement destined to the Port of Los Angeles and handle inbound and outbound cargo. The project will construct an initial phase of three tracks comprised of approximately 6,000 feet of functional rail infrastructure, with room for future capacity.

2. Mid-California International Trade District Road/Utility Infrastructure

The project entails road and utility infrastructure including existing grid and a new one-mile central artery spine road and provide access to the large format development sites on the greenfield portion of the site and the MCITD Rail Transload facility. Construction will include an intersection at Santa Fe Blvd (County Route J7) signalization and utility infrastructure sized to serve target market distribution and manufacturing. Project will directly enable about 1.75 million square feet of development and serve as a larger development zone which will ultimately house about 6 million square feet of development. The road provides a third entry point to the project and a direct access to the future Atwater-Merced Expressway interchange.

3. Mid-California International Trade District Safety Improvements

Project entails improvements to the existing road and pedestrian system to improve the movement of goods and services and increase safety for truck and pedestrian traffic throughout the site. Project includes intersection improvements that will allow for better pedestrian access, geometry to facilitate truck and bus turns, and enhancements to facilitate higher volumes of freight vehicles, passenger vehicles, and pedestrian/bike traffic.

4. District 2 Complete Campus Parkway to UC Community (Childs Ave north to Yosemite Ave)

This project is the critical link between State Highway 99 and the UC Merced campus. The project is designed in three phases; Phase 1 (Hwy. 99 to Childs Ave) was completed in Dec. 2010. Both Phase 2 (Childs Ave to Hwy. 140) and Phase 3 (Hwy. 140 to Yosemite Ave) are funded through right-of-way acquisition, but construction funding is still needed. The project will foster transportation access to and from the University and University Community (which will approach 35,000 when fully developed) and Highway 99, stimulating commercial development and increase sales, use and property taxes.

5. District 5 South Dos Palos Sewer Line

This community has the oldest sewer line system in the area. Designed by standards no longer allowed; the sewer line pitch and size leaves sewage in the lines longer than permitted by health regulations. Replacing the 50+ year old lines in the unincorporated communities (including Midway and South Dos Palos) will improve safety, quality of life, and enhance future growth and development in an area with one of the highest unemployment rates in the country.

6. Community Main Street Enhancements Program

This program would provide a funding opportunity to build and enhance current main streets located within Merced County which will promote economic growth and improve public health and safety by creating a more pedestrian-friendly environment. The project will address the following key elements to help bolster the economic health of these

unique and ethnically diverse communities: a) infrastructure improvements, b) façade improvements, c) promoting business visibility, d) street landscaping, e) improved lighting, f) safe and pedestrian-friendly sidewalks.

7. District 3 Atwater / Merced Expressway (Phase I)

This multi-phased project involves the design, land acquisition, and construction of a highway to connect State Highway 99 to Santa Fe Road including intersections at Highway 99 and Santa Fe Avenue. The project is the single most critical project in the development of Mid-California International Trade District, as the facility has no viable commercial access to Highway 99. The Atwater-Merced Expressway will improve transportation access to and from the Mid-California International Trade District and provide direct access to and from State Highway 99, a major north south truck transportation route.

- Phase 1A Reduced (New Highway 99 Interchange to Green Sands Ave.) is funded with Prop 1B State Bond funds and construction began in October 2013. Phase 1A Remainder (replace Buhach Road overhead bridge and widen to four lanes) pending identification of funds.
- Phase 1B (construct new expressway from Green Sands Avenue north to Santa Fe Drive) is an overcrossing structure and is pending identification of funds.
- Phase 2 (construct new expressway from Santa Fe Drive overcrossing structure to Highway 59) is pending identification of funds.
- Phase 3 (construct new expressway from new Highway 99 interchange south to connect with Highway 140) is pending identification of funds.

8. Redevelopment of Mid-California International Trade District

In order for Mid-California International Trade District to be fully developed as an industrial park, certain improvements are necessary to position it to become competitive as a choice location for new and expanding businesses, such as: a) perform a Comprehensive Soil Test Assessment to comply with California Code of Regulations, Title 24, Section 1803A; b) demolish and remove blighted and/or uninhabitable buildings or structures remaining from the Air Force. These issues hinder potential development due to added costs. The University of California Merced's Solar Research Institute is located within the Mid-California International Trade District, making it a prime location for clean energy and green technology businesses.

9. District 1 State Highway 140, Planada

Currently one of the busiest street corners in the County is Highway 140 and Plainsburg Road. Besides local traffic, Highway 140 is the only all-weather route to Yosemite National Park, a park that sees 3 to 4 million visitors per year. The corner in question, located in the community of Planada, is without a traffic light or traffic control system yet an area with a significant amount of residential foot traffic. Thus, the corner is extremely dangerous. Envisioned project would install a handicapped accessible walkway and would permit safe walking traffic to cross Highway 140 and eliminate hazards to pedestrians.

10. District 5 Dos Palos Water Plant/Sewer System Expansion

Operating under a Joint Powers Authority involving the City of Dos Palos and several unincorporated communities, the plant is at capacity and needs to be expanded. Systems are currently inadequate and offer no expansion capacity for development. The affected communities have no opportunity for economic growth without a plant upgrade.

11. UC Merced Medical School Innovation Healthcare Technology Cluster

Develop an innovation healthcare technology cluster for the advancement of healthcare technology and expansion of educational opportunities leading to substantial employment in the medical field. This project promotes healthcare

innovation, advancements in health-related technology and regional improvements to improve the overall health, education and quality of life for residents of the cities and county of Merced and the overall San Joaquin Valley.

12. (District 3) Highway 99 Connection with Santa Fe Avenue Infrastructure Project

This project would provide adequate infrastructure to connect State Highway 99 to Santa Fe Avenue by way of Bellevue Road. The project is a critical component in the development of Mid-California International Trade District, as it will provide accessibility to and from Mid-California International Trade District from Highway 99 for agricultural and other product transportation. Mid-California International Trade District could then be promoted as an agricultural and other product transportation hub.

13. Countywide Dairy Environmental Impact Report

Project will provide funding for a countywide Environmental Impact Report for dairy expansion and development projects. Conducting a countywide EIR would significantly affect growth in Merced County's largest industry by helping to reduce the time and money spent to conduct individual project EIRs. The savings will help create new cash flow for the dairies to expand and create more jobs.

14. Countywide Dairy Permitting Assistance Program

Dairy is Merced County's largest industry. Developing a Dairy Permitting Assistance Program designed to provide funding to dairy producers by offsetting the cost of obtaining all necessary permits when undertaking capital improvement projects or expansions that will result in a significant increase in Merced County Dairy production and expedited dairy permitting process for capital improvement projects or expansions.

15. District 5 Santa Nella Project Area Infrastructure Improvements

Area is projected to grow significantly over the next two decades but already has inadequate water, sewer and road capacity. Centered at the confluence of State Highway 33 and Interstate 5, area requires impact relief now. Adequate infrastructure will accommodate future developments in the project area. Water, sewer and roads are currently at maximum capacity, hindering opportunity for future business development. Due to the prime location along the I5 corridor, growth is expected. This improvement will facilitate new business development, and long-term employment.

16. District 5 Santa Nella Project Area Recreational Facilities

Due to projected growth over the next two decades, recreational facilities need to be developed in the Santa Nella area to promote economic development, job creation and enhance quality of life for the community and vast amounts of visitors frequenting the area along the I5 corridor.

17. Collaborative Business Outreach Program

The Merced County Economic Development Division is leading an initiative to create a collaborative business outreach team that includes county and city economic development departments, workforce development, Merced College and UC Merced. The Business Outreach Team members will use ExecutivePulse software to manage the program, communications, and referrals. ExecutivePulse is a cloud-based customer relations management system built specifically for economic development. Program partners will be trained on the software; protocols will be established for coordinate business outreach visits, follow-up, and referrals; and partners will make joint business visits on a regular basis.

City of Atwater Projects

18. Predevelopment Study, Atwater Business Park Utilities

Initial concept planning has been completed with the assistance of an EDA Planning Grant. The Business Park/Industrial Park area is designated in the northwest area within the City's General Plan adjacent to the Castle Airport Aviation Development Center, former Castle Air Force Base. Currently 95 acres have been annexed into the city however, this area is lacking infrastructure to support job growth and investment. It is estimated that development of the first phase,

on 95 acres, would generate 400 jobs. An adjacent vacant area within the City's Sphere of Influence of approximately 350 acres that is also designated for business/industrial park uses could be a future phase. The planning project identified the basic needs to develop the area however funding is needed to complete the design, engineering, entitlements, environmental work, and for construction. No source of funding is currently identified except for private property/developer contributions. The project will need all basic infrastructure extended into the area.

19. Bellevue Road West Side Interchange

The City and Dole Fruit Company are constrained by inadequate roadways maintained by Merced County that are needed to connect from Bellevue Road to the newly constructed Bellevue Road and West Side Blvd Interchange and Highway 99. Bellevue Road is the existing backbone to the commercial district and bisects the City. Currently the planning area does not have any public infrastructure or utilities that will be provided in the roadway extension project into the proposed right of way. Costs are unknown. These roadway improvements would open the area to mixed-use development in the project planning area of approximately 600 acres.

20. City Entrance Enhancement for Atwater Boulevard North Sub Area

Atwater Boulevard is the former Highway 99. It is classified as Business 99 and runs parallel to the UP Rail system and many older commercial and multifamily properties. The area is dilapidated and in need of redevelopment to remove blight. The public infrastructure is in good to adequate condition however, traffic control is an issue at several locations. The proposed project has a preliminary study completed which yielded suggestions for improvements however funding is needed to complete design, entitlements, engineering, and construction. This project would include a visual welcome sign and other decorative street or way finding signage, bollards, a raised median with landscaping, and new decorative streetlights resulting in improved vehicular safety enhanced aesthetics of the area.

21. Downtown Core Area Revitalization

Project will replace failing decorative crosswalks and other amenities in the Downtown Core area of Atwater including Broadway and side streets. Project will include new streetlights, decorative paver stone roadway crossings, landscaping and irrigation system, parking lot maintenance, replacement of streetscape amenities (benches, trash cans, etc.) and seasonal street decorations. Completion of the project will enhance the downtown experience for residents and visitors, promote economic development and job creation.

City of Dos Palos Projects

22. South Dos Palos Sewer

This community has the oldest sewer line system in the area. Designed by standards no longer allowed, the sewer line pitch and size leaves sewage in the lines longer than permitted by health regulations. Replacing the 50+ year old lines is needed for the unincorporated communities being serviced by the City of Dos Palos (including Midway, South Dos Palos). Project will improve health, safety and quality of life; enhance future growth and development in an area with one of the highest unemployment rates in the country.

23. Dos Palos Water Plant

City-owned and operated, the plant provides water treatment and distribution to a JPA that includes the City and five unincorporated community districts. It is operating at capacity, needs to be upgraded to meet new State requirements, and expanded to accommodate growth. The affected communities have no opportunity to grow without a plant upgrade.

24. City of Dos Palos Water System Expansion

This project would provide adequate resources to expand the current water system allowing for additional capacity for development, improve quality of life, and enhance future growth and development in an area with one of the highest unemployment rates in the country.

25. Dos Palos Wastewater Facility

City-owned and operated, the facility provides sewer collection and treatment to a JPA that includes the City and two unincorporated community districts. It is operating at capacity. Additional post-treatment retention ponds will be necessary to accommodate growth. The project will improve quality of life; enhance future growth and development in an area with one of the highest unemployment rates in the country.

26. City of Dos Palos Wastewater System Expansion

This project would provide adequate resources to expand the current water system allowing for additional capacity for development, improved quality of life and enhanced future growth and development in an area with one of the highest unemployment rates in the country.

City of Gustine

27. Downtown Revitalization

The project will address the following key elements: a) infrastructure improvements, b) façade improvements, c) promoting business visibility, d) street landscaping, e) improved lighting, f) safe pedestrian-friendly sidewalks, g) traffic round-about. Results will provide an opportunity to build and enhance the current downtown main street to promote economic growth and improve public health and safety by creating a more pedestrian-friendly environment.

28. Infrastructure for Commercial and Industrial Users

This project will improve water and wastewater systems to facilitate new and continued investment by the City's business. The city will collect impact fees to fund non-federal share of construction. The improvements will facilitate new business development and employment helping to enhance the overall quality of life.

29. Segment C Roundabout Improvements

This project would construct a truck-accessible roundabout at the intersection of 6th Avenue and 4th Street including a) splitter island with landscaping; b) mountable truck apron with a rolled curb configuration; c) realign South Avenue and provide vehicular traffic for parking and access to businesses, allowing for opportunities to close the street for plaza events; d) decorative paving; and e) public art in the center of the roundabout. Completion of the improvements will help to promote economic development, job creation and enhance quality of life.

30. Gustine Airport Regionalization

To better-serve the Merced County area, greater Bay Area businesses and commuters, and to accommodate larger aircraft, runways must be extended.

City of Livingston

31. Wastewater Systems and Water System Improvements

This project would provide adequate resources to improve the current wastewater system and water systems thereby expanding capacity for future employment-generating development, improved quality of life, enhanced growth opportunities in an area with one of the highest unemployment rates in the county.

32. Infrastructure Improvements along Robin Avenue and Vinewood Avenue

This project increases economic development potential by providing new infrastructure around a highly developable part of the city. This project's construction would provide adequate road infrastructure, new utilities (wet and dry), street lights, street landscaping, sidewalks, street repaving, on street parking, and other improvements to bring this area into a shovel-ready development site in an area with one of the highest unemployment rates in the county.

City of Los Banos

33. Innovation Place Network Business Plan and Operations Model

This project will create a business plan to guide a network of small business and entrepreneur services in tandem with Merced College and the cities of Los Banos and Merced. Matching funds have been committed by the public and private partners. The plan will lead to new incubator facilities and promote small business development.

34. Industrial Park Infrastructure Project

This project would provide adequate infrastructure to connect Mercey Springs Road to Interstate 5. The project is a critical component in the development of the industrial park, as it will provide accessibility to and from Mercey Springs Road and Interstate 5 for product transportation. The industrial park project will be a joint public private partnership between the City of Los Banos, Merced County and the private sector developers. Successful completion of the industrial park would facilitate new business development and long-term employment.

35. Ground Water Recharge

This project would provide the City of Los Banos the necessary resources to bring their wells to current state regulations which will provide residents and businesses with a reliable, high quality and relatively inexpensive source of water. This project will also provide farmers with better crop security potentially creating and saving hundreds of jobs.

36. Downtown Revitalization and Small Business Assistance

Prepare and implement a strategic plan for downtown Los Banos and provide technical assistance to small businesses and entrepreneurs located in or interested in a downtown location. Strategic Plan would include a retail market analysis to document supply and demand of products and services; community workshops; identification of physical improvements needed; short-term and long-term goals and activities; small business coaching services. An attractive and vibrant downtown is an asset in attracting businesses, serving employees, residents and visitors, provide jobs for residents, and fosters an entrepreneurial culture.

37. Ward Street Improvements

This project will widen and improve 900 feet of Ward Street, south of State Route #152 in the City of Los Banos designed to truck traffic standards. City will collect impact fees to fund the non-federal share of construction. Improvements will facilitate new business and employment in the Los Banos Business Park and provide truck access via future Pioneer Road to Highway's #165 and I-5.

38. Pioneer Road Connection (Ward Street to #165)

This project will construct improvements to link the Los Banos Business Park/Ward street to State Highway #165 and improve access/egress and reduce truck traffic on congested Highway #152. The city will collect impact fees to fund non-federal share of construction. Improvements will facilitate new business development and employment.

39. Pioneer Road Specific Plan

The primary objective of this project is to create a conceptual design planning document for the development of the Pioneer Road corridor that can provide an alternate route around the congested downtown area of State Route 152 and that addresses a) development guidelines; b) improvements for safety, traffic flow and connectivity; c) complete street components e.g., bike lanes, multi-use paths, pedestrian crossing, etc.; d) potential transit facilities; e) intersection improvements to reduce greenhouse gas emissions; f) estimated costs; g) potential funding sources and strategies; h) storm water quality improvements. The improvements will facilitate new business development and employment.

40. Los Banos Wastewater Plant Industrial Site

This project will prepare a site to accommodate the relocation of a major industrial processing employer forced to move due to residential encroachment. The City has identified a site, engaged in 38 preliminary discussions and planning to

accommodate the business and its 100 employees. Funds will be derived from sale proceed and private capital investment to supplement federal funding requested for public infrastructure.

41. Rail Corridor, Trail and Community Center Construction

City has identified a site and undertaken preliminary design and planning, including extensive public input. The project will facilitate downtown revitalization, augment the array of community facilities for residents, and encourage downtown business development and potentially create many new jobs.

42. Ortigalita/#152 Intersection Upgrades

Upgrades will improve vehicular access/egress through the city, enhance safety, and facilitate new business development and employment. The City will collect impact fees to fund non-federal share of construction.

43. #152/Los Banos International Trade Route Intersection Improvements

Improvements to link the Los Banos' local road network to the future International Trade route will improve access/egress, reduce truck traffic on congested Highway #152, facilitate new business development and employment. The city will collect impact fees to fund non-federal share of construction.

44. Henry Miller Agricultural Industrial Park

This project will provide infrastructure for local agriculture-based industries facing future relocation due to the city's commercial growth. This will help retain local agricultural businesses that employ more than 100 residents in an area not likely to be impacted by housing development.

45. Main Street Enhancements Project

Project will provide an opportunity to build, enhance, and repurpose current main streets located within the City of Los Banos. The project will help revitalize economically disadvantaged communities' main streets to promote economic growth and improve public health and safety by creating a more pedestrian-friendly environment. The project will address the following key elements to help bolster the economic health of these unique communities: a) infrastructure improvements, b) façade improvements, c) promoting business visibility, d) street landscaping, e) improved lighting, f) safe pedestrian-friendly sidewalks.

46. Innovation Place Network (Facility)

Project will establish two new business incubators (Los Banos, Merced) to commercialize technology and innovation. Funds to establish the incubators will be derived from federal and state resources to leverage private sector capital investment for facilities. The performance measurement will reflect client counseling, small business starts, generated employment, incubator tenancy and new products sales.

City of Merced

47. Industrial Park Development Feasibility Study Implementation

A site analysis was completed on potential locations for a new 1200-acre industrial park within the City's General Plan area including Highway 99 between Childs Avenue and Mission Avenue, and the area generally bordered by Highway 59, Santa Fe Road, and Yosemite Avenue (extended). Subsequently a survey of property owners was conducted to judge their interest. A new modern industrial park would serve Merced businesses, support growth, and create new jobs.

48. Technology Corridors, Campus Parkway and Bellevue Road

The Bellevue Corridor Community Plan is complete. The plan focuses on land use with an emphasis on economic development. Completion and development of both corridors would support UC Merced efforts to build an excellent medical center for the San Joaquin Valley. The construction of Campus Parkway is critical for the growth and

development of UC Merced and economic vitality of the City of Merced. Bellevue Road is seen as a critical thoroughfare linking UC Merced’s research and development center to the main campus.

49. Downtown Merced Investment Support

The State of California’s decision to dissolve all redevelopment agencies eliminated the use of tax increment financing along with other creative funding schemes to support downtown investment and secure its future. The City Council created a downtown sub-committee which toured three comparative city downtowns. Committee made recommendations to the Council for moving forward and supporting downtown investments. A request to form a P-BID for part of downtown is being presented to the Merced City Council (summer of 2019). Downtown serves as the community’s central business district and is often evaluated for vitality by potential business clients. A strong heart of the City helps promote a vibrant community.

50. Campus Parkway Phases II and III

Project consists of extending Campus Parkway from Childs Avenue/Highway 99 to Yosemite Avenue connecting to the University of California Merced to promote goods movement, R&D location opportunities, and job creation. Phase II is under construction and expected to be completed by 2022. Phase III—Campus Parkway from Highway 140 to Yosemite Avenue—is designed and approved. Requests for bids were issued June 2019.

51. Fiber Cable Installation

Install fiber cable line at major thoroughfares in the Merced Airport Industrial Park would assist in retainin businesses and creating new jobs in the Airport Industrial Park.

52. High Speed Rail and Altamont Corridor Express

Downtown Merced will become the hub for the nation’s first High Speed Rail project and the last stop for the expanded Altamont corridor Express Train expansion. To serve both projects substantial investments will be needed in infrastructure, parking and transit-oriented development. Both projects include support facilities such as a Heavy Maintenance Facility, Layover Facility, and Communications Center. All have job-generating potential. The rail projects will expand the local workforce, skill levels, and be a substantial job creator.

53. Main Street 600 and Parking

The 600 block of West Main Street is undergoing a major renaissance several projects are in planning or construction phases. Activities include the renovation and repurposing of blighted, historic buildings into hotels, restaurants, entertainment venues, and a 70-unit market rate apartment complex. Parking study estimated these developments along with the increased demand from U.C. Merced resulted in a parking short of 350 to 400 spaces.

54. Industrial Park Expansion Area #7

The City of Merced needs to expand its base of industrial properties. Industrial Park Expansion Area #7 is composed of 1,200 acres located on the east side of the city adjacent to the University Industrial Park. Area #7 is outside of the current city limits and require annexation and infrastructure. The area takes advantage of three newly constructed interchanges off Highway 99 for ingress and egress. The project supports business attraction, expansion and retention activities and provides capacity for new job-creating businesses.

55. North Merced Industrial Expansion Area

The North Merced Industrial Expansion Area has the potential to add over 500 acres to Merced’s base of industrial properties. The industrial area is strategically located to support service providers for the Altamont Corridor Express (ACE) train and research and development for the University of California Merced campus. The area is surrounded by Santa Fe Drive, State Highway 59, and Bellevue Road. The project supports business attraction, expansion and retention activities and provides capacity for new job-creating businesses.

56. Waste Water Trunk Line

The waste water treatment plant was expanded from 10 MGD to 12 MGD. To accommodate future development along growth corridors and community plans such as Bellevue Corridor Community Plan, Campus Parkway, University Community Plan, and University of California Merced's 2020 Project, the main trunk line to the waste water treatment plant needs to be replaced with a larger trunk line. The new trunk line will accommodate new job-creating land uses such as business parks, research and development parks, innovation centers, industrial parks, commercial centers, and other employment centers.

57. South Airport Industrial Park (SAIP) Expansion

The SAIP is near capacity and needs room for expansion. Four parcels are adjacent to the SAIP and are zoned M-1 (Manufacturing 1) by Merced County. Infrastructure could readily be extended to support the expanded SAIP. The City of Merced needs shovel-ready sites to assist companies locate and expand quickly.

58. Highway 99/Mission Avenue Interchange Employment Center

The Highway 99/Mission Avenue Interchange is surrounded by land with zoning promoting commercial centers, business parks, and industrial uses. Master plans, environmental impact reports, and entitlements have been secured and the first project is coming online. Eventually the Campus Parkway Plaza will be anchored by Hilton Garden Inn. The interchange and newly constructed freeway interchanges to the south are transforming the area to a major employment center. Infrastructure, storm water plans, and basins and improved roads are needed to take approximately 500 acres of the University Industrial Park to the next level. Project has the potential of creating 1,200 jobs.

59. Merced Police Headquarters

The Merced Police Department has outgrown its current headquarters. The original building was constructed in 1959, remodeled twice, and no longer meets the space, operational, security or technical needs of the Department. Plans for a new facility include the design and construction of a 50,000 square foot building, parking for 196 vehicles, evidence storage, dispatch and emergency communications. The facility will accommodate 189 sworn personnel, 80 civilian personnel and allows for future expansion of personnel and facilities. A new Police Headquarters will allow police functions to be centralized, improve City's ability to recruit and retain officers, and better serve and protect the community.

60. Merced Municipal Airport Master Plan

The Merced Municipal Airport Master Plan completed in 2007 requires updating. Enplanements have continued to increase at the airport. Business investors and clients of UC Merced have noted that expansion of the Merced Municipal Airport is necessary to facilitate and draw new companies and jobs to the community.

61. Community Park #42 Soccer Complex

Planning and construction of a six-field soccer complex on 42 acres of City-owned property. Complex includes state-of-the-art irrigation system with timing controllers to conserve water, parking lot with a permeable surface to help recharge groundwater, and energy-efficient lights to provide winter practice and playing opportunities. Plans are to also include restrooms, concession stands, bleachers, shaded picnic shelters, and landscaping. Concession stands can provide employment opportunities for local youth.

62. Railroad Grade Separations

Essential to goods movement, public safety and emergency vehicles, and air quality is the need to build grade separations along the Burlington Northern Santa Fe and Union Pacific Rail Lines. Both main lines are identified as major trade and goods movement corridors. The first railroad grade separation was completed at G Street/23rd Street at the Burlington Northern Santa Fe tracks. Other projects are needed along major thoroughfares. The grade separations would reduce air emissions and promote better vehicular circulation.

63. Olive Avenue Shopping Centers Renovation

Two nearly vacant shopping centers on Olive Avenue are planning to undergo significant renovations. MainPlace Merced (250,000 square feet) and Merced Mall (500,000 square feet) will be revitalized for in-demand retailers.

64. Highway 59 Improvements

With funding from SB1 and matching funds from the City of Merced improvements are planned for Highway 59 from 16th Street to Yosemite Avenue (about two miles) including upgrades to roadways, intersections, and bridges. These improvements will provide access to land designed for industrial development and provide a western access point to U.C. Merced.

Merced County Workforce Development Board

65. Increase access to sector pathway programs

ESL training is available through the agencies that comprise the adult education consortium and through local community-based organizations. Earning English language skills and fluency will positively impact a person's earning potential and their ability to advance on a career path. Career pathways for this target group include agriculture, construction, manufacturing, trucking, and logistics—all are good opportunities to earn family supporting-wages.

66. Provide support services

The AJCC assesses each participant's need for services to support their participation in training, job searches, and success on the job. Services provided by AJCC and partner agencies include translation, language and literacy, skills training, and family support.

67. Provide support for job retention, ongoing training, and career path progression

To move program participants into self-sustaining and family-supporting careers AJCC and partner agencies offer career information, career planning, work experience opportunities, technical skills development.

68. Accommodate schedules

Making training and services available during the evenings, on weekends, during agricultural slow-down periods, and at a variety of locations contributes to an increased participation in programs and services.

69. Coordinate with the National Farmworker Jobs Program

Through an agreement between Merced County WBD and the Central Valley Opportunity Center (CVOC) services are provided to the area's farmworker population and others who need assistance. These include, but are not limited to: vocational training, ESL, GED instruction, on-the-job training, job placement assistance, training-related support services, counseling, case management, a Summer Migrant Youth Project, rental assistance, emergency shelter, emergency food assistance, translation services, referrals for immigration services, assistance in applying for social services, transportation, and energy assistance. Participants may be co-enrolled into workforce development, training and support programs. The CVOC leadership and staff are connected to the local workforce system by participating in partner meetings, staff development and cross-training events, workshops, and other events.

70. Recognize and Replicate Best Practices

Strong and effective practices for collaboration and service delivery exist throughout the county and among many providers. Merced County WDB is committed to continuously improving workforce and support services. Several opportunities for improvement were identified through community and stakeholder engagements, including: housing, transportation, multi-shift childcare, immigration and acculturation support, services that help participants to understand available opportunities and to set goals, promoting training, employment and support services by using success stories. The partners will address these issues as part of their work on meeting local plan goals.

71. Build Cross-System Data Capacity

Through a partnership with the California Central Valley Economic Development Corporation (CCVEDC) a business-centered web portal would be development that enables the local boards of the Central Valley to interact more effectively with both businesses and economic development counterparts. The system would create shared marketing around business attraction and layoff aversion by serving as a single “point of entry” for economic and workforce development information and services, including best practices. Access to all services in the San Joaquin Valley and Associated Counties Regional Planning Unit’s ten counties will be available via the portal. Business services strategies and outcomes will be shared through interactions on the portal.

72. Career Pathways

Merced County has concentrated on working with businesses, education, economic development and other partners on building and expanding career pathway programs that address employment opportunities linked to local and regional priority sectors. Needs within these sectors are ever-evolving and continue to drive efforts in developing and implementing career pathway strategies. A current priority is to focus on addressing the opioid crisis through a U.S. Department of Labor grant provides resources for training counselors.

Through partnerships with economic development, adult education, and the Small Business Development Center, the Merced County WDB will lead the process to develop curriculum that takes potential entrepreneurs from concept to a functioning business and, possibly, beyond to further investments. Merced County has applied for state grant funding to support the development of this unique pathway approach. A sub-set of this pathway strategy would be to promote entrepreneurial options for individuals with disabilities.

73. Work-Based Learning

Existing collaborations with the Merced County Human Services Agency (HAS), Merced College, Building Trades Council, and local Laborer’s Union enables Merced County WDB to use work-based learning/earn and learn strategies very effectively. Programs include: on-the-job training (OJT), expanded subsidized employment (ESE), pre-apprenticeship training, and apprenticeships. WDB also developed effective messaging and service strategies to communicate to both job seekers and businesses the value of this training.

74. Service Integration and Braided Resources

Several initiatives are aimed at greater integration and alignment with local and regional stakeholders, including:

- Collaborate with partners to develop a single point of entry for businesses into the workforce system thereby reducing duplication of effort and achieving a more unified approach; e.g. common marketing materials, common CRM tool, aligned case management processes, common referral portal, use Econovue to spot troubling trends with local businesses, procedures to assist and avert potential layoffs.
- Biweekly meetings with Merced College and other education partners to maintain momentum in the development and implementation of sector pathway training.
- A partner workgroup to develop and adopt common referral and assessment forms and processes.
- An annual report directed to members of the Workforce Development Board and Merced County Board of Supervisors that provides “year in review” highlights and communicates expectations for the year ahead.
- More resources and information for small businesses, e.g. webinars and workshops.
- Develop of a directory of services available for those with disabilities.
- Community access points at partner facilities, focusing initially on libraries.
- Greater use of technology into the delivery of services.
- More active participation in chamber of commerce activities throughout the county.
- Partner with County Probation to serve re-entry clients.
- Bring Social Security recipients back into the workforce via Ticket to Work.

75. Ensure Area-Wide Coverage and Engagement

Increase awareness of workforce services and improve accessibility for residents in the small towns and rural communities of the county. Projects include: hosting local town hall forums in the five supervisorial districts, reaching out to rural community based organizations (CBOs), and hosting job fairs throughout the county.

76. Business Engagement to Support Sector Strategies

Work with industry and public partners regarding their key concerns and maintain an ongoing dialog. In late 2018, the WDB convened leaders from the healthcare industry to discuss their pressing needs. Based on the success of this engagement, in 2019, the WDB will host industry summits with leaders from other priority sectors including: manufacturing, construction and agriculture.

77. Support Services Capacity for Targeted Populations

Make translation services more readily available for customers whose primary languages are Spanish, Hmong, Thai, Laotian, Portuguese or French.

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78. Workplace Internship Network (WIN)

The Workplace Internship Network provides students access to industry-specific work experience through internships in food processing , manufacturing, and distribution/logistics companies in Merced County.

79. Workplace Learning Center

The Workplace Learning Resource Center (WpLRC) offers local employers and residents of the Merced area customized training, leadership, and development programs. The programs are functional, providing skill enhancement that employees can apply immediately to their jobs. Training is available in leadership, customer service, general business, technology, social media, and industry certificates.

80. Career Advancement Academy

The Career Advancement Academy (CAA) provides training and certification programs in technical office occupations and medical assistants. The vocational programs provide instruction that meets the current industry demands. The program offers Microsoft Operating System (MOS) and IC3 Digital Literacy Certification.⁵ In fact Merced College is the only certified IC3 training facility in the Central Valley.

⁵ Internet and Computing Core Certification (IC3)

Documents Reviewed

Merced SGMA. *Merced Subbasin Groundwater Sustainability Plan Current and Historical Groundwater Conditions*. April 2019 Draft

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PlaceWorks. *Los Banos General Plan Update: Economic Conditions and Trends Report*. April 2018

Merced County Workforce Development Board. *Merced County Local Plan Update 2017-2021*

Merced County Workforce Development Board. *Merced County Local Plan 2017-2020*

Merced County Department of Agriculture. *2017 Report on Agriculture*. 2017

Merced County Department of Public Health. *Community Health Improvement Plan*. 2017

Merced County Department of Public Health. *Merced County 2016 Community Health Assessment*. 2016

Merced County. *2030 General Plan*. adopted December 2013 and amended July 2016

Merced Irrigation District. *Agricultural Water Management Plan*. 2016

Housing Authority of the County of Merced. *Amended 5-Year & Annual Plan FY 2015-2020*