

Merced County Economic Development Strategic Plan

Background

The Economic Development Strategic Planning Process was a collaborative effort of the County of Merced, cities of Livingston, Atwater, Los Banos, Merced and the Merced County Economic Development Corporation (MCEDCO). The study was funded by Jobs-Housing Balance grants from the State of California, and completed by a multi-disciplinary team headed by Chabin Concepts Inc.

The strategic planning process commenced in July 2002. Each city, and the County, formed an Economic Development Strategic Planning Task Force to work with the project consultants to plan and prepare an Economic Development Strategic Plan.

The county-wide Task Force was comprised of the MCEDCO Executive Board, which reflected public and private sector representatives from a broad range of economic sectors. The project Steering Committee included economic development staff from the County and cities, in addition to representatives from education and workforce development. MCEDCO

The Task Force met in two visioning sessions to identify needs and issues and a third visioning session to finalize strategic actions. Individual city task forces followed a similar schedule of meetings. The Task Force identified community values and principles (Attachment 1) to help define the County.

In conjunction with the local visioning sessions the consultants conducted a business climate assessment to identify business development opportunities and constraints. Local businesses were interviewed in addition to site location and real estate professionals outside of the County. The assessment culminated with a list of strengths and weaknesses of the County (Attachment 2).

The study consultant also conducted a series of interviews with Merced County agencies, organizations and service providers. Research of initiatives in other communities and statistical analysis of trends and demographics provided the consultant with a basis for the final report.

Combining the aforementioned material and findings, the consultant and Task Force created the proposed strategic action plan, "Merced County, People, Place, Prosperity—Positioning for Global Competitiveness". The study represents and celebrates the values (people and place) that will achieve the goal of economic prosperity for the entire regional community.

Summary

This strategic action plan report provides an overview of the planning process, results of visioning sessions held with the countywide Task Force and the recommended actions to achieve economic prosperity in Merced County. The strategic planning process included an examination of the cities and County to determine Merced County's advantages and competitiveness for creating a vibrant economy.

In addition to the vision and values statement (refer attachment), the final draft report includes an assessment of Merced County strengths and weaknesses. Further, seven documents accompany and support the strategic plan: Business Climate Assessment, Education Assessment, Workforce Assessment, Technology Infrastructure Assessment, Knowledge Economy Assessment, Organizational Assessment and Customer, Competition and Positioning Assessment.

The primary goals espoused in the strategic plan include:

- Create and sustain economic prosperity through collaborative partnerships.
- Create a business climate in which existing businesses are globally competitive and knowledge-driven businesses can be attracted and supported.
- Expand the County's number of skilled workers to meet the needs of existing businesses and prepare workers for the higher skill requirements of knowledge-driven industries.

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- Partner with schools to place a high priority on preparing students for educational and job achievement — science, math, technology, critical thinking, teamwork as well as learning the relevancy between school achievement and future opportunities.
- Plan and develop business parks and buildings for existing and new business to locate and expand.

To achieve these goals, the strategy recommends over sixty objectives to advance the strategic plan. Each objective notes lead responsibility and recommended collaboration to fulfill the task.

Seven strategic initiatives are also recommended to achieve the economic prosperity vision and goals for the County. The success of these strategic initiatives requires the commitment of public-private leadership and resources.

1. Adopt the Vision for Economic Prosperity and the Strategic Plan, Merced County, “*People, Place, Prosperity — Positioning for Global Competitiveness*” — the Vision and strategic plan should be adopted by stakeholder organizations, agencies and institutions as the County’s five year Economic Development Plan.
2. Create a Collaborative Partner Network — education, workforce, economic development, cities and County working together to leverage resources, achieve efficiencies, focus services, implement the strategic plan and accomplish common goals.
3. Create an Education Achievement Agenda — change the education paradigm in Merced County.
4. Create a Productive Workforce — address worker skills gaps, create training, learning and educational solutions to fill the skills gaps, provide a well prepared workforce to local employers, and deliver quality workforce development services to job seekers and employers in Merced County.
5. Create Quality Business Location Products and Services — existing and new business will require fully developed business parks, high-speed telecommunications, and a streamlined regulatory system to facilitate expansions and locations.
6. Position Merced County for Global Competition — facilitate and assist existing, emerging and new businesses to create jobs and invest in Merced County.
7. Create a Vibrant and Safe Quality of Place — promote economic and environmental health and prosperity through thoughtful planning and development that integrates housing, jobs, transportation and telecommunications.

Requested Actions

It is both recognized and acknowledged that the Merced County Workforce Investment Board, and Department of Workforce Investment are actively engaged in achieving several of the initiatives, goals and objectives. Formalizing the relationship is requested to facilitate allocation of resources within approved programs to realize the study goals.

- A. That the Merced County Workforce Investment Board adopt the Vision for Economic Prosperity and the Strategic Plan, Merced County, “*People, Place, Prosperity — Positioning for Global Competitiveness*” report as the foundation for program development and implementation.
- B. That the Merced County Workforce Investment Board approve and direct staff to participate in collaborative regional economic development activities emanating from the approved strategy.

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ATTACHMENT 1

Merced County Vision

“Merced County has committed public-private leadership who are catalysts for positive change in the creation of a strong diverse regional economy, globally competitive businesses, quality jobs, social equity for citizens, and excellence in education and life long learning; and,

We celebrate the County’s rich diversity of people, vibrant urban centers, healthy, safe neighborhoods, spectacular recreational resources while maintaining our rural character and beauty.”

Merced County Values

- We are dedicated to planning our future from a comprehensive perspective...integrating land use planning with planning for other community needs (transportation, housing, economic development, environmental quality, etc.) that creates enduring value, beauty and livability and protects the natural environment.
- Our decisions will be influenced by our commitment to increase economic productivity that broadens prosperity to all residents.
- An understanding that some regional decisions and choices have local impacts (transportation, air quality, water quality, etc.), and we will collaborate with local partners to address these issues.
- We will enhance the beauty, value and connectedness of the County through support for downtown revitalization and other “sense of place” characteristics that add value and help to define our communities.
- We will collaborate with others for the maximum benefit of those we serve, taking pride in building relationships and alliances with stakeholders and the public, valuing their contributions. We recognize the important synergies gained by effective teamwork and encourage open communications.
- We will work to maximize community value by encouraging and implementing integrated opportunities for leveraging resources and linking citizens and businesses to resources that will create economic prosperity.

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ATTACHMENT 2

Strengths and Weaknesses

I. Vision and Strategic Planning Strengths and Weaknesses:

- **Strength:** The County has dedicated economic development staff that work with a coordinated network of economic development agencies to attract, retain, and grow new business.
- **Weakness:** The County doesn't have an adopted economic development vision and strategy.
- **Weakness:** The County and the cities do not enjoy a good working relationship that would allow them to collaborate to resolve challenges and capitalize on opportunities.
- **Weakness:** There isn't strong leadership (via businesses, chambers of commerce, community-based groups) in economic and community development.
- **Weakness:** There isn't consensus on growth in the County. There is a need to define the differences between economic and population growth.

II. Regional Strengths and Weaknesses:

- **Strength:** UC Merced and the planned community are being well coordinated between the City of Merced and Merced County.
- **Weakness:** Castle Airport Aviation and Development Center is not being developed to its full potential. Weaknesses include, limited land and buildings available for development, key partners are not at the table, fractured management and oversight, positioning and marketing strategy is not clear.
- **Weakness:** Land use and transportation planning is not occurring in ways that promote increased residential densities, mixed uses (employment and housing next to transit and transportation corridors), and a decrease in air pollution.
- **Weakness:** Housing is becoming less affordable, and availability is constrained in many areas of the County. This situation will become worse as UC Merced grows and creates a greater demand.

III. Real Estate, Utilities and Transportation Strengths and Weaknesses:

- **Strength:** The County has sufficient land planned for industrial development for the next five years.
- **Weakness:** The lack of an airport with scheduled passenger and cargo service to major destinations is a constraint.
- **Weakness:** The County has a very limited inventory of available land and buildings for sale or for lease. Properties that are available are not maintained in a database (ideally searchable on the Internet). Most of the available industrial property lacks essential public services (sewer, water, roads, etc).

IV. Business Environment Strengths and Weaknesses:

- **Strength:** The County's Office of Business Economic Opportunities, Action Business Center (ABC) provides a wide array of services (financing, incentives, special zones, counseling, etc.) to existing businesses and entrepreneurs, however it has limited exposure to businesses and entrepreneurs outside of the Merced metropolitan area.
- **Weakness:** The County and the cities need to strengthen the business retention and expansion program.

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- **Weakness:** The County's business climate is favorable, however, the permitting and plan check process was rated, unfavorable.

V. Indicators for the New Economy Strengths and Weaknesses:

- **Strength:** The County and the cities are evaluating their potential to attract, grow and retain New Economy businesses through the development of an economic development strategic plan.
- **Weakness:** The County lacks nearly all of the New Economy Indicators that signal growth of these businesses.

VI. Workforce Strengths and Weaknesses:

- **Strength and a Weakness:** The County has a large pool of available workers, but if these potential workers do not possess the skills required by industry, then the County has a large pool of unemployed people that are not qualified to participate in the labor force.
- **Weakness:** The County does not possess a large labor pool of workers skilled in technology and knowledge-based applications.
- **Weakness:** The County does not have a diversified employer and job base.
- **Weakness:** The County does not have a business (economic development)-workforce-education collaborative that works with employers.

VII. Education Strengths and Weaknesses

- **Strength:** Merced College offers applied technology programs for youth and adults.
- **Strength:** Merced County schools are increasing their application of technology in schools.
- **Strength:** Schoolteachers and administrators are experienced and qualified.
- **Weakness:** K-12 students do not score well on standardized tests, and high school graduation rates are generally below the state average.
- **Weakness:** Youth are not learning the skills needed to get and keep a good job (soft and hard skills).
- **Weakness:** There isn't a strong collaboration between employers and schools and colleges to provide opportunities for technical training and skill building of youth and adults.