



2025-2030 CEDS

MERCED COUNTY, CA

PREPARED DECEMBER 2025



THE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

The EDA is an agency of the US Department of Commerce, its mission is to support the creation and implementation of economic development programs that create or retain full-time permanent jobs and income for the unemployed and underemployed in areas of economic distress. EDA supports the efforts of counties, regions, and communities to devise and implement economic development programs through Comprehensive Economic Development Strategies (CEDS) and further provides investment (grants) in priority areas to ensure the strongest positive impact on sustainable economic growth and diversification. Funding is managed through competitive application processes based on specific evaluation criteria for individual funding programs.

THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

The CEDS is both a document and a process. It is a process of establishing and maintaining a robust economic development system by helping to build regional capacity and programs that contribute to individual, business, and community success. Acceptance of this document by the EDA allows the applicant and its communities to qualify for funding from the various EDA grant programs. Funding may be sought from EDA for the projects and priority programs identified in this document.

THE CEDS PROCESS

The CEDS process begins with the selection of a CEDS Committee that is responsible for convening the planning process and overseeing implementation of the plan. The committee must be representative of the economic development community within the county, including business, industry, government, service and nonprofit organizations, minority populations, and training and educational institutions.

THE MERCED COUNTY CEDS

The Merced County CEDS should be considered a living document. Written as a five-year plan, annual reports will be submitted to EDA during the interim years. These reports will employ the evaluation framework to record and update progress toward meeting the county's economic development goals, completing the priority projects in the CEDS, and adding any new challenges, opportunities, or priority projects.

This CEDS includes a comprehensive summary of the area economy, including identification of strengths, weaknesses, opportunities, and threats. A comprehensive action plan, founded on a vision and set of goals, priorities, and a framework for evaluating progress on implementation is also part of the five-year CEDS. The action plan consists of strategies and tasks intended to address the most critical needs and have the greatest potential to improve the area economy over the next five years.

This CEDS has been prepared in accordance with US Economic Development Administration (EDA) guidelines.



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Introduction

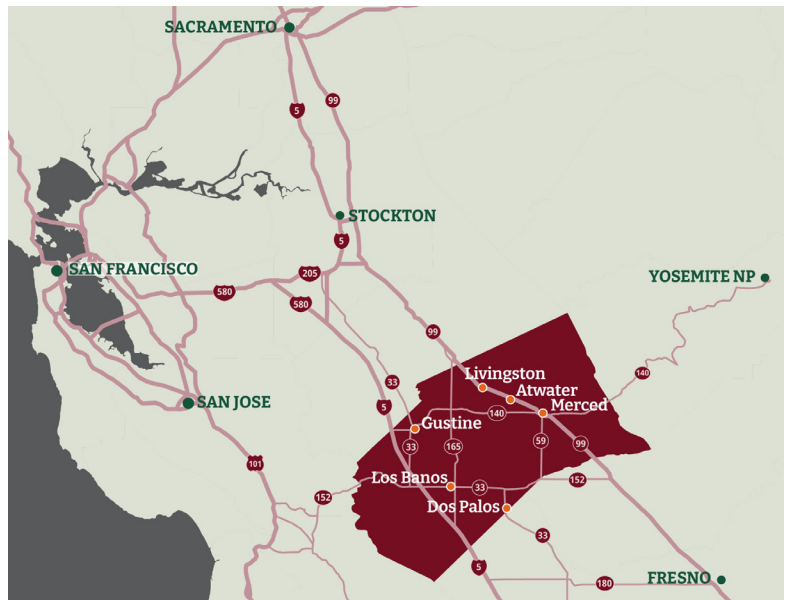
Merced County is in the heart of the San Joaquin Valley of Central California which is the world's most productive agricultural region. It is bordered by Stanislaus County to the north, Mariposa County to the east, Madera County to the southeast, Fresno County to the south, and San Benito and Santa Clara Counties to the west. Merced County has easy access to major urban markets including San Jose, San Francisco, and Los Angeles.

The county encompasses approximately 1,980 square miles. The landscape is largely flat to gently rolling terrain. While most of the county is rural and agricultural, the urban centers—cities of Merced, Atwater and Los Banos—serve as commercial and cultural hubs for the surrounding agricultural communities.

The Merced River is a significant geographical feature. It flows down from the Sierra Nevada mountains, through the county, and provides essential water for agriculture and habitat for wildlife. Other notable waterways include the San Joaquin River, which forms part of the northern boundary of the county, as well as the San Luis Reservoir, Los Banos creek, Ortigalita Creek, Bear Creek and many other irrigation canals, creeks and waterways throughout the county.

The Grassland Ecological Area in the western part of the county is one of the largest protected grasslands in the United States. This area provides crucial habitat for waterfowl and other wildlife, especially during migratory seasons.

The eastern part of the county begins to rise into the foothills of the Sierra Nevada mountains, providing a scenic contrast to the otherwise flat valley and offering recreational opportunities like hiking, wildlife viewing, and access to nearby Yosemite National Park.



THE ECONOMY

The economy of Merced County, while anchored in agriculture, continues to diversify and adapt, incorporating more technology and educational resources, particularly with the influence of UC Merced and Merced College. This diversification helps buffer the county against economic downturns that can affect the agricultural sector.

- The county is a major producer of almonds, sweet potatoes, tomatoes, melons, other fruits and vegetables, and cotton. Dairy farming is another significant economic contributor. The county supports a range of ag-related businesses and services.
- Manufacturing plays a role in the local economy particularly in food processing and packaging related to the agricultural sector. Given its central location in California, Merced County serves as a logistical hub, facilitating the transport of goods throughout the state.
- The University of California, Merced (UC Merced) opened in 2005, and has become a significant economic engine for the county, providing jobs, enhancing educational opportunities, and fostering economic development through research and development.
- Healthcare is another major employer in the county and has grown as the county's population increases.
- Retail centers and services also support the local economy and provide employment.
- The county is exploring renewable and alternative clean energy and projects, including solar farms, which take advantage of the vast agricultural lands that receive abundant sunlight.

THE CITIES OF MERCED COUNTY

The city of **Atwater's** economy has traditionally been based on agriculture, including dairy farming, poultry, and the cultivation of sweet potatoes, almonds, and other crops. The city benefits from its proximity to major transportation routes, which supports its logistics and distribution sectors. Castle Air Museum, located just outside Atwater, is a major attraction. It showcases a collection of military aircraft and artifacts, emphasizing the history of aviation and the role of nearby former Castle Air Force Base.

The city of **Dos Palos** is relatively remote, with limited public transportation options. Most residents rely on personal vehicles to commute and access services in larger nearby cities like Merced or Los Banos. It started as a colony for wheat farming in the early 1900s and developed significantly with the introduction of irrigation. The current economy is primarily agricultural focusing on crops like cotton, almonds, and sweet potatoes.

The city of **Gustine** embodies the quintessential small town spirit with its agricultural roots, community-oriented lifestyle, and cultural richness. Gustine is well-known for its annual Gustine Pentecost Society and Our Lady of Miracles fiestas. These annual celebrations attract visitors from far and wide and include parades, traditional foods and festivities. The economy is heavily reliant on agriculture, particularly dairy farming, almonds, and other crops. The city's location, near Interstate 5 and along State highways 140 and 33, provide easy access to major transportation routes.

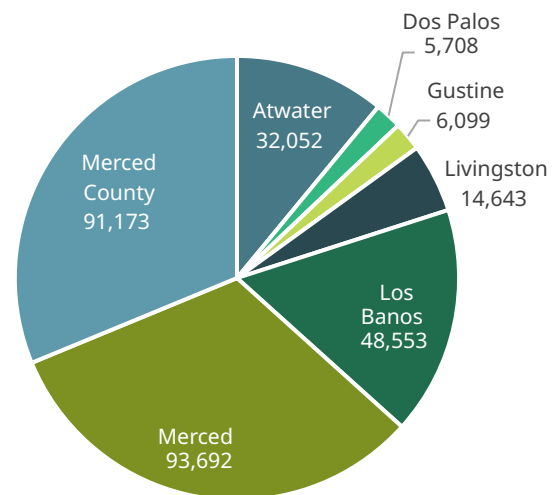
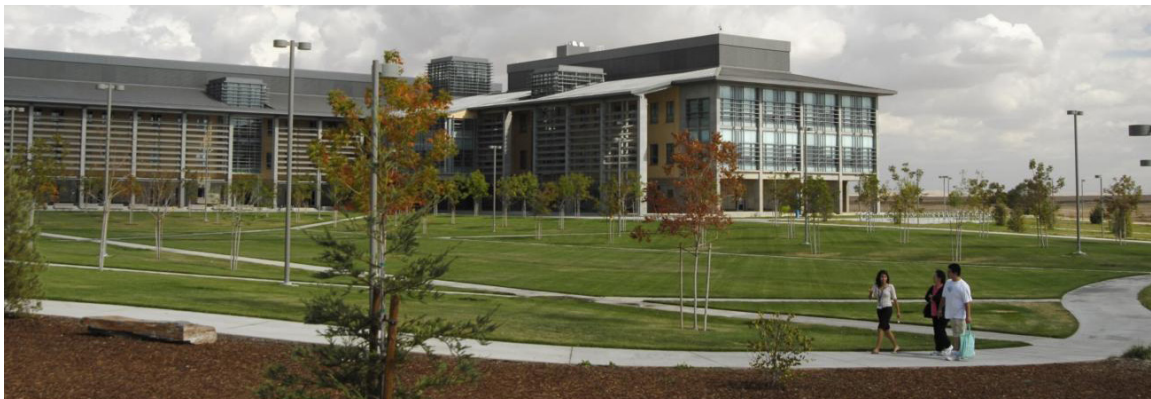


Figure 1. Annual estimate of July 2023 resident population; U.S. Census Bureau Population Division

The city of **Livingston** is located near Highway 99, providing easy access to other parts of the county, the Central Valley and the rest of California. As is typical in Merced County and the Central Valley, agriculture is the cornerstone of Livingston's economy. The city is home to one of Foster Farms' largest poultry processing plants, which is a major employer in the county. Cultural diversity is celebrated in the city, with events that reflect the community's strong Hispanic and Sikh heritage.

The city of **Los Banos** is known for its diverse population, including a significant number of Hispanic, Portuguese, and Filipino residents. This cultural diversity is reflected in the city's events, food, and community organizations. The city has grown significantly over the last decade primarily due to Santa Clara County workers relocating to Los Banos and retirees who are drawn by the affordable cost of living compared to other parts of California. This puts single-family residential development in high demand. Retail and services have expanded in recent years, reflecting the city's growth as a regional service and shopping destination. Agriculture remains the backbone of Los Banos' economy along with a growing number of distribution centers and light manufacturing industries taking advantage of its location on Interstate 5. The nearby San Luis Reservoir and Merced National Wildlife Refuge provide options for outdoor activities for residents and visitors.

The city of **Merced**, the county seat and the "Gateway to Yosemite," is a significant city in the heart of California's San Joaquin Valley. Agriculture continues to be a major economic driver, but the establishment of UC Merced in 2005 added an educational and technological dimension to the city's economy, fostering research, innovation, and providing numerous jobs. The healthcare sector is also notable in the area, with a major hospital and several health facilities serving the area. The city has invested in revitalizing the downtown area to better serve residents, workers, students, and visitors. Retail is expanding in the city.



ORGANIZATION OF THE CEDS

The Merced County CEDS aligns with and incorporates the activities, goals, and strategies of local jurisdictions, stakeholders, and the Northern San Joaquin region's California Jobs First Regional Investment Initiative, also known as North Valley Thrive.

The Merced County CEDS presents the economic challenges and opportunities and includes a comprehensive plan to build and sustain a resilient local economy that promotes increased commerce and expanded employment opportunities. Organization of the CEDS document follows the U.S. Economic Development Administration’s guidelines.

- **Current Conditions**—data analysis and discussion of the economic, physical and social environments of the county and communities.
- **S.W.O.T. Assessment**—an analysis of the internal and external factors that affect the county’s economic development, competitiveness and potential.
- **Strategic Direction**—is built on the data analysis, SWOT, and public engagement and focus on leveraging assets and opportunities, meeting challenges, mitigating threats, and stimulating economic growth and stability.
- **Action Plan**—and implementation of the strategies is accomplished through co-ordinated efforts of local government, workforce and education, and community organizations.
- **Performance Metrics**—provide a clear, measurable, and objective way to track progress, evaluate policies, identify areas for improvement and guide resource allocation.

PUBLIC PARTICIPATION

The public participated in the Merced County CEDS via personal interviews, workshops, and online surveys. A summary of the outcomes of these events is presented in the Appendix.

CEDS COMMITTEE

The Merced County Workforce Development Board sits as the CEDS Committee. The CEDS committee is supported by city and county staff and community partners.

Amie Marchini— <i>Park Merced-Amie Marchini Home Care</i>	Leslie Abasta-Cummings— <i>Livingston Community Health (Chair)</i>
Chudy Nnebe— <i>Employment Development Department</i>	Mark Hendrickson— <i>Community & Economic Development</i>
Chris Vitelli, Ed. D.— <i>Merced College</i>	Michael Altomare— <i>Agrecom, Inc.</i>
Daron McDaniel— <i>Board of Supervisors</i>	Matthew Lee— <i>Dr. Lee and Associates Eye Care</i>
Dale Johns— <i>Mercy Medical Center</i>	Steve Hobbs— <i>Merced Adult School</i>
David W. Ness— <i>MERCO Credit Union</i>	Steve M. Tietjen, Ed.D.— <i>Merced County Office of Education</i>
Greg Vincelet— <i>Local 442 Training Center</i>	Tim O’Neill— <i>Merced County Office of Education (2nd Vice Chair)</i>
Jack Mobley— <i>Service Masters</i>	Will Kelly— <i>North Valley Labor Federation</i>
Joe Perez— <i>Department of Rehabilitation</i>	Vinton Thengvall— <i>North Valley Labor Federation (1st Vice Chair)</i>
Joseph Christopher Winek— <i>F&M Bank</i>	
Joshua Lepper— <i>Laborers International Union of North America</i>	

Current Conditions

Merced County's current economic condition is composed of its economic, physical, and social environments. These environments are connected and influence each other. For example the **physical environment** is the infrastructure (streets, utilities, development sites, etc.); the **social environment** consists of population, income, housing, health, and safety; and the **economic environment** encompasses the industry mix, jobs and employment which are all influenced by physical and social characteristics.



Achieving a balance among these environments is necessary to create and sustain a socioeconomically healthy community.

The challenges and opportunities to achieve this balance are summarized here. A more detailed discussion, data, and analysis is included in the Appendix.

ECONOMIC ENVIRONMENT

- Nine public colleges and universities are located within 50 miles of Merced County. These educational institutions provide students with options for a wide range of two- and four-year degrees, certifications, and licenses. Businesses consider a location with a strong educational infrastructure a competitive advantage.
- Enrollment in Career and Technical Education (CTE) courses in the Merced District is increasing at a rate almost twice that of the statewide rate.
- Employment has recovered from the pandemic better than the state (3% growth vs. 1% decline statewide) and growth is expected to continue in nearly every sector.
- More residents are commuting out of Merced County for work (primarily to Stanislaus and Santa Clara Counties, fewer commute to Madera, Fresno, and San Joaquin). This commute pattern impacts both Merced County and the counties to which they commute, e.g. housing market, spending patterns affect local businesses and sales tax revenue, increased traffic and congestion, and potential for less community engagement.
- Educational attainment in the County is mixed. While there are fewer people with less than a high school degree and an increase in those with a bachelor's degree, those with an Associate or Graduate degree is static. Also, the share of high school graduates that are considered college-ready is not improving.

- There is a gap of over 38,000 middle-skilled workers estimated for the region. These are for jobs and occupations that require some education or training beyond a high school diploma, but less than a bachelor's degree.
- The largest portion of Merced County's economy (number of establishments and employment) is in the population-serving sector rather than the traded sector. The visitor serving sector is the smallest portion of the county's economy in both the number of establishments and employment.
- Small businesses dominate the economy and employment choices; 70% of the businesses employ less than ten.
- Compliance with state and federal regulations can burden business development and small business success with uncertainty, extended timelines, additional costs, and reduced profitability.

SOCIAL ENVIRONMENT

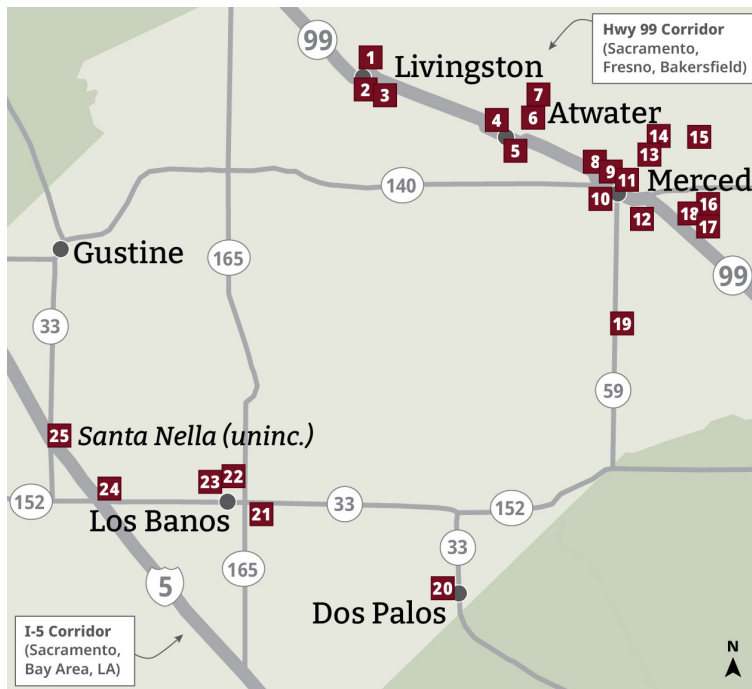
- Population growth in Merced County compares favorably with the flat growth of the state.
- The population is getting older; the median age in 2022 is about a year older than in 2018. Also, the distribution is shifting. The population over 60 is increasing while the younger population (incoming workers), ages 0 to 29, is decreasing and the decline is expected continue to 2060. This dynamic affects everything including increased demand for healthcare, slower economic growth, shifts in the job market and labor force. Fewer people paying taxes impacts spending on education, infrastructure, and other public programs
- Measures of personal income increased over the last five years (median household, median family and per capita). In addition, the source of income is primarily from wages (78%) and to a lesser extent from social security and retirement. Income from Supplemental Social Security and public assistance sources is on the decline.
- Housing affordability in Merced County is a significant concern. In the second quarter of 2024 there are fewer households that can afford to purchase the median priced home than the previous year. This hold true for the state as well.
- In each of the last five years, approximately 40% of households in Merced County have been spending over 35% of their income on housing costs. Spending beyond 30% (a common guideline) can put households in a "cost-burdened" situation limiting their ability to afford other essentials such as food, healthcare, and transportation.
- In January 2025 the county identified 717 unhoused individuals, a decrease of 14.3% from the previous year. Since 2018, Merced County's unhoused population has increased an annual average of 5.6% per year. A dramatic increase from 2020 to 2021 can be in part attributed to the impact of COVID19 on employment and services.

- Access to healthcare in Merced County presents several challenges, including provider shortages and limited and outdated facilities. Approximately 92% of Merced County residents live within a designated Health Professional Shortage Area, indicating a significant lack of medical professionals relative to the population. Approximately 51% of the county's population is enrolled in Medi-Cal, leading to a high demand for services.
- Accessing childcare in Merced County is becoming increasingly more difficult. There are fewer licensed sites and spaces in Merced County than there were five years ago. The annual cost of licensed childcare in Merced County ranges from about \$9,500 (preschoolers) to \$13,000 (infants); an increase of 27% and 18% respectively.

PHYSICAL ENVIRONMENT

- The county and cities of Merced have identified numerous priority Economic Opportunity Areas (Areas) that are or can be developed or further developed to create and retain jobs and significantly increase economic activity and resiliency.
- Merced County and cities offer a variety of public gathering spaces that serve as important centers for community events, recreation, and social interaction helping to foster community bonds and supporting social and recreational needs.
- There are concerted efforts to develop housing throughout Merced County, unfortunately there are challenges to meeting the target of 22,000 units needed, including infrastructure improvements, market and economic factors influence the pace and scope of development.
- Merced County faces significant environmental risks including heat, flooding, drought, wildfires, air quality issues, and some potential for seismic activity. Merced County and cities prepared a multi-jurisdictional hazard mitigation plan to guide planning and responses.
- Merced County experiences a major event worthy of a federal disaster declaration about every four years. Except for the declarations for drought and the COVID19 pandemic, every declaration resulted directly or indirectly from severe weather.
- 75% of Merced County's population have at least one resiliency risk factor; e.g., living below poverty level, no vehicle, no health insurance, no broadband, language barriers, reliance on seasonal employment, single head of household, head of household 65 years and living alone, and/or disabilities. These factors affect their ability to absorb, endure, and recover from health, social, and economic impacts of disasters such as a flood, earthquake, or pandemic.

Development Outlook



PRIMARY ECONOMIC OPPORTUNITY AREAS

The primary Economic Opportunity Areas that have been identified by each jurisdiction are noted on the map at left and listed below. These Areas are further described in the Appendix along with the anticipated opportunities and identified challenges to achieving their full potential.

- 1 Bird Street Industrial Area** (Livingston) general and limited industrial uses
- 2 Livingston Recreation Center** (Livingston) parks, special use, open space
- 3 Hammatt Avenue Highway Commercial** (Livingston) commercial development
- 4 ACE Train Station** (Atwater) commercial, retail, residential
- 5 Giannini Road Industrial Parcel** (Atwater) industrial development
- 6 Castle Commerce Center and Castle Airport** (Unincorporated, adjacent to Atwater) multimodal logistics, commercial and industrial (two areas around airport)
- 7 Transportation Research Center** (Atwater) autonomous vehicle and vehicle testing center
- 8 Atwater/Merced Expressway Improvements** (Atwater) commercial, and industrial
- 9 Western Industrial Park** (Merced) light manufacturing and distribution
- 10 Airport Industrial Park and renovated Merced Airport Terminal** (Merced) light industrial
- 11 CA High Speed Rail Potential** (Merced) commercial, industrial or residential development
- 12 Community Park 42** (Merced) recreation
- 13 Mercy Avenue** (Merced) Class A offices
- 14 Cardella Road** (Merced) residential, multi-family and neighborhood commercial
- 15 Virginia Smith Trust Annexation Area** (Merced, newly annexed) residential and commercial
- 16 University Industrial Park** (Merced) industrial
- 17 E Mission Avenue** (Merced) commercial, industrial or residential development
- 18 Campus Parkway** (Merced) commercial and industrial development neighboring communities
- 19 W Sandy Marsh Rd Road / Highway 59** (Merced) biomass co-gen operation
- 20 Blossom Ave** (Dos Palos) industrial uses
- 21 Southeast Industrial Area** (Los Banos) industrial development
- 22 NWC Mercey-Springs Road and Overland** (Los Banos) highway commercial
- 23 Northwest Industrial Area** (Los Banos) general manufacturing
- 24 I-5 Interchange Improvements** (Los Banos) commercial and retail development
- 25 Santa Nella** (unincorporated) commercial, retail, logistics, warehousing

TARGET INDUSTRIES

Merced County has several competitive advantages for industry—access to major markets, transportation network, workforce with improving educational attainment, access to thousands of higher education graduates, available and affordable real estate, and a friendly business climate. The County is focused on the following target industries to enhance and diversify its economy.

These industries are aligned with the priority industry sections included in the North Valley THRIVE Strategic Plan. More details on each of these industries, trends, and specific opportunities are included in the Appendix.

TARGET INDUSTRIES

ADVANCED MANUFACTURING



Historically rooted in agriculture and food processing operations, the region and Merced County in particular is diversifying into higher-value manufacturing that complements regional industries, offers higher wages and more resilient career pathways, and aligns with the broader goal of diversifying the economy. The presence of UC Merced and multiple colleges provides a steady stream

of skilled talent in engineering, technology, and advanced manufacturing. Efforts underway at Castle Commerce Center to develop an autonomous vehicle center and UC Merced's emphasis on research and development in areas such as robotics, automation, and materials science directly benefits manufacturing firms with opportunities to participate in research, collaborate, and access a tech-savvy workforce.

BIOECONOMY



The strong agricultural base, research institutions, and access to state and federal support for sustainable economic development make Merced County an attractive location for companies that convert organic waste into valuable products. Biofuels, bioplastics, and sustainable agriculture will create quality jobs, attract investment, and reduce the environmental impact, and ensure long-term economic and ecological benefits for the region.

HEALTHCARE AND RESEARCH



The healthcare sector is an important piece of any local economy. Industry growth is driven by demographic changes, aging population, and industry advancements. The county's growing and aging population increases demand for healthcare services and facilities ranging from primary care to specialized treatment. The County's network of higher education institutions, including UC Merced's research programs in health sciences, public health, and biomedical sciences, can provide a steady supply of trained professionals ready to enter the field.

FOOD PROCESSING



Agribusiness and Ag-Tech in Merced County is a major economic driver, contributing significantly to employment, exports, and overall economic output and is poised for modest growth in the coming years. Emerging trends and shifts in global demand provide opportunities for this industry to leverage technological advancements, increase sustainability efforts, and tap into new markets. However, the industry faces

challenges, particularly related to water availability. Drought conditions have been a persistent concern, impacting water supply and quality, which are critical for sustaining agricultural productivity. Proactive measures addressing water resource management is a critical element in the jurisdictions' planning and support of this vital sector.

LOGISTICS



The proximity to several key markets, access to highways, rail service, airports, and ports makes Merced County an ideal location for reaching major California markets within a few hours, especially with the growing demand for e-commerce fulfillment and same-day or next-day delivery options. The west side of Merced County and Castle Commerce Center, an economic resource located adjacent to Atwater in unincor-

porated Merced County, are focal points for logistics capabilities and expansion. The workforce is experienced in logistics, transportation, and warehousing and area community colleges further support skills development in supply chain management, transportation, and warehouse operations.

RENEWABLE ENERGY



The county's renewable energy industry is experiencing growth, driven by strategic investments in solar and wind projects, active research collaborations, and supportive county planning. Several significant projects and initiatives contribute to a positive industry outlook and position the county as a leader in California's transition to sustainable energy solutions: 1) solar panels were installed over the Delta-Men-

dota Canal in western Merced County; 2) a 3-megawatt solar project in Dos Palos provides emission-free power to income-qualified customers; 3) the Gonzaga Ridge wind power project provides clean wind energy and reliable energy storage; 4) UC Merced's Renewable Energy Research plays a pivotal role in advancing renewable energy technologies; 5) Carbon Management Projects such as UC Merced's Decarbonizing Project, which addresses the challenge of decarbonization, and is working toward achieving net zero greenhouse gas emissions.

SWOT Assessment

The SWOT assessment presents a summary of the county's strengths and assets, weaknesses and challenges, external threats and economic development opportunities. These findings are a culmination of data and trends analysis and are the basis for the Merced County CEDS goals and strategies. Supporting data is presented in the Appendix.

STRENGTHS AND ASSETS	WEAKNESSES AND CHALLENGES
■ Access to major markets via several highways (Interstate 5, State Highways 99, 165, 59, 152, 140) ■ Strong transportation network includes roadways, air, freight and passenger rail, rail access to inland and deep-water ports, new airport terminal in city of Merced. ■ Nine higher education institutions within 50 miles serve Merced County, providing students with a range of options, and businesses access to thousands of graduates ■ The educational attainment statistic is improving, there are fewer people with less than a high school degree and more with a bachelor's degree ■ Enrollment in career technical education (CTE) is increasing at a rate almost twice that of the state which is a sign the skills gap is being addressed ■ Sites exist that are ready or are planned to be developed or further developed to create and retain jobs and significantly increase economic activity and resiliency ■ Friendly business climate ■ Population growth compares favorably with the virtually flat growth of the state ■ Job and wage growth is seen in most occupations ■ Personal and household incomes improving ■ A variety of parks, open spaces, and public gathering spaces throughout the county for community events and recreation	■ Population is aging which creates increased demand for health services and reduced consumer spending; a declining younger population means a shrinking talent pipeline ■ More residents are commuting out of county which reduces daytime spending (and ultimately tax revenue), increases strain on infrastructure, can shift housing demand, and weakens community ties ■ Fewer high school graduates are deemed to be college-ready which feeds into the skills gap ■ Small businesses dominate the economy which limits employment choices, often means lower wages and less upward mobility for workers ■ Worker affordable housing is limited ■ Growing homeless population puts a strain on public social services, can deter investors and visitors, negatively impacts community's public image ■ Limited access to healthcare including provider shortages and limited facilities ■ Childcare availability and affordability is a growing challenge that has a considerable impact on workforce participation, productivity, and economic stability ■ Groundwater overdraft, aging infrastructure, inadequate capacity, impedes community's ability to attract private investment

OPPORTUNITIES

- **Variety of development areas** including industrial parks, Castle Airport (rail, inland port, and autonomous vehicle center) downtowns, highway commercial, and residential
- **Budgeted capital improvements** that support economic growth
- **Residential and commercial growth** in and around pending High Speed Rail and other public transit areas
- **Established plans to meet housing needs**
- **Potential to capture those commuting** out of county for employment
- **Potential to capture Bay Area and Southern California businesses** seeking lower cost areas
- **Build on sustainable agriculture** and environmentally friendly practices, aligning with food processors looking to reduce their carbon footprint and the county's support for and commitment to sustainable practices
- **UC Merced's emphasis on research and development** in areas such as robotics, automation, and materials science directly benefits manufacturing firms with opportunities to participate in research, collaborate, and access a tech-savvy workforce
- **Merced College AgTEC** program introduces students to the latest tools and technology in modern agriculture.

THREATS

- **Environmental risks** including water supply, heat, flooding, drought, wildfires, air quality issues, and some potential for seismic activity
- **Burdensome and costly state and federal regulations**
- **Utility (gas and electric) disruptions** caused by wildfires and other natural disasters
- **Volatility in commodity and feedstock prices**

Strategic Direction & Action Plan

VISION

Provide quality public services that enhance and protect our diverse community and create a thriving inclusive Merced County.

STRATEGIC FRAMEWORK



REGIONAL COLLABORATION

Goal: Foster regional partnerships that support coordinated economic development, infrastructure planning, and workforce initiatives.



QUALITY AND PACE OF GROWTH

Goal: Promote measured and balanced growth that honors community and regional traditions and values.



ECONOMIC AND JOBS GROWTH

Goal: Achieve economic growth and diversification by strengthening the County's agricultural base, expanding infrastructure, and supporting business retention, expansion, and new investment across existing and emerging industries.



TALENT DEVELOPMENT

Goal: Support economic growth by advancing workforce development that aligns with business needs and investment opportunities.



COMMUNITY ENRICHMENT

Goal: Preserve, enhance, and expand community amenities including housing, downtowns, public arts, parks, trails, recreation areas, and natural resources to benefit current and future residents and visitors.

ACTION PLAN

Implementing the Merced County CEDS Action Plan will be accomplished through a partnership of government, local organizations, associations, public and private agencies. This collaborative effort will be guided by the Merced County Economic Development Department and overseen by the CEDS committee.

IMPLEMENTATION PARTNERS

Community-based Organizations

- 7 Pillars Foundation
- ACE Overcomers of Merced County
- Beachwood Franklin Committee for Improvement
- Bear Creek Yacht Club
- Central California Alliance for Health
- Faith in the Valley, Merced
- Healthy House
- Merced County Food Bank
- Merced County Navigation Center
- Merced County Rescue Mission
- Robert Rojas Foundation Worldwide
- Turning Point Community Programs
- Valley Crisis Center
- Veterans Affairs

Education and Workforce (Ed/Work)

- Central Valley/Mother Lode Center of Excellence for Labor Market Research
- Merced Adult Education
- Merced College
- Merced County Office of Education
- Merced County Workforce Development
- Merced Union High School District
- University of California, Merced

Business and Industry Alliances (BIA)

- Chambers of Commerce
- Downtown Business Associations
- Merced Boosters
- Merced County Agricultural Commissioner
- Merced County Farm Bureau

Government and Quasi-Government (Gov)

- California Central Valley EDC
- City of Atwater
- City of Dos Palos
- City of Gustine
- City of Livingston
- City of Los Banos
- City of Merced
- Community Service Districts (utilities, air quality, levees, etc.)
- Merced County
- Merced County Association of Governments (MCAG)
- Merced Irrigation District
- Merced National Wildlife Refuge
- Municipal Advisory Councils (MAC)
- Pacific Gas & Electric
- San Luis National Wildlife Refuge
- UC Merced Small Business Development Center (SBDC)

1. REGIONAL COLLABORATION

Regional collaboration is a cornerstone of successful and sustainable economic development; facilitating aligned initiatives and shared economic goals. The following strategies are intended to strengthen existing collaborations and develop new.

1

GOAL: Foster regional partnerships that support coordinated economic development, infrastructure planning, and workforce initiatives.

LEAD: Merced County
PARTNERS: All

STRATEGY 1.1 — Coordinate economic development efforts across the region.

- Establish a cross-jurisdictional Regional Economic Development Council (REDC) composed of city and county officials, tribal governments, economic development organizations and business leaders to coordinate efforts, share resources, guide investment, and ensure local policies and initiatives are aligned throughout the region and with state goals.
- Adopt a coordinated regional vision and goals.
- Formalize collaboration on key projects, e.g. annexation, services, land use, zoning, permitting.
- With this larger, regional voice, collectively engage with state and federal policymakers to influence changes in regulations affecting key industries, infrastructure development, safety and environmental standards.

STRATEGY 1.2 — Align infrastructure planning and investment.

- Coordinate infrastructure planning across jurisdictions to align road, water, wastewater, broadband, and energy investments.
- Speak with one voice when pursuing federal, state or philanthropic funding for shared infrastructure to support and address regionwide assets and challenges.
- Further develop robust regional emergency response plans that are coordinated with all jurisdictions.

STRATEGY 1.3 — Synchronize workforce development efforts across the region.

- Expand existing collaboration with community colleges, school districts, labor unions, and employers to coordinate training programs and career pathways across sectors.
- Further engage regional employers to define workforce needs, inform curriculum development, develop internships, apprenticeships and other programs.
- Engage the Center of Excellence for specific county and regional data that identifies job trends, and skills gaps in the region.

STRATEGY 1.4 — Monitor progress and accountability.

- Develop and maintain a public-facing regional economic dashboard with indicators related to job growth, infrastructure, workforce, etc.
- Host annual summits to present and promote progress, update priorities, and celebrate regional success.

2. QUALITY AND PACE OF GROWTH

Monitoring the quality and pace of growth throughout the County shapes how and where the economy expands and how that growth benefits communities and residents long-term.

2

GOAL: Promote measured and balanced growth that honors community and regional traditions and values.

LEAD: Merced County
PARTNERS: Gov

STRATEGY 2.1 — Guide growth and future development to reflect and reinforce local identity, value, and environmental stewardship.

- Establish appropriate boundaries to direct growth inward and preserve rural and agriculture lands and open spaces.
- Encourage eco-friendly construction, energy efficiency, and low-impact development.
- Continue to address natural and environmental risks such as drought, wildfires, and flooding through land use and building standards.
- Encourage development that combines residential, commercial, and recreational uses, creates pedestrian-friendly neighborhoods, and emphasizes design and community character over land use alone.
- Identify, document, and protect historical sites, landmarks, and cultural traditions that are valued by communities so that development is balanced with protecting natural resources.

STRATEGY 2.2 — Consider infrastructure and transportation alignment and capacity.

- Continue to develop transit, bike lanes, and pedestrian infrastructure.
- Incorporate stormwater management, parks, and greenways into development plans.
- Upgrade infrastructure in anticipation of housing needs, commercial and industrial development.
- Implement Circulation Bike Paths planned in several master plans.

STRATEGY 2.3 — Promote inclusive economic development to ensure all communities benefit from regional prosperity.

- Evaluate how policies and projects may affect all community groups and demographics and ensure rural, disadvantaged, and underserved areas benefit.
- Engage a range of stakeholders in planning, implementation, and access to programs.
- Involve (or create) task forces or steering committees that represent diverse population segments to advise on planning and development issues.

3. ECONOMIC AND JOBS GROWTH

Economic growth and diversity ensure that the region's economy is expanding in a way that is resilient, inclusive, and future-ready.

These strategies are intended to protect and improve the health and vitality of the Merced County communities and the region.

STRATEGY 3.1 — Sustain and expand agriculture as a pillar of the local and regional economy.

- Promote land use policies that preserve productive farmland.
- Support UC Merced, Merced College AgTEC, and other research and innovation centers focused on precision agriculture, value added products, sustainable practices, and partnerships with other programs.
- Encourage and assist agribusinesses to diversify through food processing, packaging, direct-to-consumer sales, organic and specialty crops, and niche markets.
- Support existing and create new training and apprenticeship programs that may attract younger generations to agriculture, e.g. advanced farm technology, agronomy, and food sciences.
- Provide assistance for new or disadvantaged farmers to acquire land and equipment.
- Consider developing farm-based tourism experiences e.g., farm stays, wine and orchard trails, seasonal festivals, thereby diversifying income for farmers and promoting local products.

STRATEGY 3.2 — Enable economic growth by improving physical and digital infrastructure.

- Prioritize investment in road, bridges, freight corridors and intermodal logistics, such as the Castle Commerce Center, that support the movement of goods for ag export and manufacturing.
- Continue efforts to accelerate deployment of high-speed internet in rural and under-served areas to support remote work, education, e-commerce, and digital ag-tech tools.
- Improve and modernize the identified Economic Opportunity Areas with utilities, services, and roadways that will attract new investment in key industry sectors and facilitate commuting from residential areas to job centers.
- Continue collaboration with internet access providers to offer faster and easier access.
- Implement Capital Improvement Plans (CIP).
- Expand and upgrade services in identified growth areas to support residential development for all income levels.
- Fund tourism through TBID strategies.

3

GOAL: Achieve economic growth and diversification by strengthening the County's agricultural base, expanding infrastructure, and supporting business retention, expansion, and new investment across existing and emerging industries.

LEAD: Merced County, Cities
PARTNERS: Gov, BIA, ED/Work

STRATEGY 3.3 — Foster a thriving business ecosystem across all stages of growth.

- Create a formal, countywide business retention and expansion program to conduct regular visits with existing businesses, identify needs or barriers, and offer proactive support with financing, workforce hiring or training, permitting, etc.
- Support existing and consider expanding one-stop resource (incubator) centers offering entrepreneurial support, business planning, technical assistance, access to capital, shared workspace, and transition from incubator centers to flex space.
- Continue proactive membership in CCVEDC, actively participate in planning and executing marketing tactics that promote the county and region's assets—land, market-ready sites, workforce, transportation—for new investment. Memberships in Team California and the Site Selectors Guild are also crucial to cultivating new investment.
- Ensure partners are using consistent and unified messages to internal and external audiences.

STRATEGY 3.4 — Expand the economy beyond traditional sectors to ensure long-term resilience.

- Organize stakeholder groups to learn about emerging (targeted) industries and their needs regarding sites, services, infrastructure, workforce skills, etc.
- Work with policymakers to remove regulatory barriers specific to the targeted industries.
- Coordinate with schools, colleges, and training providers to identify and develop tailored programs for emerging skills and technologies.
- Position the county as the preferred location for emerging industry sectors through marketing, messaging, tradeshow, and digital media.
- Develop specialized industrial and business parks that offer shared facilities such as labs, testing and training centers, that are specific to an industry cluster's needs.
- Invest in commercial corridors and community amenities that support and encourage creative entrepreneurs, artisans, and cultural institutions that enhance the county's identity, diversify the economy, and attract new investment.

4. TALENT DEVELOPMENT

The following strategies are expected to provide Merced County employers with a skilled, adaptable, and forward-thinking workforce, which will help to attract investment, support innovation, and compete in an increasingly global economy.

4

GOAL: Support economic growth by advancing workforce development that aligns with business needs and investment opportunities.

LEAD: Merced County, Workforce Development
PARTNERS: ED/Work, BIA

STRATEGY 4.1 — Ensure training programs reflect real-time business and industry needs.

- Establish or expand existing advisory groups composed of employers, educators, workforce boards and economic development agencies to inform curriculum development,
- Identify and address emerging skills gaps, and design solutions for other workforce challenges.
- Support and participate in labor market and employer surveys to identify current and future workforce needs by occupation and industry.

STRATEGY 4.2 — Build seamless pathways from education to employment.

- Expand efforts to promote and coordinate with high schools, community colleges, and universities to create additional stackable credential paths aligned with local industry needs.
- Promote existing and add new work-based learning programs e.g., Beam Business with Merced County Office of Education, internships, apprenticeships, job shadowing, etc., to help students and job seekers gain hands-on experience and transition to full employment.
- Assist community colleges, technical schools, and training programs to more rapidly develop and modify programs based on employer demand e.g., certificates or short-term customized training.

STRATEGY 4.3 — Ensure that all residents have access to training and continuous learning services thereby enabling them to participate in and benefit from economic opportunities.

- Build on existing outreach and mentorship programs for youth and underserved populations to expose them to high-opportunity careers and connect them with training resources.
- Encourage a culture of lifelong learning and personal development through free or low-cost workshops, expanded access to libraries, and providing public spaces and exhibits that encourage learning and curiosity.

- Engage policy makers, businesses, and educators in identifying solutions and funding for services that support job seekers e.g., transportation routes that connect underserved areas to job centers, childcare, career counseling, and funding for tuition assistance, materials and equipment needed for training.
- Support adult learners in gaining foundational skills that can result in receiving necessary training, industry certifications, and full employment e.g., digital literacy, language, personal finance.
- Establish and promote programs to help workers in declining sectors transition into growth industries and occupations in demand.
- Partner with correctional institutions and nonprofits to train and reintegrate justice-involved individuals into the workforce.

STRATEGY 4.4 — Leverage workforce development as a tool for business retention, expansion and attraction.

- Support quality of life enhancements that support workforce retention and attraction e.g., housing affordability, transportation, childcare, healthcare, career advancement opportunities.
- Collaborate on marketing efforts to attract skilled workers to Merced County, particularly for hard- to-fill positions and emerging industries.
- Leverage state and federal funding opportunities to scale training and workforce services.

5. COMMUNITY ENRICHMENT

Attention to community amenities is often underestimated as a component of economic development. Conveniences, services, and pleasant surroundings improve quality of life and also play a strategic role in attracting talent, businesses, and investment.

5

GOAL: Preserve, enhance, and expand community safety and amenities including downtowns, public arts, parks, trails, recreation areas, and natural resources to benefit current and future residents and visitors.

LEAD: Gov

PARTNERS: BIA, CBO

STRATEGY 5.1 — Continue investment in resilient and sustainable infrastructure that is crucial for supporting business development and public safety.

- Continue efforts to make industrial, commercial, and residential properties market- and investment-ready with sustainable and resilient infrastructure.
- Pursue diverse funding sources to implement the capital projects outlined in the Appendix, Physical Environment section.
- Collaborate with county and regional partners on funding applications that demonstrate scale, strategic alignment, shared vision, and resource efficiency—qualities that funding agencies value when allocating limited public or philanthropic dollars.
- Strengthen long-term economic resiliency by continuing to implement and update existing plans e.g., Hazard Mitigation, General Plans, Specific and Master Plans which include plans to reduce or prevent damage caused by natural disasters.

STRATEGY 5.2 — Ensure there is a mix of housing options that meet the needs of all residents.

- Ensure policies, zoning, land-use and density regulations are up to date and support development of a diverse selection of housing types for all income levels in new and existing neighborhoods.
- Preserve existing housing stock with programs and assistance for upgrades and repairs.
- Collaborate with developers, nonprofit developers, land banks, housing authorities to build affordable and workforce housing that is assessable to and facilitates commuting to job centers.
- Promote housing wraparound services for vulnerable populations.
- Consider adaptive reuse that would convert vacant buildings into housing options.

STRATEGY 5.3 — Maintain or revitalize downtowns and city centers as cultural, commercial, and social hubs.

- Consider establishing or refining design standards that ensure attractive building fronts, add buffering and screening where necessary, and add to a sense of place and safety.

- Offer grants or match funds for building façade improvement, needed repairs, adding storefront signage, landscaping or greenery, bike racks, etc.
- Promote and support the use of public art throughout communities especially community-based art projects that involve local artists and reflect local stores, history, and landscape.
- Continue to partner with local artists, nonprofits, and community groups that host events that celebrate diversity, heritage, local history, and the arts.

STRATEGY 5.4 — Expand access to outdoor recreation and healthy lifestyles.

- Continue to develop and update master parks and open space planning for new or expanding existing parks, playgrounds, and green spaces, especially in underserved areas.
- Expand and connect multi-use trails and greenways that link neighborhoods, schools, natural areas, and downtowns for walking, biking, and recreation.
- Promote the inclusion of recreation amenities for diverse age groups and abilities in all new development.

STRATEGY 5.5 — Protect ecological assets while promoting safety, access and education.

- Continue to partner with conservation organizations to protect critical habitats, farmlands, and scenic areas from development.
- Integrate green infrastructure and habitat protection and restoration into urban spaces.
- Foster a conservation ethic through educational signage, nature centers and programs.

PERFORMANCE METRICS

Performance metrics are essential for assessing longterm sustainability in economic development. The suggested metrics below provide a clear, measurable, and objective way to track progress, evaluate policies, identify areas for improvement and guide resource allocation.

PERFORMANCE METRIC	REGIONAL COLLAB.	QUALITY GROWTH	ECONOMIC & JOBS	TALENT DEV.	COMMUNITY ENRICHMENT
Acres or square feet of market- and investment-ready sites, buildings	X	X			
Dollars invested in infrastructure improvements	X	X			X
Dollars invested in public art & amenities					X
Commercial, retail vacancies		X	X		X
Business startups & success rates		X	X		
Minority-owned businesses		X	X		
Employment by industry		X	X	X	
Pathways & CTE enrollment			X	X	
Pathways & CTE completions			X	X	
Educational attainment			X	X	
Graduation rate			X	X	
Median HH income			X		X
New housing units		X			X

LAUNCH PLAN

Implementation of the Merced County CEDS relies on the above-mentioned group of organizations working collaboratively to protect and improve the county's economic, social, and physical future. Effectively moving the strategies and tactics forward to ultimately realize the goals requires this team of dedicated professionals. The schedule below is intended to provide the CEDS Committee, staff and partners from each jurisdiction with direction on getting started with implementation.

DAYS	0-30	■ Establish a CEDS Implementation Task Force ■ Determine strategies and tactics to be implemented in Year 1 ■ Confirm lead organizations and team members ■ Create appropriate working groups, roles and responsibilities
	31-60	■ Consider a cloud-based project management and reporting tool to facilitate coordination among the implementing partners (missionmet.com, Microsoft, Adobe, Airtable, and several other apps are available for free or low cost) ■ Provide access to all implementing partners ■ Establish meeting and reporting protocols
	61-90	■ Determine specific performance metrics to be monitored ■ Establish a timeline and responsibilities for collecting and reporting on performance metrics ■ Populate the project management tool with strategies, due dates, etc.

Appendix



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