

County of Kern

Comprehensive Economic Development Strategy (CEDS)

2012-2013 Annual Report

County of Kern
Comprehensive Economic
Development Strategy
Update





Introduction

Kern County is one of the most economically challenged counties in the nation—with higher unemployment rates and lower per capita income rates than both the national and state averages. Due to harsh economic realities, the County has developed a proactive strategy for economic development. This proactive strategy will capture the scarce opportunities that exist within the County in order to increase the County's economic base.

Kern County's goal for economic development is to create an environment in which business can sustain and grow, resulting in a healthy business sector, job creation, expansion of economic activity, increased sales and tax revenue, lower crime rates, a healthy sense of community worth, and an improved quality of life. In order to achieve the County's economic development goal, the County updated its formal Economic Development Strategy in July 2010. This strategy is based on industry clusters, concentrates on the County's core strengths, and provides a framework for promoting the County to businesses that fit within the targeted clusters. Industry clusters were identified by their economic strength and pre-existing set of competitive advantages.

As indicated in the Economic Development Strategy, it is necessary to prioritize a variety of actions that will guide the activities of Kern County. Identifying industry clusters where the County has a clear competitive advantage is only the first step. The County must also identify key infrastructure projects that will support targeted industries and strategically invest in improvements that will support long-term sustainable growth. The information provided through the development of the Comprehensive Economic Development Strategy (CEDS) is a fundamental component in Kern County's economic development plan. CEDS provides the framework and identifies the crucial projects needed to support economic development throughout the County. The purpose of this document is to provide an update on the economic condition of the County and to adjust the County's plan of action accordingly.

The CEDS Committee

The Comprehensive Economic Development Strategy (CEDS) Committee is comprised of County residents with diverse interests and employment backgrounds. The CEDS Committee is appointed by the Kern County Board of Supervisors, with each Board member selecting two committee members. Categories of representation include local government, business, industry, finance, agriculture, organized labor, utilities, education, community organizations, public health agencies, the aged, disabled, the unemployed, underemployed, racial or ethnic minorities, and women; however, not every category must always be represented.

Current appointments to the Committee are as follows:

Name	Supervisory District	Title	Business Name	Private	Public
Harris Brokke	1	Executive Director	Maturango Museum	X	
Louis R. Gomez	1	Executive Director	KC Hispanic Chamber of Commerce	X	
Raju Singh Jassar	2	CEO	Rock Canyon Construction	X	
Bernita Jenkins	2	Teacher	Kern County Superintendent of Schools		X
Donna Carpenter	3	Principal	Development Consulting Services	X	
Vacant	3				
Bob Hampton	4	Owner	Westside Waste Management, Co. Inc.	X	
Ralph Martinez	4	Director of Planning Research and Development	Community Action Partnership Kern	X	
Blodgie Rodriguez	5	Realtor	Paramount Real Estate	X	
Vacant	5				

Current Economic Conditions

The County's economic climate continues to affect the dynamics of economic development. The County must be prepared to compete with jurisdictions from across the country and around the globe.

The County struggles with seasonal unemployment and lower average-wages than both California and the nation. This is primarily due to the large number of workers employed in agriculture, which is seasonal in nature. Agricultural firms provide the greatest number of jobs in the County. In addition to agriculture, Kern County is a significant producer of oil, natural gas, hydro-electric power, wind turbine power, and geothermal power. According to the University of California Cooperative Extension, as of 2009, Kern remains California's top oil-producing county, with 81% of the state's 52,144 active oil wells. The County accounts for one-tenth of overall U.S. oil production, and three of the five largest U.S. oil fields are in Kern County. Kern is also noted for its mineral wealth, including gold, borate, and kernite. The largest open pit mine in California, which mines borax, is located at Boron in Kern County.

Other major industries located within the County include the Department of Defense facilities at Edwards Air Force Base, the China Lake Naval Air Weapons Station, the Mojave Spaceport, and some large warehousing and logistics operators.

The following chart summarizes and compares the most current findings on key economic performance indicators for Kern County, as reported by the U.S. Census Bureau American Community Survey 1-Year

Economic Performance Indicators

	2007	2008	2009	2010	2011
Economy:					
Aggregate Income (billion \$)	15.8	16.1	15.6	16.1	16.1
Aggregate Income Growth (%)	6.0	1.9	(3.1)	3.2	.0
Income per Capita (\$)	20,948	20,011	19,660	19,077	19,077
Median Income per Household (\$)	49,559	45,169	47,994	45,524	45,524
Labor Market:					
Population	790,710	800,458	807,407	842,207	842,207
Civilian Labor Force	343,445	434,513	343,093	363,703	363,703
Employment	309,068	312,247	297,999	310,764	310,764
Unemployment	34,377	31,731	45,094	52,939	52,939
Unemployment Rate (%)	10.0	9.1	13.1	14.6	14.6
Self-Employed (Not Incorporated)	21,103	20,876	23,807	25,324	25,324
Private-sector Employment	226,452	227,544	216,075	226,137	226,137
Public-sector Employment	61,513	64,718	58,117	59,303	59,303

Population and Demographics

According to the 2010 U.S. Census Bureau, Kern County had a population of 839,631. The racial makeup of Kern County was 499,766 (59.5%) White; 48,921 (5.8%) African American; 12,676 (1.5%) Native American; 34,846 (4.2%) Asian (1.9% Filipino, 1.0% Indian, 0.3% Chinese, 0.2% Korean, 0.2% Vietnamese, 0.1% Japanese); 1,252 (0.1%) Pacific Islander; 204,314 (24.3%) from other races; and 37,856 (4.5%) from two or more races. Hispanic or Latino of any race were 413,033 persons (49.2%); 43.4% of Kern County is Mexican, 0.5% Puerto Rican, and 0.1% Cuban.

Income and Unemployment

Kern County's average unemployment is higher and per capita income is lower than both the State and national averages. According to the U.S. Census Bureau's American Community Survey, Kern County's 24-month average unemployment rate for 2010-11 was 14.8%, or 37.7% higher than the national average for the same time period of 10.6%. For the 2010-11 timeframe, the County's average per capita income of \$19,063 was 27.7% less than the national average per capita income of \$26,384. In 2011, some areas of the County experienced unemployment rates over 30%.

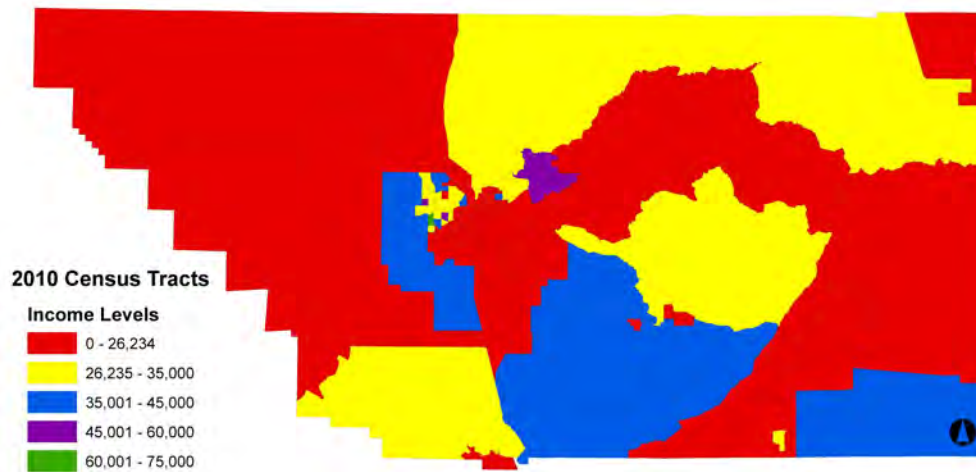
Poverty and low per capita income remain problematic, especially in many of the County's smaller communities. The U.S. Census Bureau's American Community Survey reports the 24-month average for 2010 and 2011 per capita income for the County and the City of Bakersfield as follows:

Bakersfield			Kern County		California		US	
Per Capita Income	Total	% Change	Total	% Change	Total	% Change	Total	% Change
2010	\$22,208		\$19,077		\$27,353		\$26,059	
2011	\$22,115	-0.42%	\$19,048	-0.15%	\$27,859	1.85%	\$26,708	2.49%
24-Month Average	\$22,162		\$19,063		\$27,606		\$26,384	
Source: US Census Bureau American Community Survey 1-Year Estimates								

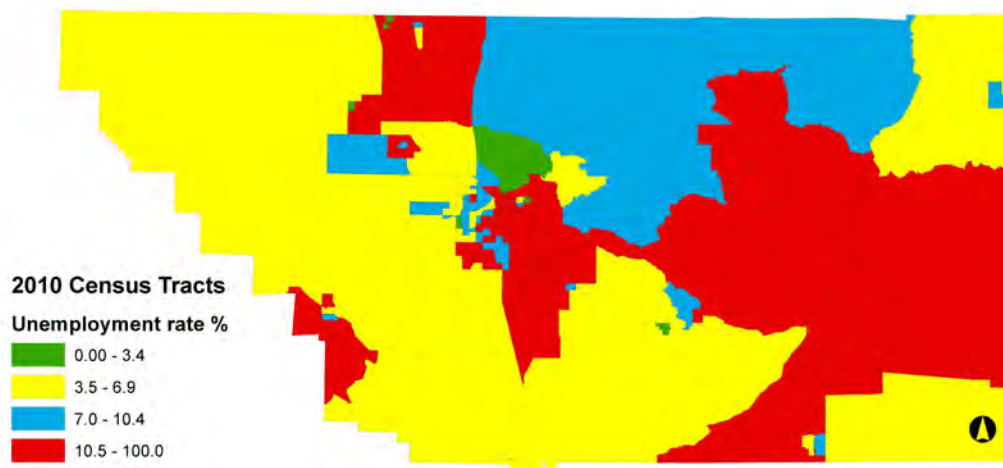
24-month average **unemployment** for 2010 and 2011 is summarized in the following table:

Bakersfield			Kern County		California		US	
Unemployment	Total	% Change	Total	% Change	Total	% Change	Total	% Change
2010	13.3%		14.6%		12.8%		10.8%	
2011	13.7%	3.0%	15.0%	2.7%	12.3%	-3.9%	10.3%	-4.6%
24-Month Average	13.5%		14.8%		12.6%		10.6%	
Source: US Census Bureau American Community Survey 1-Year Estimates								

Map of Kern County Per Capita Income Levels



Map of Kern County Unemployment Levels



Red Zone Designated Places

For this CEDS, Red Zones are defined as those census tracts with both unemployment higher than the national average (8.7%) and per capita income of less than the national average (\$27,915).

Red Zone Designated Places include:

- Arvin
- Bakersfield
- Bodfish
- Boron
- California City
- Delano
- Edmundson Acres
- Ford City
- Fuller Acres
- Golden Hills
- Lamont
- Maricopa
- McFarland
- Mojave
- Mountain Mesa
- North Edwards
- Oildale
- Shafter
- Smith Corner
- Taft Heights
- Wasco
- Weldon
- Wofford Heights

Map of Qualifying Census Tracts

The data used to derive unemployment and per capita income was the U.S. Census Bureau's American Community Survey 2007-11. The following Table depicts all census tracts and cities within Kern County. Census Tracts with per capita income lower than the national average (\$27,915) and unemployment greater than the national average (8.7%) are highlighted in red:

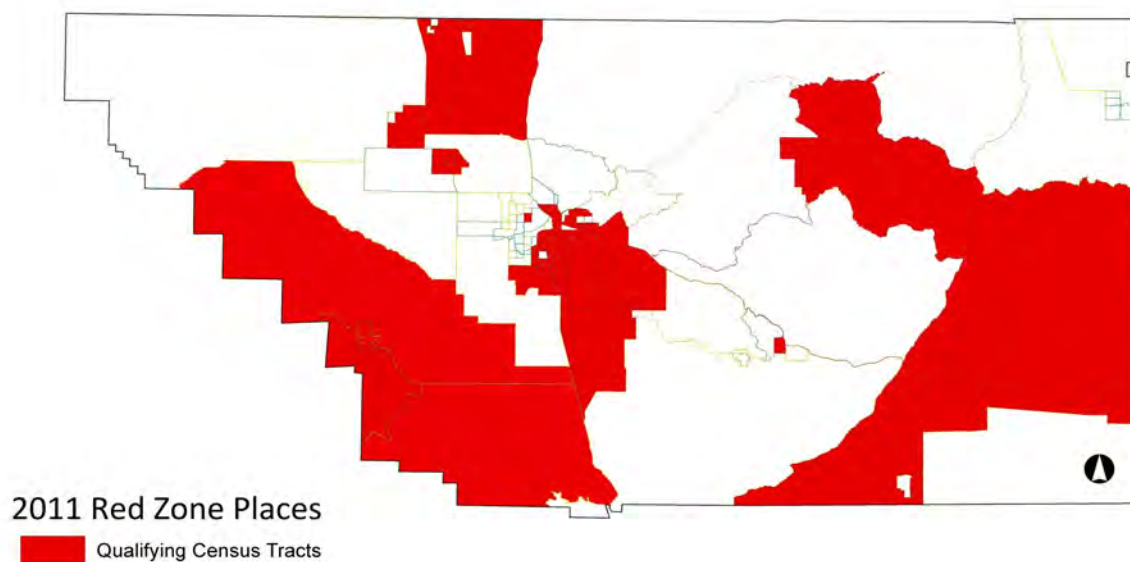


TABLE 1: KERN COUNTY CENSUS TRACTS

Source: U.S Census Bureau, 2007-2011 American Community Survey (ACS)				Source: U.S Census Bureau, 2007-2011 American Community Survey (ACS)			
City/Census Designated Place (CDP)	Census Tract(s)	Unemployment	Per Capita	City/Census Designated Place (CDP)	Census Tract(s)	Unemployment	Per Capita
Arvin (City)	60.07	8.0%	\$ 31,580	Bakersfield (City)	28.04	6.2%	\$ 28,677
	62.02	19.0%	\$ 9,911		28.06	9.3%	\$ 30,306
	63.01	11.9%	\$ 12,163		28.07	5.7%	\$ 50,241
	63.03	16.9%	\$ 7,521		28.08	6.6%	\$ 35,753
	63.04	7.0%	\$ 9,579		28.11	1.5%	\$ 63,140
	4.00	26.9%	\$ 10,858		28.12	18.0%	\$ 13,982
	5.03	6.2%	\$ 36,995		28.13	14.2%	\$ 15,791
	5.04	8.4%	\$ 26,718		28.14	15.6%	\$ 17,271
	5.05	4.9%	\$ 39,422		28.15	13.8%	\$ 15,857
	5.06	16.1%	\$ 25,696		28.16	16.6%	\$ 16,564
	5.07	9.9%	\$ 29,678		28.17	14.4%	\$ 19,737
	6.00	20.9%	\$ 11,778		28.18	5.2%	\$ 35,809
	7.00	12.6%	\$ 33,110		28.19	6.7%	\$ 24,062
	8.00	17.5%	\$ 20,849		28.20	4.7%	\$ 32,527
	9.02	17.4%	\$ 23,336		28.21	7.9%	\$ 23,112
	9.03	10.2%	\$ 22,145		29.00	17.3%	\$ 15,233
Bakersfield (City)	9.04	5.5%	\$ 25,168		30.00	14.8%	\$ 12,233
	9.05	12.2%	\$ 17,277		31.03	17.7%	\$ 12,388
	9.06	20.4%	\$ 19,544		31.12	8.2%	\$ 20,685
	9.07	19.4%	\$ 13,486		31.13	22.0%	\$ 14,802
	9.08	13.1%	\$ 26,143		31.14	14.5%	\$ 18,389
	9.09	1.9%	\$ 48,038		31.15	19.2%	\$ 13,380
	9.10	9.6%	\$ 30,048		31.21	17.4%	\$ 10,661
	10.00	16.7%	\$ 16,941		31.22	13.2%	\$ 13,235
	11.01	15.7%	\$ 11,819		31.23	7.1%	\$ 22,781
	11.02	20.0%	\$ 12,262		31.24	10.7%	\$ 23,776
	11.03	16.3%	\$ 8,242		32.02	13.3%	\$ 15,353
	12.01	17.2%	\$ 14,013		32.03	8.7%	\$ 35,851
	12.02	20.8%	\$ 10,413		32.04	6.3%	\$ 41,859
	13.00	26.3%	\$ 10,064		32.05	14.1%	\$ 19,350
	14.00	18.3%	\$ 10,806		32.06	12.1%	\$ 18,097
	15.00	8.6%	\$ 11,172		37.00	7.4%	\$ 14,930
	16.00	13.6%	\$ 12,801		38.03	9.0%	\$ 41,847
	17.00	8.0%	\$ 45,418		38.04	6.5%	\$ 30,072
	18.01	9.5%	\$ 19,342		38.05	5.4%	\$ 29,236
	18.02	4.7%	\$ 30,891		38.06	7.2%	\$ 37,712
	19.01	10.9%	\$ 23,170		38.07	6.0%	\$ 27,375
	19.02	15.6%	\$ 17,354		38.08	6.9%	\$ 31,804
	20.00	14.9%	\$ 10,940		38.09	9.2%	\$ 37,650
	21.00	17.6%	\$ 6,871		38.10	6.0%	\$ 56,707
	22.00	24.2%	\$ 7,422		38.11	10.1%	\$ 28,467
	23.01	16.9%	\$ 11,372		38.12	10.8%	\$ 28,495
	23.02	18.4%	\$ 7,714		38.13	4.7%	\$ 36,553
	24.00	14.8%	\$ 14,261		51.03	4.9%	\$ 33,781
	25.00	23.9%	\$ 9,230		51.04	5.6%	\$ 48,315
	26.00	15.3%	\$ 12,332		62.01	15.0%	\$ 12,086
	27.00	19.7%	\$ 17,201		62.02	19.0%	\$ 9,911

TABLE 1: KERN COUNTY CENSUS TRACTS (CONTINUED)

Source: U.S Census Bureau, 2007-2011 American Community Survey (ACS)					Source: U.S Census Bureau, 2007-2011 American Community Survey (ACS)				
City/Census Designated Place (CDP)	Census Tract(s)	Unemployment	Per Capita		City/Census Designated Place (CDP)	Census Tract(s)	Unemployment	Per Capita	
Bear Valley Springs (CDP)	60.08	6.0%	\$ 40,075		Bodfish (CDP)	52.03	9.7%	\$ 21,735	
	52.04	5.9%	\$ 19,521			52.04	5.9%	\$ 19,521	
	56.00	19.5%	\$ 19,582		Boron (CDP)	37.00	7.4%	\$ 14,930	
Buttonwillow (CDP)	55.07	25.3%	\$ 23,285			55.08	23.3%	\$ 18,865	
	55.08	23.3%	\$ 18,865			65.00	23.4%	\$ 17,827	
California City (City)	39.00	1.2%	\$ 10,120		Cherokee Strip (CDP)	42.00	6.1%	\$ 17,118	
	42.00	6.1%	\$ 17,118			55.01	4.6%	\$ 37,628	
	55.01	4.6%	\$ 37,628		China Lake Acres (CDP)	46.01	0.0%	\$ 5,497	
Delano (City)	46.03	0.0%	\$ 1,010			46.04	15.6%	\$ 12,376	
	46.04	15.6%	\$ 12,376			48.00	19.9%	\$ 9,894	
	49.01	19.4%	\$ 12,390		Edmundson Acres (CDP)	49.02	15.5%	\$ 13,190	
Edwards AFB (CDP)	50.03	6.5%	\$ 10,403			50.04	9.2%	\$ 16,962	
	50.04	9.2%	\$ 16,962			33.04	9.4%	\$ 11,752	
Fellows (CDP)	33.03	20.7%	\$ 18,051		Ford City (CDP)	33.04	9.4%	\$ 11,752	
	33.04	9.4%	\$ 11,752			63.01	11.9%	\$ 12,163	
	57.00	8.6%	\$ 24,792		Frazier Park (CDP)	33.06	13.8%	\$ 27,030	
Fuller Acres (CDP)	24.00	14.8%	\$ 14,261			24.00	14.8%	\$ 14,261	
	62.01	15.0%	\$ 12,086			60.03	10.4%	\$ 22,292	
Golden Hills (CDP)	60.06	9.4%	\$ 35,477		Greenacres (CDP)	60.07	8.0%	\$ 31,580	
	60.07	8.0%	\$ 31,580			38.04	6.5%	\$ 30,072	
	38.07	6.0%	\$ 27,375		Greenfield (CDP)	38.11	10.1%	\$ 28,467	
Inyokern (CDP)	38.12	10.8%	\$ 28,495			38.12	10.8%	\$ 28,495	
	32.02	13.3%	\$ 15,353			32.02	13.3%	\$ 15,353	
Johannesburg (CDP)	55.01	4.6%	\$ 37,628		Keene (CDP)	60.04	18.0%	\$ 32,963	
	65.00	23.4%	\$ 17,827			60.08	6.0%	\$ 40,075	
	60.04	18.0%	\$ 32,963		Kernville (CDP)	52.01	5.7%	\$ 28,260	
Lake Isabella (CDP)	52.03	9.7%	\$ 21,735			52.03	9.7%	\$ 21,735	
	52.04	5.9%	\$ 19,521			52.04	5.9%	\$ 19,521	
Lake of the Woods (CDP)	33.05	6.5%	\$ 22,939		Lamont (CDP)	62.01	15.0%	\$ 12,086	
	62.01	15.0%	\$ 12,086			62.02	19.0%	\$ 9,911	
	62.02	19.0%	\$ 9,911						
La Mont (CDP)	64.01	11.9%	\$ 10,266		Lebec (CDP)	33.06	13.8%	\$ 27,030	
	64.03	8.5%	\$ 10,781			33.05	6.5%	\$ 22,939	
	64.04	19.6%	\$ 8,457		Lost Hills (CDP)	60.07	8.0%	\$ 31,580	
Maricopa (City)	33.03	20.7%	\$ 18,051			45.00	6.5%	\$ 9,780	
	46.04	15.6%	\$ 12,376		McFarland (City)	47.01	17.9%	\$ 9,758	
	47.01	17.9%	\$ 9,758			47.02	19.3%	\$ 7,953	
McKittrick (CDP)	33.04	9.4%	\$ 11,752			33.04	9.4%	\$ 11,752	
	33.04	9.4%	\$ 11,752		Mexican Colony (CDP)	42.00	6.1%	\$ 17,118	
	42.00	6.1%	\$ 17,118			55.06	14.5%	\$ 22,111	
Mojave (CDP)	59.00	21.8%	\$ 15,710			59.00	21.8%	\$ 15,710	
	65.00	23.4%	\$ 17,827		Mountain Mesa (CDP)	52.03	9.7%	\$ 21,735	
	52.03	9.7%	\$ 21,735			65.00	23.4%	\$ 17,827	
North Edwards (CDP)	1.01	10.30%	\$ 23,358			1.02	14.20%	\$ 21,102	
	1.02	14.20%	\$ 21,102		Oildale (CDP)	2.00	24.70%	\$ 13,579	
	2.00	24.70%	\$ 13,579			3.00	18.30%	\$ 14,576	
Onyx (CDP)	4.00	26.9%	\$ 10,858			4.00	26.9%	\$ 10,858	
	51.03	4.9%	\$ 33,781		Pine Mountain Club (CDP)	52.01	5.7%	\$ 28,260	
	52.01	5.7%	\$ 28,260			52.03	9.7%	\$ 21,735	
Randsburg (CDP)	33.06	13.8%	\$ 27,030			33.06	13.8%	\$ 27,030	
	65.00	23.4%	\$ 17,827		Ridgecrest (City)	53.00	8.6%	\$ 14,824	
	53.00	8.6%	\$ 14,824			54.01	10.3%	\$ 29,926	
Rosamond (CDP)	54.02	6.7%	\$ 31,017			54.02	6.7%	\$ 31,017	
	54.03	7.9%	\$ 27,623		Rosedale (CDP)	54.04	6.8%	\$ 28,230	
	55.01	4.6%	\$ 37,628			55.01	4.6%	\$ 37,628	
Shafter (City)	55.06	14.5%	\$ 22,111			55.06	14.5%	\$ 22,111	
	58.01	7.2%	\$ 24,405			58.01	7.2%	\$ 24,405	
	58.02	15.0%	\$ 16,004						

TABLE 1: KERN COUNTY CENSUS TRACTS (CONTINUED)

Source: U.S. Census Bureau, 2007-2011 American Community Survey (ACS)				U.S.		Source: U.S. Census Bureau (ACS)	
City/Census Designated Place (CDP)	Census Tract(s)	Unemployment	Per Capita			Unemployment	Per Capita
Shafter (City)	41.02	16.1%	\$ 9,647	2007-2011 5-Year Estimate		8.7%	\$27,915
	42.00	6.1%	\$ 17,118	2009-2011 3-Year Estimate		10.3%	\$27,158
Smith Corner (CDP)	40.00	12.1%	\$ 12,337	2010		10.8%	\$26,059
	42.00	6.1%	\$ 17,118	2011		10.3%	\$26,708
South Taft (CDP)	36.00	12.8%	\$ 15,889	24-Month Average		10.6%	\$26,384
Squirrel Mountain Valley (CDP)	52.03	9.7%	\$ 21,735				
Stallion Springs (CDP)	60.07	8.0%	\$ 31,580				
Taft (City)	33.03	20.7%	\$ 18,051	California		Source: U.S. Census Bureau (ACS)	
	33.04	9.4%	\$ 11,752				
	34.00	17.1%	\$ 13,660	2007-2011 5-Year Estimate		10.1%	\$29,634
	35.00	9.9%	\$ 20,401	2009-2011 3-Year Estimate		12.1%	\$28,504
	36.00	12.8%	\$ 15,889	2010		12.8%	\$27,353
Taft Heights (CDP)	36.00	12.8%	\$ 15,889	2011		12.3%	\$27,859
	60.02	0.0%	\$ 6,765	24-Month Average		12.6%	\$27,606
Tehachapi (City)	60.03	10.4%	\$ 22,292				
	60.04	18.0%	\$ 32,963				
	60.07	8.0%	\$ 31,580				
	61.00	7.4%	\$ 21,576				
Tupman (CDP)	33.04	9.4%	\$ 11,752	Kern County		Source: U.S. Census Bureau (ACS)	
Valley Acres (CDP)	33.04	9.4%	\$ 11,752				
Wasco (City)	43.01	14.3%	\$ 13,173	2007-2011 5-Year Estimate		12.5%	\$20,167
	43.02	0.0%	\$ 4,074	2009-2011 3-Year Estimate		14.3%	\$19,658
	44.01	12.4%	\$ 16,727	2010		14.6%	\$19,077
	44.02	13.2%	\$ 11,714	2011		15.0%	\$19,048
Weedpatch (CDP)	45.00	6.5%	\$ 9,780	24-Month Average		14.8%	\$19,063
Weldon (CDP)	64.04	19.6%	\$ 8,457				
Wofford Heights (CDP)	52.03	9.7%	\$ 21,735				
	52.01	5.7%	\$ 28,260				

TABLE 2: KERN COUNTY CITIES AND CENSUS DESIGNATED PLACES

Kern County Cities & CDPs (Population > 65,000)

Source: US Census Bureau American Community Survey 1-Year Estimate

Bakersfield (City)		
Population: 352,429	Unemployment	Per Capita
2010	13.3%	\$22,208
2011	13.7%	\$22,115
24-Month Average	13.5%	\$22,162

Kern County Cities & CDPs (Population 20,000 - 64,999)

Source: US Census Bureau American Community Survey 3-Year Estimate

Delano (City)		
Population: 53,204	Unemployment	Per Capita
2009 - 2011 3-Year Estimate	15.8%	\$10,118

Oildale (CDP)		
Population: 32,857	Unemployment	Per Capita
2009 - 2011 3-Year Estimate	20.5%	\$16,721

Ridgecrest (City)		
Population: 27,748	Unemployment	Per Capita
2009-2011 3-Year Estimate	8.8%	\$27,613

Wasco (City)		
Population: 25,695	Unemployment	Per Capita
2009-2011 3-Year Estimate	14.1%	\$11,000

Kern County Cities & CDPs (Population < 20,000)

Source: US Census Bureau American Community Survey 5-Year Estimate

Arvin (City)		
Population: 18,809	Unemployment	Per Capita
2007-2011 5-Year Estimate	14.1%	\$9,241

Bear Valley Springs (CDP)		
Population: 5,273	Unemployment	Per Capita
2007-2011 5-Year Estimate	6.3%	\$39,533

Bodfish (CDP)		
Population: 1,982	Unemployment	Per Capita
2007-2011 5-Year Estimate	5.0%	\$18,752

Boron (CDP)		
Population: 2,323	Unemployment	Per Capita
2007-2011 5-Year Estimate	19.5%	\$19,582

Buttonwillow (CDP)		
Population: 1,449	Unemployment	Per Capita
2007-2011 5-Year Estimate	8.9%	\$10,629

California City (City)		
Population: 13,684	Unemployment	Per Capita
2007-2011 5-Year Estimate	24.5%	\$21,161

Cherokee Strip (CDP)		
Population: 316	Unemployment	Per Capita
2007-2011 5-Year Estimate	7.7%	\$7,612

China Lake Acres (CDP)		
Population: 1,423	Unemployment	Per Capita
2007-2011 5-Year Estimate	3.0%	\$27,002

TABLE 2: KERN COUNTY CITIES AND CENSUS DESIGNATED PLACES (CONTINUED)

Kern County Cities & CDPs (Population < 20,000)

Source: US Census Bureau American Community Survey 5-Year Estimate

Derby Acres (CDP)		
Population: 360	Unemployment	Per Capita
2007-2011 5-Year Estimate	14.7%	\$23,443

Dustin Acres (CDP)		
Population: 590	Unemployment	Per Capita
2007-2011 5-Year Estimate	6.0%	\$22,121

Edmundson Acres (CDP)		
Population: 306	Unemployment	Per Capita
2007-2011 5-Year Estimate	23.4%	\$13,075

Edwards AFB (CDP)		
Population: 2,373	Unemployment	Per Capita
2007-2011 5-Year Estimate	11.1%	\$26,411

Fellows (CDP)		
Population: 118	Unemployment	Per Capita
2007-2011 5-Year Estimate	6.8%	\$24,495

Ford City (CDP)		
Population: 4,013	Unemployment	Per Capita
2007-2011 5-Year Estimate	17.3%	\$13,491

Frazier Park (CDP)		
Population: 2,467	Unemployment	Per Capita
2007-2011 5-Year Estimate	4.8%	\$22,679

Fuller Acres (CDP)		
Population: 912	Unemployment	Per Capita
2007-2011 5-Year Estimate	24.0%	\$10,369

Golden Hills (CDP)		
Population: 8,106	Unemployment	Per Capita
2007-2011 5-Year Estimate	10.5%	\$27,070

Greenacres (CDP)		
Population: 5,875	Unemployment	Per Capita
2007-2011 5-Year Estimate	8.8%	\$28,706

Greenfield (CDP)		
Population: 3,628	Unemployment	Per Capita
2007-2011 5-Year Estimate	10.3%	\$24,126

Inyokern (CDP)		
Population: 1,321	Unemployment	Per Capita
2007-2011 5-Year Estimate	5.1%	\$29,212

Johannesburg (CDP)		
Population: 179	Unemployment	Per Capita
2007-2011 5-Year Estimate	0.0%	\$12,498

Keene (CDP)		
Population: 340	Unemployment	Per Capita
2007-2011 5-Year Estimate	10.5%	\$62,428

Kernville (CDP)		
Population: 1,595	Unemployment	Per Capita
2007-2011 5-Year Estimate	3.4%	\$37,788

Lake Isabella (CDP)		
Population: 2,960	Unemployment	Per Capita
2007-2011 5-Year Estimate	6.9%	\$16,624

Lake of the Woods (CDP)		
Population: 814	Unemployment	Per Capita
2007-2011 5-Year Estimate	12.0%	\$23,726

Lamont (CDP)		
Population: 15,883	Unemployment	Per Capita
2007-2011 5-Year Estimate	10.8%	\$10,332

TABLE 2: KERN COUNTY CITIES AND CENSUS DESIGNATED PLACES (CONTINUED)

Kern County Cities & CDPs (Population < 20,000)

Source: US Census Bureau American Community Survey 5-Year Estimate

Lebec (CDP)			North Edwards (CDP)		
Population: 1,676	Unemployment	Per Capita	Population: 1,107	Unemployment	Per Capita
2007-2011 5-Year Estimate	11.4%	\$16,456	2007-2011 5-Year Estimate	10.5%	\$20,928
Lost Hills (CDP)			Onyx (CDP)		
Population: 2,075	Unemployment	Per Capita	Population: 155	Unemployment	Per Capita
2007-2011 5-Year Estimate	8.8%	\$8,664	2007-2011 5-Year Estimate	0.0%	\$23,312
Maricopa (City)			Pine Mountain Club (CDP)		
Population: 1,280	Unemployment	Per Capita	Population: 1,541	Unemployment	Per Capita
2007-2011 5-Year Estimate	25.5%	\$15,062	2007-2011 5-Year Estimate	22.0%	\$31,530
McFarland (City)			Randsburg (CDP)		
Population: 12,530	Unemployment	Per Capita	Population: 26	Unemployment	Per Capita
2007-2011 5-Year Estimate	18.3%	\$9,285	2007-2011 5-Year Estimate	0.0%	\$12,162
McKittrick (CDP)			Rosamond (CDP)		
Population: 113	Unemployment	Per Capita	Population: 17,997	Unemployment	Per Capita
2007-2011 5-Year Estimate	34.8%	\$22,587	2007-2011 5-Year Estimate	11.7%	\$20,558
Mettler (CDP)			Rosedale (CDP)		
Population: 145	Unemployment	Per Capita	Population: 17,997	Unemployment	Per Capita
2007-2011 5-Year Estimate	18.2%	\$11,373	2007-2011 5-Year Estimate	960.0%	\$40,803
Mexican Colony (CDP)			Shafter (City)		
Population: 127	Unemployment	Per Capita	Population: 16,709	Unemployment	Per Capita
2007-2011 5-Year Estimate	31.4%	\$15,861	2007-2011 5-Year Estimate	12.5%	\$13,482
Mojave (CDP)			Smith Corner (CDP)		
Population: 3,987	Unemployment	Per Capita	Population: 275	Unemployment	Per Capita
2007-2011 5-Year Estimate	25.1%	\$16,290	2007-2011 5-Year Estimate	23.9%	\$13,076
Mountain Mesa (CDP)			South Taft (CDP)		
Population: 964	Unemployment	Per Capita	Population: 2,279	Unemployment	Per Capita
2007-2011 5-Year Estimate	21.5%	\$16,310	2007-2011 5-Year Estimate	13.2%	\$11,524

TABLE 2: KERN COUNTY CITIES AND CENSUS DESIGNATED PLACES (CONTINUED)

Kern County Cities & CDPs (Population < 20,000)

Source: US Census Bureau American Community Survey 5-Year Estimate

Squirrel Mountain Valley (CDP)		
Population: 635	Unemployment	Per Capita
2007-2011 5-Year Estimate	0.0%	\$39,920

Stallion Springs (CDP)		
Population: 3,244	Unemployment	Per Capita
2007-2011 5-Year Estimate	10.3%	\$31,564

Taft (City)		
Population: 9,413	Unemployment	Per Capita
2007-2011 5-Year Estimate	9.8%	\$16,198

Taft Heights (CDP)		
Population: 1,873	Unemployment	Per Capita
2007-2011 5-Year Estimate	14.1%	\$16,440

Tehachapi (City)		
Population: 14,332	Unemployment	Per Capita
2007-2011 5-Year Estimate	6.6%	\$15,571

Tupman (CDP)		
Population: 102	Unemployment	Per Capita
2007-2011 5-Year Estimate	9.6%	\$14,328

Valley Acres (CDP)		
Population: 651	Unemployment	Per Capita
2007-2011 5-Year Estimate	0.0%	\$21,635

Weedpatch (CDP)		
Population: 2,391	Unemployment	Per Capita
2007-2011 5-Year Estimate	20.7%	\$8,620

Weldon (CDP)		
Population: 2,383	Unemployment	Per Capita
2007-2011 5-Year Estimate	7.1%	\$21,101

Wofford Heights (CDP)		
Population: 2,284	Unemployment	Per Capita
2007-2011 5-Year Estimate	6.5%	\$19,011

Economic Development Strategy

On September 28, 2010, the County of Kern Board of Supervisors approved the *Update Report*. “The Continued Path to Sustainable Prosperity: Kern County’s Economic Development Strategy Update,” is a summary of the *Update Report* and is included below.

Pursuant to U.S. Department of Commerce Economic Development Administration guidelines: “The CEDS analyzes local conditions, identifies problems and opportunities, defines the vision and goals of the community, designs the strategies to accomplish these goals, coordinates activities to implement these strategies, and evaluates and updates the process.” The *Update Report* satisfies EDA’s requirements for a CEDS; therefore, the *Update Report* is the core of the County’s CEDS.

The complete *Update Report* is available at <http://www.co.kern.ca.us/econdev/pdf/economic-strategy-update-2010.pdf>, County of Kern libraries, and the Kern County Administrative Office, 1115 Truxtun Avenue Fifth Floor, Bakersfield, CA 93301.

A summary of the *Update Report* follows:

The Continued Path to Sustainable Prosperity: Kern County’s Economic Development Strategy Update

Kern County’s economic foundation remains at an important juncture where decisions made today will shape the County’s ability to adequately provide for its residents in the coming decades. Many of Kern County’s industries are strong and the economy is becoming more diversified. However, population growth, ongoing air quality concerns, home price depreciation, persistent low wages and educational outcomes all present challenges that must be addressed. At the same time, the changing business environment in several of Kern’s leading industries – from energy to agriculture to aerospace – require creativity, innovation, and adaptability to ensure that Kern’s employers remain competitive.

The Approach: Competitiveness Via Quality

For almost a decade, Kern County has been using a “cluster-based economic development” approach in its economic strategy. The cluster-based approach recognizes that economic development builds from a community’s strengths and that successful economies focus on improving the quality of what they produce and the inputs needed for that, not just on reducing their costs relative to competitors.

The approach has identified several rules for the success of a strategy. These rules have informed the analysis and recommendations in this document. These rules are:

Recognize economic growth at a regional level – focus on the entire County:

Businesses are no longer as concerned about which city or jurisdiction they are in. Instead they care about a general environment where they locate and what advantages they can draw from local inputs—from skills to innovation to transportation to quality of life. Moreover, everything we do within our individual communities has an impact on the broader region and county in which we live. Challenges such as air and water quality, congestion and farmland preservation reach across jurisdictional boundaries and require broad-based solutions.

Grow the County’s industry clusters – the drivers of our economy:

Our economic performance is driven by our “portfolio” of industry clusters. Clusters are groups of related businesses who export products and services from the County (bringing in new dollars), their suppliers, the public and private providers of economic inputs, such as trained workers, innovation, financing, transportation and the local business climate. Clusters grow and change over time. Competitive clusters generate high value-added jobs whose multipliers (salaries and expenditures within the County) create other jobs. A healthy economy has a diverse portfolio of competitive and newly emerging clusters. Cluster needs and actions exert an important impact on the surrounding region’s performance—prosperity, disparity and sustainability. These clusters are what our County “does for a living” and bring net new revenue into our communities by exporting goods and services beyond our communities’ boundaries. Identifying our clusters is based on understanding our economic niche and how our economy links with larger regional economies (such as Southern California and the entire San Joaquin Valley).

Build the local advantages that support clusters:

Clusters only take shape and grow in regions where they can find advantages for their operations—the more responsive to their needs, the better. This is why technology-driven clusters tend to locate close to sources of skilled workers and innovation—as well as close to each other—so they can take advantage of similar workforce and infrastructure. An economy that is able to create advantages in workforce preparation, in supplying finance, transportation, energy and water, efficient regulation and administration and provide a high quality of life will form, expand and attract more companies around specific clusters. Building and adapting local advantages for clusters is the core of a sustainable and prosperous economy.

Collaborate to achieve ongoing economic growth:

Economic strategy requires thinking beyond traditional industry and community boundaries. Learning how to work collaboratively across community and jurisdictional boundaries will be necessary to solve shared competitiveness challenges. High performing economies around the world have achieved their status because their communities, businesses and institutions have built a collaborative culture. A collaborative culture is an environment in which all stakeholders are open to change and are willing to negotiate trade-offs and constructive agreements with one another—they get things done, often in creative ways. A collaborative economic culture enables businesses, governments and organizations to work together, to commit to new ways of doing business and to make investments that will have a mutually beneficial pay off. Learning and applying collaborative practices is the key to building the advantages that will help form and grow clusters and achieve a sustainable and prosperous economy.

General Diagnosis of the County

Kern's economy is based on the diverse assets of agriculture, energy, healthcare, logistics and aerospace/defense industries. Despite this apparent economic diversification, the overall performance of the County has been mixed in recent years when compared to the State and other counties, although noticeable progress has been made overall. This is due in part to the cyclical and uncertain nature of oil and aerospace, which are often affected by factors beyond the County. Further, the agricultural sector consists largely of low paying and often seasonal employment that limits the positive multipliers within the economy. Moreover, key industries in the County, like value-added agriculture, are regional and national leaders, and new ones, such as transportation and logistics, are emerging and growing. The County also has distinctive assets related to renewable energy and aerospace, two areas with significant potential to expand and develop. Aerospace's potential is driven by the emergence of private sector space-travel activities and other private sector aerospace activities and government contracts related to the County's two military bases. Lower business costs, the availability of land, and relatively lower costs of living also add to Kern's attractiveness and competitive advantage. On the other hand, lackluster new business growth, lower educational attainment and skills gaps, out migration of young people, a high incidence of low-to-moderate income residents, and air quality issues are significant disadvantages in the County that need to be addressed.

Kern's Cluster Portfolio: What Drives Performance

The key to building Kern County's economic prosperity over time is to strengthen each of our industry clusters. Industry clusters are the engines of Kern County's economy. Clusters are led by export-oriented lead industries, supplied by local supplier companies, and supported by an array of public and private institutions. These clusters have high economic multipliers and are wealth generators for the County because their economic activity utilizes many supplier and service inputs that represent high-quality jobs. In addition, clusters, as the name implies, continually attract capital, skilled and less-skilled labor to the County making the economy both deeper and broader. Clusters drive our economy because they produce goods and services that are sold outside the County and thus bring new economic wealth to Kern County.

The clusters compete in markets outside the County—across California, the United States, and the world—and their competitiveness in these markets largely determines the prosperity of the entire County. The exporting industries in these clusters are also linked to related supply industries and to economic input institutions. These 'value-chain' linkages are an integral feature of industry clusters: The better the value-chain linkages the stronger the cluster. With strong linkages, information can move more rapidly between customers, producers and suppliers; skilled labor can be attracted and shared; firms can react more quickly to market changes; and new technologies can be more rapidly incorporated. In turn, the clusters will be able to grow more rapidly and perform more competitively in the global economy.

Therefore, making a cluster deeper means adding more value locally—retaining wealth while reducing dependency on others. Broader clusters means that as clusters develop, they add new export market-serving segments, so that the economy is more robust or resilient in the face of global economic cycles, since one cluster segment may be doing well when another is not. Building and maintaining a strong cluster portfolio means that our County must enable each of these interdependent groups to maximize their innovation and efficiency so that they cause more enterprises to form, enable existing companies to expand, and attract new businesses into the County.

The research behind this report identified *six significant industry clusters* in Kern County. These are:

Value-Added Agriculture is the leading employment cluster with the bulk the State's agriculture operations concentrated throughout the San Joaquin Valley. The cluster builds on Kern's historic role as a leading center for crop production, particularly vegetables, nuts, citrus and cotton. The cluster also benefits from the food processing component, particularly carrot and tomato processing.

Transportation and Logistics is a fast growing industry with tremendous potential within Kern. This is a leading cluster and supports the competitiveness of the Energy and Natural Resources and Value-added Agriculture clusters through the use of warehousing and distribution services. Given Kern's location to the immediate north of Los Angeles County with California's two major north/south interstates running through the County and the only year-round pass over the Sierras in the San Joaquin Valley, it is a natural place for growth in Transportation and Logistics. Kern has become the location for major distribution centers.

Energy and Natural Resources is reframed from the Energy and Chemicals focus in the 2005 Strategy. Although there will remain a focus on moving into downstream activities such as additional chemicals and plastics manufacturing, there will also be a focus on developing seed activities in renewable energies (wind, solar, biomass, and geothermal) as well as ongoing support for the major petroleum extraction and refining activities. These are principally energy industries.

Aerospace and Defense remains a leading industry cluster for the County and particularly for East Kern where the economy of most communities is dependent on the strength of the aerospace and defense industries. The County has some of the best natural assets in the West for continued expansion in aerospace and defense. The 2005 Base Realignment and Closure (BRAC) process resulted in the decision to consolidate naval weapons and armament research, development and testing at the U.S. Naval Air Weapons Station at China Lake, resulting in a projected 1,400 new direct jobs. The potential for space tourism continues to be great, though other states are fiercely competing for this business.

Tourism, Recreation and Entertainment continues to suggest continued growth opportunities in both annual expenditures and employment. This includes the generation of tourism and visit activity from people traveling between major cities in Northern and Southern California as well as those from large metro areas in Southern California seeking a close weekend getaway destination. To enhance this potential, Kern County must continue current marketing activities and look for additional promotional opportunities.

Healthcare Services has been recast to reflect the vast array of services and networks in the County. Throughout the San Joaquin Valley, population growth has resulted in major increases in hospital and health care employment. In addition, the general growth in health care spending has served as the catalyst for the recent or planned expansion of several regional facilities.

Cluster Competitive Conditions				
Cluster	Employment	Concentration	Competitiveness	Leading Segment
Value-Added Agriculture	Large (54,000)	High Rising (8.8)	Established Mature Competitive Advantage	Support Activities Crop Production Food Manufacturing
Energy and Natural Resources	Medium (17,700)	High Rising (4.3)	Established Mature Competitive Advantage	Support Activities and Construction Oil and Gas Extraction Oil and Chemicals Manufacturing
Transportation and Logistics	Medium (13,200)	High Constant (1.3)	Established Competitive Advantage	Transportation Logistics Support Activities
Tourism, Recreation and Entertainment	Large (21,800)	Low Rising (0.65)	Potential for Becoming an Emerging Industry	Accommodation and Food Services Art, Entertainment and Recreation
Health Care Services	Medium (20,100)	Near One Falling (0.77)	Emerging Gaining Competitiveness	Ambulatory Health Care Services
Aerospace and Defense	Large (23,300)	High Rising (3.1)	Established Maintaining Competitiveness	Civilian Workers and Contractors Defense Department Personnel
Note: "Concentration" uses Location Quotient (LQ) which measures employment concentration. LQ is the ratio comparing an area's distribution of employment by industry with a reference area's distribution. The reference area is usually the United States. $LQ > 1$ indicates an industry with a greater share of the local area employment than the reference area. It suggests that the local economy has a competitive advantage in that industry over its nationwide counterpart.				

Strategy Goals

The Kern County Economic Strategy, as a cluster-based strategy, will have three overarching goals. These goals reflect a summary of the values and desires expressed by participants throughout this process. They are goals that the County should apply to all its decisions and that the County should use to judge its success.

Goal 1: Expand Jobs and Overall Prosperity

Kern County's high unemployment rate and low wages have been a historic challenge for the County. Any economic development strategy must strive to combat this through increasing the overall jobs throughout the County—particularly year-round employment in higher paying industries. This strategy proposes that growing the County's clusters is the best way to increase the overall number of jobs. This is for two reasons. First, cluster industries in Kern are growing more quickly relative to the overall economy. Second, when cluster industries grow, their employees increase the demand for a wide range of goods and services in the County, which results in overall job gains. This impact is called a "multiplier effect". In particular, the County should strengthen segments within the clusters with the greatest export potential. At the same time, the County should support the growth of its clusters into higher value-added activities, which in turn will result in higher wages for its workforce.

As the cluster industries grow, they will result in more jobs throughout the entire economy (through their multiplier impact) as employees in the clusters will require new goods and services. Finally, the County should forge greater linkages between Kern's colleges and clusters to help promote the development of local innovations and increase workforce skills and use of technologies. Developing strong linkages between the clusters and the local educational providers is essential for ensuring the flow of well-educated and trained people into the clusters.

Goal 2: Foster Inclusion and Increased Equity

Economic growth sometimes results in increasing the disparities within a community. Some call this the creation of the "hourglass economy" where there are increasing jobs at the top and bottom ends of the economy. It is easy to recognize that with a reduced middle class, many local institutions – from social services to education – are strained. A healthy economy provides opportunities for people at multiple ends and decreases these disparities. Part of reducing disparities involves including aspects of the community that have historically not participated as directly in the benefits of growth. Kern County today has many elements of disparity that must be reduced to strengthen the overall economy. Kern has high levels of poverty and unemployment while many local industries pay low wages.

As growth occurs, the County should ensure that existing residents have the skills to be able to secure jobs in the competitive clusters. The County should support industries with high quality jobs and solid wages that provide career ladder opportunities. Incentives should be targeted in such a way to benefit low and moderate income people and communities. Further, the County should encourage high adoption of technology among students and the workforce to ensure higher skilled and quality jobs come to and remain in Kern. Finally, the County should encourage greater collaboration between the public and private sectors to solve shared competitiveness challenges.

Goal 3: Promote Sustainability and High Quality of Life

Economic competitiveness is not simply a matter of job growth and opportunities. Competitiveness is also about ensuring that growth does not degrade the environment and quality of life. Sustainability here is understood to mean meeting the present needs of the population without compromising the ability of future generations to meet their needs. Kern County's current growth patterns are threatening this sustainability, both economically and environmentally. The needs of the present population are for good jobs, adequate and affordable housing, available and healthy food, safe neighborhoods, accessible open space and a high quality of life. Current population growth is leading to the loss of agricultural lands, which provide raw materials for some of Kern's most competitive industries while sprawling land uses are encroaching on industrial land and jobs, increasing congestion, worsening the air quality and destroying aspects of the open space that make Kern County a unique environment to live in.

In order to ensure that future generations are able to achieve all of these goals in Kern County, there is a need to begin applying principles of sustainability today. These principles apply to land use planning as well as to the kinds of industries that are encouraged throughout the County. Some of the specific goals should be to manage growth in a way that limits the conflict between housing and jobs, preserves farmland, maintains open space and improves the quality of life throughout the County. In doing so, the County will sustain the rural natural environment that is essential to both retain the people who are there and continue to attract people who are seeking an alternative to the urban environments elsewhere. Further, the County should encourage compact development, which makes efficient use of land and infrastructure as a way to save money and land. Finally, the County should encourage industries and firms to incorporate sustainable practices that result in reduced air/water pollution and overall environmental impact. These practices can include co-generation, use of renewable energies, co-location of suppliers and customers and locations in greater proximity to transit and the increase in non-automobile modes of transport.

Strategic Initiatives

The Kern County Economic Development Strategy is built around the idea that the public and private sectors must collaborate in a bottom-up, market-focused process to grow and sustain Kern's diversified economy. To implement the Kern County strategy, there are five strategic initiatives:

Flagship 1: Cluster Network Development Strategies

This strategy proposes that the County develop and maintain cluster networks for five cluster working groups (Value-Added Agriculture; Energy and Natural Resources; Transportation and Logistics; Aerospace and Defense; and Healthcare Services). These networks require a market-driven intermediary vehicle or organization that can serve as the home base and secretariat for cluster activities. Kern Economic Development Corporation (KEDC) is the lead organization charged with managing the cluster networks.

The management functions provided should go beyond simple logistical support to “*proactive management*” aimed at ensuring cluster networks remain active and strategic in their focus. It is the responsibility of the KEDC to make sure that the clusters retain vitality and cohesiveness. Specific activities include:

- Build and maintain countywide cluster networks
- Restructure the business expansion, attraction and retention program

Flagship 2: Human Resources and Skills Development

This flagship proposes that the Work Force Investment Board (WIB) and its staff agency Employers’ Training Resource (ETR) focus a portion of their workforce development efforts on the distinct needs of the County’s industry clusters. The flagship also proposes that all education and training providers throughout the County align their efforts with the needs of the industry clusters in order to foster greater expansion of skilled employment in the clusters. Specific activities include:

- Provide specific funding from WIB to support training for cluster occupations and skills
- Establish new training programs at Kern’s colleges and schools to support key skill needs among the clusters.
- Ensure that K-12 programs provide strong basis and various options for students

Flagship 3: Land Use and Infrastructure Planning

This flagship proposes that the County’s planning department become the lead entity in conducting comprehensive land use, transportation and basic infrastructure planning in a way that responds to the needs of the clusters by establishing an advisory group directly involved in the planning process and oversees major investment and land use decisions. This comprehensive approach to planning will take place in coordination with all other planning departments in the County.

- Conduct land use planning to be responsive to the short and long term needs of the clusters
- Support cost-effective infrastructure
- Ensure County support and access to clean energy technologies
- Target new transportation investments based on cluster needs

Flagship 4: Tourism Marketing and Branding Kern County

This flagship proposes that the Board of Trade or another countywide entity become the leading voice for tourism and tourism marketing by establishing a new countywide brand and working closely with the various local communities on their tourism and marketing strategies.

- Establish countywide tourism marketing and development entity to conduct tourism strategy coordination
- Develop County brand (develop branding tool kit and launch a marketing and branding initiative)

Flagship 5: Financing Entrepreneurship and Innovation

This flagship proposes that the Planning and Community Development Department and KEDC develop new programs that respond to the finance needs of Kern County's innovative entrepreneurs – whether in microenterprise or research and development intensive technology-based ventures.

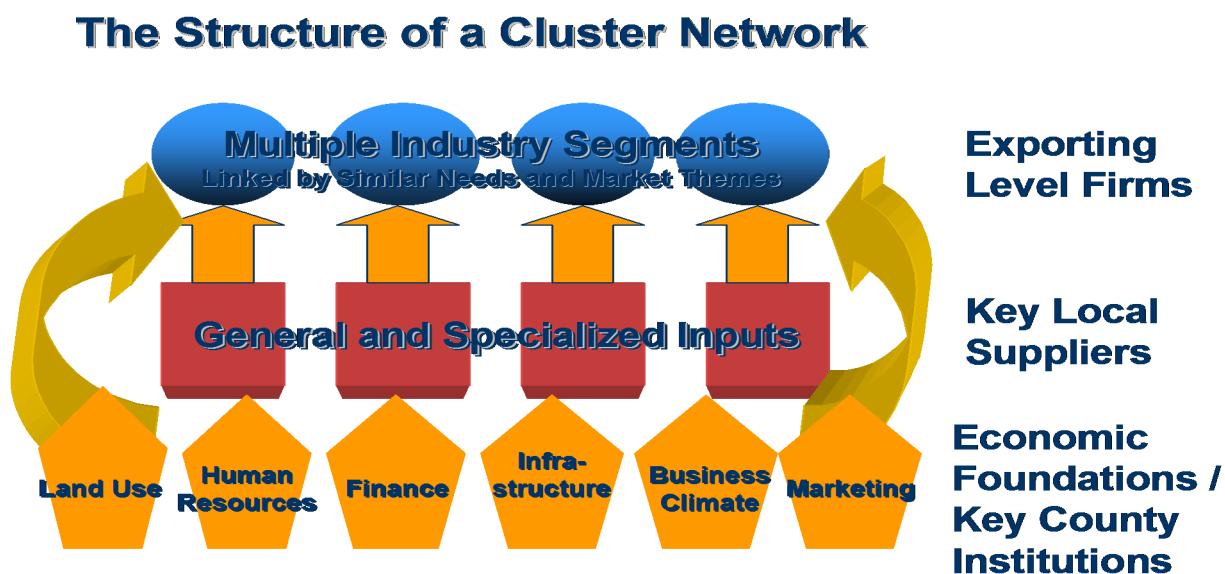
- Provide micro-enterprise funding for small scale start-ups in the clusters
- Provide security for large scale investments
- Develop access to high risk capital

Implementation

Flagships require commitment and structure to effectively pursue. Therefore, each Flagship has been assigned to a particular agency or entity willing to take a leadership role in ensuring that the Flagship is pursued. This agency/entity will coordinate the activities of the Flagship and then work to build a supporting team to develop and implement the Flagship. Leadership may include hosting, convening, and building collaborative teams and managing strategic decision-making.

The table on the following page depicts how each Flagship will report to a Strategy Stewardship group, which will ultimately report its progress to the Board of Supervisors and other cities that choose to adopt the county-wide strategy. Note in the diagram that the cities are to the right of the Board of Supervisors to designate that they can also receive reporting from the Stewardship group. However, because this is a countywide strategy, the Board is the ultimate body responsible for the implementation of the strategy's content.

Figure. The Structure of a Cluster Network



Organization of the Strategy: Flagships, Stewards and Responsibilities

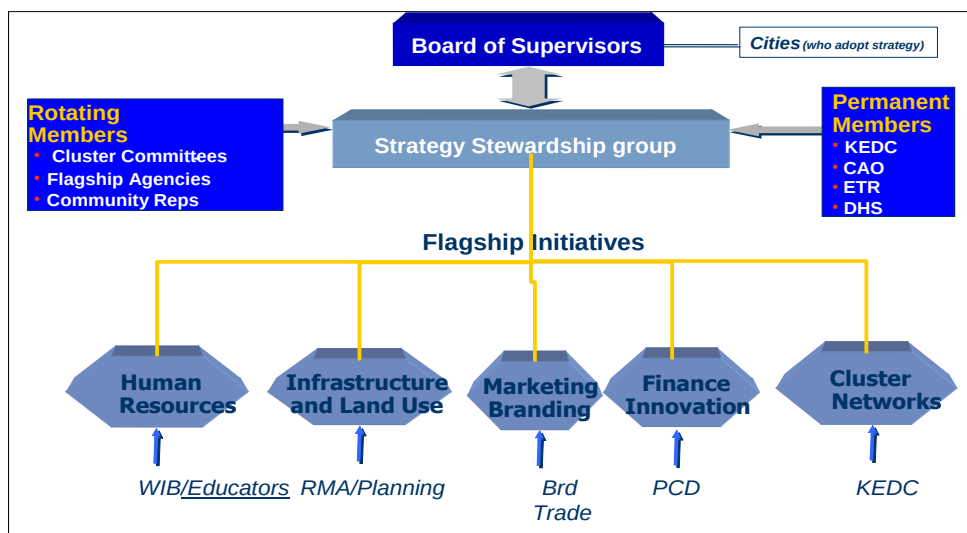
The following are descriptions for each of the agencies and their role in the overall strategy management:

Development Services Agency (DSA): The DSA provides leadership on two Flagships as well as the overall strategy. The key agency within the DSA is the County's Planning and Community Development Department. The specific DSA role is more of oversight while the agency within the DSA will be chiefly responsible for the specific initiatives.

Planning and Community Development Department (PCD): PCD functions as the main agency that oversees the entire strategy implementation while having the responsibility for the Financing, Entrepreneurship and Innovation Flagship and Infrastructure and Land Use and Infrastructure Planning flagship.

County Administrative Office: The Economic Development role for the County was recently reassigned to the County Administrative Office. Kern EDC will coordinate its flagship efforts accordingly with CAO staff.

Workforce Investment Board (WIB/Educators): The WIB is the chief entity responsible for workforce development in the economic strategy. The WIB's staff, Employers' Training Resource, manages the day-to-day work of the Human Resources and Skills Development Flagship at the behest of the WIB board. The WIB and ETR engage all other major educational providers in the County to participate in the review and redesign of training programs to more appropriately meet the needs of the clusters (such as California State University Bakersfield, community colleges, private universities and public junior high and high schools).



Kern Economic Development Corporation (KEDC): As the County's main economic development arm, and steward of the strategy, KEDC will be responsible for developing and managing the cluster networks and using those relationships to effectively shape its business expansion, attraction and retention programs.

Board of Trade: For the purposes of the implementation of the strategy, the Board of Trade's functions should be entirely focused on developing tourism and organizing a countywide branding strategy. The Board of Trade should identify personnel with expertise in tourism, branding and marketing as well as people with strong relationships throughout the County. It is essential for the tourism focus of Kern to align the

Conclusion

Each Flagship has different objectives and recommendations. However, it is expected that within the Flagship initiatives, the participants will apply the key goals of the overall economic strategy to their decision-making. This is meant to ensure that the County's economic development proceeds according to a series of collaboratively identified values and objectives. The following are suggestions for how decision-makers should review new policies or investments through implementing the strategy goals:

Goal 1: Expand Jobs and Overall Prosperity: How will this investment support the growth of Kern's economic engines, its industry clusters? Example: If the County is considering planning or additional funding for a road widening project, it should ask the question about which clusters will benefit and how. Will the project facilitate greater travel for commuters or exporters? What are the externalities caused by the road widening that may negatively impact a different cluster, such as tourism.

Goal 2: Foster Inclusion and Increased Equity: How will this activity or policy result in increasing the participation of Kern's Low-to-Moderate Income (LMI) population or increasing the diversity of the decision-makers? Example: If the County is proposing funding for a new community college program or community center in a particular part of the County, it should look at whether the action opens up new opportunities for low income people to participate in the economy or if there are better uses of these funds to foster equity. The County should also consider whether or not it is providing incentives for firms who also share the goal of fostering inclusion and equity, either through the level of employee remuneration or labor and employment practices.

Goal 3: Promote Sustainability and High Quality of Life: How are these decisions helping us preserve our agricultural heritage and open spaces while improving our air quality? Example: If there is a request for County approval to rezone 100 acres of farm land to allow for a housing subdivision or a warehouse, the County should consider the overall rate of farmland conversion or the location of the farm land being converted. Will the new use take away needed open space or valuable and still productive soil. Will the change irrevocably alter the landscape in such a way that will be displeasing to the area residents?

As growth continues in the County it is likely that there will be increasing friction between different interests, particularly related to land uses, air quality and public investments. Applying these goals to decision-making will require decision-makers to frame their investments from a broad economic perspective, which will ultimately benefit the County. The examples provided are only a few in the myriad examples likely to come before the County. The general goal will be to make the most of every opportunity and to expect the most for the County.

Annual Report

The following summarizes the status of active, non-active, and completed EDA projects, describes select economic development activities, and provides a comparison of select economic indicators.

East Kern Airport District (Mojave). Construction of water mains and reservoir to serve developable commercial/industrial parcels was completed. Two jobs were created during the period, and additional job creation is expected in the future.

Bakersfield Association for Retarded Citizens (east Bakersfield). Construction is underway for an industrial building to serve persons—predominantly those residents of east Bakersfield, with employment and training opportunities and for placement into private sector employment where circumstances allow. Completion of construction is expected in January 2010.

Minter Field Airport District/City of Shafter (Shafter). Proposed is construction of a sewer line (tie-in to regional wastewater facility) and closure/clearance of District's failing wastewater treatment facility (approximately 34 acres, zoned industrial) for site reuse. District and City submitted a joint application to EDA, and subsequent efforts to convince EDA to retain "closure/clearance of the wastewater treatment facility" in the overall project were unsuccessful. EDA proposed ready-to-go, federal stimulus dollars for construction of the sewer line alone, thus obviating the failing wastewater treatment facility; however, applicants were unable to come to terms on a project memorandum of understanding. EDA has declined this project.

Community Redevelopment Agency for the City of Delano (Delano). Proposed is construction of sewer, water, street, curb and gutter, and other utilities for a 130-acre industrial park. This project carries over from the prior-year CEDS. Lacking an EDA-required, prospective tenant, the City of Delano has requested removal of this project from the CEDS in favor of the Paseo Delano Project.

City of Taft Industrial Park (Taft). Proposed is construction of sewer, roads, and sidewalks for 24+ acre industrial park. This project carries over from the prior-year CEDS. Applicant has submitted an application to EDA for investment (grant) assistance.

Kern County Black Chamber of Commerce (east Bakersfield). Proposed is acquisition of land (site to be determined) and construction of a 10,000 SF building for business incubation and training facility. This project carries over from the prior-year CEDS. Lacking an EDA-required, project site and greater project detail, EDA has yet to consider whether it will recommend that an application be prepared for investment (grant) assistance.

Select Economic Development Activities

Kern Economic Development Corporation, on behalf of the Stewardship Group, commissioned “Monitoring Economic Development Strategy: Kern County, California, Fourth Annual Report,” an economic indicators report for 2008 (2004 is baseline year). From this report, “Economic Performance Indicators” and “Cluster Competitiveness Conditions” are excerpted and incorporated in the tables on the following pages under the heading Performance Measurement.

The 2005 round of Base Realignment and Closure (BRAC) resulted in the identification of net new missions (jobs) for Edwards Air Force Base/Air Force Flight Test Center and China Lake Naval Air Weapons Station with implementation to occur over a period of six years. This follows prior BRAC rounds that resulted in the loss of missions (jobs).

Kern Economic Development Corporation, through its newly created Kern Economic Development Foundation, received a \$7,500 grant from Chevron Corporation to fund a pilot program—Alliance of Women in Energy designed to encourage girls to consider careers in the energy industry. Program will promote innovation-centered education and increase economically disadvantaged female students’ achievements in science, technology, engineering, and math courses.

Edwards Community Alliance and East Kern Education Resources Network continues to promote and lobby for a four-year, polytechnic State college biased towards mathematics, science, engineering, and technology (computer science) that is being proposed for an eastern Kern County location in the Greater Antelope Valley (Los Angeles and Kern counties).

Bakersfield/Kern County Energy Watch continues to provide energy audits and, where appropriate, the installation of energy saving equipment 435 businesses benefited during the period of July 1, 2008 through June 30, 2009.

The city of Taft was provisionally approved as a California Enterprise Zone.

Municipalities and not-for-profit organizations throughout the county continue to actively recruit new businesses and encourage business expansions; business finance programs remain active and broadly available; and various economic incentives continue to be promoted to support and encourage private capital investment and job creation.

Organization	Title of Project	Project Description & Project Benefit	Proposed EDA Grant Amount	Matching Funds	Total Project Cost	EDA % of Total Cost	Jobs Created within 9 Yrs	EDA Funds per Job
Bakersfield ARC	Industrial Training Facility Project	Complete building construction and sorting equipment installation of Industrial Training Facility to allow the Material Recovery Program to keep pace with increasing demand for recyclable material sorting capacity.	\$1,250,000	\$1,470,000	\$2,720,000	46%	463	\$2,700
City of Delano	Delano Grapevine Infrastructure Project	Assist with off-site street improvements of Woollomes Avenue to provide ease of entry by consumers and employees of businesses at the commercial centers.	\$1,000,000	\$1,000,000	\$2,000,000	50%	617	\$1,621
City of Delano	Rail Line Spur Project	Assist with construction of 3 miles of rail line surrounding transfer and warehouse facility. Additional 3 miles of rail line will allow Railflex to efficiently move locomotives and cars to achieve successful delivery.	\$1,500,000	\$1,500,000	\$3,000,000	50%	150	\$10,000
City of Taft	Taft Airport Industrial Park	Infrastructure to support industrial park including roads, sewer, water, electric, sidewalk, and landscaping improvements.	\$1,500,000	\$1,500,000	\$3,000,000	50%	500	\$3,000
East Kern Airport District	Rail Service Improvements	Replace existing spur track and spur sidings with minimum 112 lb/3 ft. rail, construct new parallel siding/run around within the unload area.	\$750,000	\$750,000	\$1,500,000	50%	150	\$5,000
Kern County Black Chamber of Commerce	Office and Business Assistance Complex	Purchase and upgrade an office complex and establish operation of the Business Assistance Center. Center will provide assistance to entrepreneurs from conception to operations.	\$260,000	\$260,000	\$520,000	50%	156	\$1,667