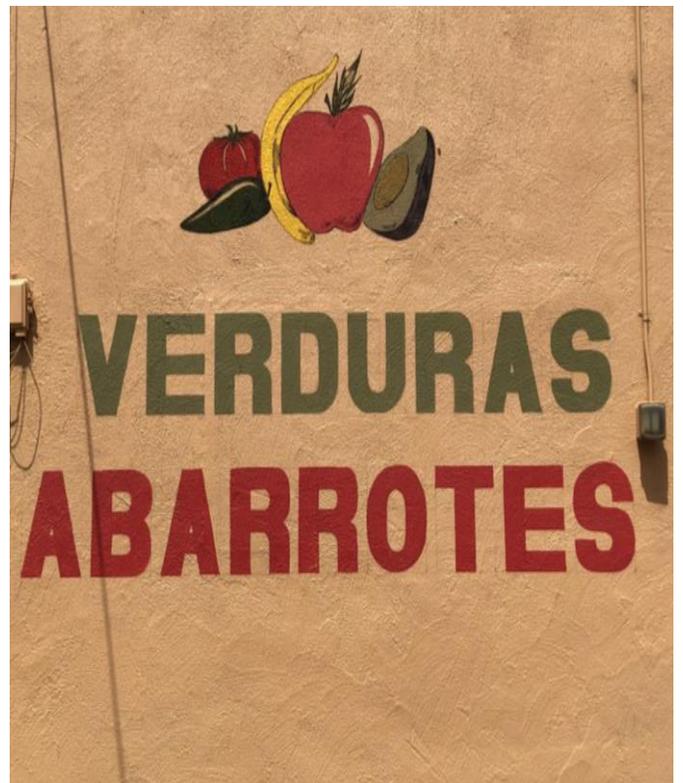




Economic Strategy

City of McFarland



City of McFarland – Economic Strategic Plan

Nicole Justine Brown

June 08, 2020

Prepared for the City of McFarland, CA as partial fulfillment of the requirement for CRP 556 Community Planning Lab III, Department of City & Regional Planning, California Polytechnic State University, San Luis Obispo, CA.

ACKNOWLEDGEMENTS

City of McFarland, CA

Manuel Cantu Jr., Mayor

City Council Members:

Stephen McFarland, Mayor Pro-Tem

Sally Gonzalez

Rafael Melendez

Maria T. Perez

California Polytechnic State University, San Luis Obispo, CA

College of Architecture and Environmental Design

City and Regional Planning Department

Dr. Michael Boswell, Department Head

Dr. Cornelius Nuworsoo, AICP, McFarland Studio Advisor

Dr. William Siembieda, Graduate Advisor

Cal Poly Graduate Studio Planning Team for the City of McFarland General Plan Update

Dan Canella

Eric Azriel

Nicole Brown

Graham Bultema

Sebastian Cardoza

Alistair Fortson

Liz Golden

Samantha Ihle

James Jimenez

Jade Kim

Troy Lawson

Brian McGinnis

Joshua Muller

Dylan Stafforini

Rebecca True

Professional Advisors

Maria Lara, Community Development Director, City of McFarland

Edith Ramirez, Economic Development Director, City of Morgan Hill

John Lang, Economic Development Manager, City of Morgan Hill

Paul Kermoyan, Community Development Director, City of Campbell

Keith Woodcock, Cal Poly Faculty, Cal Poly SLO

EXECUTIVE SUMMARY

The purpose of this Economic Strategic Plan is to provide City of McFarland with strategies to achieve its economic development goals that are set forth in the General Plan. This Economic Strategic Plan is informed by both the goals of the currently adopted General Plan, and also, emanates from the work done by Cal Poly's Graduate Studio.

The aim of this Economic Strategic Plan is to keep the momentum of reinvestment and growth in the City going strong and amplify the great economic footwork that the City has already done. McFarland's downtown core located on West Kern Ave., has seen a renaissance in the last few years after the opening of a new Rite-Aid, which, now serves to anchor the downtown and attract new investment.



Downtown McFarland 2012



Downtown McFarland 2020



Downtown McFarland 2020

Three Pillars

To achieve an ecosystem of reinvestment and growth three pillars were established in this Economic Strategic Plan. The three pillars of this Plan are: 1) Future Development, 2) Retention & Creation of Jobs, and 3) Talent.

Pillar 1: Future Development: contains actions items to guide infill development within the City and development within the City's proposed annexation area.

Pillar 2: Retention and Creation of Jobs: contains action items that focus on retaining existing business in the City and helping those businesses thrive and grow deep roots within the community.

Pillar 3: Talent: contains actions items to attract and retain dynamic companies through a talent pool that is ready and trained for high skilled dynamic work.

Key Assessments:

- A core economic goal of the current General Plan is to strategically annex new lands into the City for the purpose of industrial activities. This goal is addressed within this Economic Strategic Plan by action items to form, zone, and market the proposed annexation area to developers and industrial business. (Pillar 1)
- The General Plan recently completed by Cal Poly's Graduate studio calls for compact development that maximizes the use of land within the City limits. The Economic Strategic Plan addresses this goal by identifying all vacant parcels in City and creates economic development action items with the intention of boosting the desirability to develop these lands into mixed-uses through the activation of East and West Kern Ave. by action items that utilize the community core to its fullest extent. (Pillar 2)
- There has been a steady rise in high school graduation rates but there is still a gap from those high school graduates going onto college, key action items in this Plan create linkages from the early college program to the business community in order for students to have a pipeline to opportunities in high skilled sectors in the region. (Pillar 3)

TABLE OF CONTENTS

Acknowledgements.....	3
Executive Summary.....	4
1 INTRODUCTION.....	1
1.1 Purpose.....	1
1.2 County Economic Development Strategies.....	1
1.3 Process to Create Strategic Plan’s Pillars	2
1.4 Public Engagement.....	2
2 EXISTING CONDITIONS.....	3
2.1 Residential Area	4
2.2 Commercial Area.....	6
2.3 Industrial Area	8
2.4 Vacant Land.....	10
2.5 SOI and Annexation.....	12
3 DEMOGRAPHIC & ECONOMIC INFORMATION.....	14
3.1 Population	15
3.2 Household Size	16
3.3 Age.....	17
3.4 Education Levels.....	17
3.5 Employment	19
3.6 Location Quotient	21
3.7 Income.....	22
3.8 Discretionary Spending	22
3.9 Commuting Patterns	23
3.10 Sales Tax Analysis	24
3.11 Real Estate Analysis.....	25
4 ECONOMIC DEVELOPMENT APPROACH	26
4.1 SWOT Analysis.....	27
4.2 Matrix & Implementation	29
REFERENCES.....	32
APPENDIX 1- Thought Leader Questionnaire	33
APPENDIX 2- Cal Poly Graduate Studio Zoning Map	34

FIGURES

Figure 3.4.1 Education Level (City vs. City)	18
Figure 3.4.2 Education level (McFarland)	19
Figure 3.5.1 Employment by industry	20
Figure 3.7.1 Income distribution	22
Figure 3.9.1 Commuter destination	24
Figure 3.11.1 Median Home Value	25

TABLES

Table 2.1.1 Residential land use breakdown by parcel and acreage	4
Table 2.2.1 Commercial land use distribution	6
Table 3.1.1: Historic Population	15
Table 3.1.2: Projected Population	15
Table 3.2.1: Historic Household Size	16
Table 3.2.2: Projected Household Size	16
Table 3.3.1: Historic Median Age	17
Table 3.5.1: Employment by Industry	20
Table 3.6.1: LQ by Employment Sector	21
Table 3.8.1: Discretionary Spending	23
Table 3.10.1: Taxable Transactions by Jurisdiction	24

MAPS

Map 1.4.1: McFarland Land Use Map - 2019	3
Map 2.1.1: Distribution of Residential Land Uses in McFarland, CA - 2020	5
Map 2.2.1: Distribution of Commercial Land Uses in McFarland, CA - 2020	7
Map 2.3.1: Distribution of industrial land uses in McFarland, CA - 2020	9
Map 2.4.1: Distribution of Vacant Land Uses in McFarland, CA - 2020	11
Map 2.5.1: SOI & Whisler Annexation, McFarland, CA - 2020	13

1 INTRODUCTION

1.1 PURPOSE

The purpose of this Economic Strategic Plan is to provide the City of McFarland with strategies to help the City achieve its economic development goals identified in the General Plan. The current General Plan was adopted in 1991 and was meant to serve as the guiding General Plan document up to 2011.

A key economic goal found in the Land Use Element of the 2011 General Plan is to “encourage development of light industry in area to make the community self-sufficient economically by 2011”. Under that objective, policy was created to seek out and actively recruit appropriate industry, this policy was followed by two implementation measures: implementation 1) provide an environment conducive to economic growth in suitable parts of McFarland and implementation 2) rezone and/or annex areas suitable for industrial development.

This Economic Strategic Plan also emanates from work done in by Cal Poly’s Graduate Studio which included a General Plan Update Background Report and General Plan Update Draft General Plan. The main economic goals of these documents are to create a resilient local economy; an appealing place to live and work; and a business-friendly and business ready environment. A core objective in this General Plan is to create a dynamic and compact city by aggressively identifying and utilizing infill spaces. The zoning map created by Cal Poly’s Graduate Studio can be seen in appendix 2.

1.2 COUNTY ECONOMIC DEVELOPMENT STRATEGIES

The county that McFarland is located within, Kern County, adopted a County Comprehensive Economic Development Strategy (CEDS) in 2010, and was last updated in 2013. The CEDS was created in order for the County to be eligible to complete for grant funds through the U.S Department of Commerce Economic Development Administration (EDA). The CEDS uses a cluster based economic development approach and the clusters are established as groups of related businesses.

CEDS identified seven significant industry clusters in Kern County, these are:

- Value-Added Agriculture; such as food processing work, particularly carrot and tomato processing.
- Transportation, Logistics, and Warehousing; boasting major distribution centers for IKEA, Target and Sears.

- Energy and Chemicals; such as wind, solar, biomass and geothermal energy.
- Aerospace and Defense; leading business cluster in County due to presence of air force bases.
- Business and Professional Services; an emerging cluster building on the location of key insurance and financial services assisting the San Joaquin Valley.
- Tourism, Recreation and Entertainment; also an emerging cluster and is focused in retiree entertainment markets.

Kern County's CEDS aim is to strengthen its seven industry clusters in order to create value chain linkages within the community and across California, the United States, and the world.

1.3 PROCESS TO CREATE STRATEGIC PLAN'S PILLARS

The process to develop the three pillars within the Economic Strategic Plan included a demographic and economic analysis of McFarland's community; a review of local economic development strategies including the City of Bakersfield's Economic Opportunity Areas report and the City of Delano's Strategic Economic Development Plan; meetings with City Staff; and gathering feedback from the City's Thought Leaders, or, those identified as top employers or tax generators within McFarland.

1.4 PUBLIC ENGAGEMENT

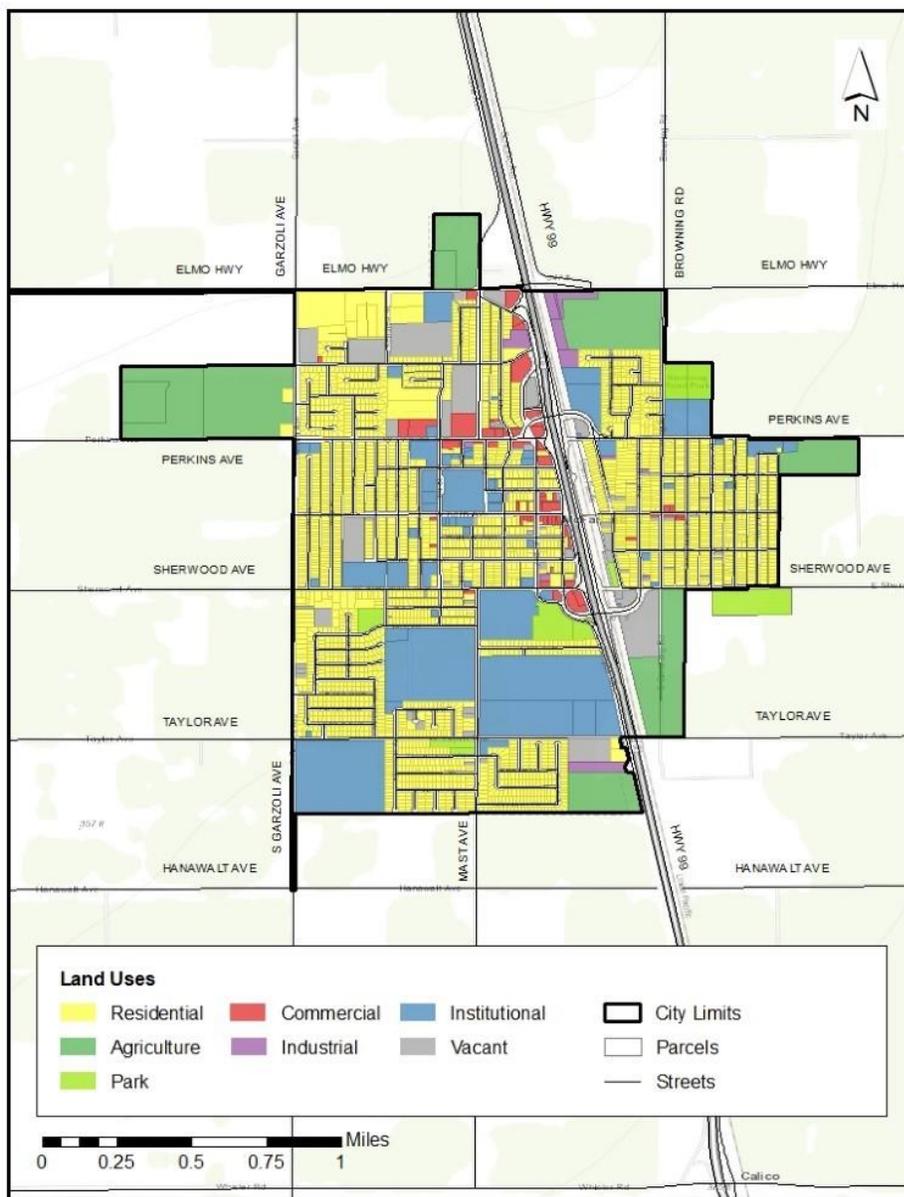
Community input on McFarland's Economic Development Element was gathered during four public meetings held during the General Plan Update process which took place from 2019 to 2020. Within the second community meeting participants were asked a series of economic development questions on how they would like to see future development prioritized in McFarland. When asked what types of industry they would like to attract to the City, the majority of responses cited "distribution centers". When asked what types of retail they would like to see, the majority response was "food services". When asked what types of restaurants they would like to see in the City, the majority response was tied with responses citing a desire for "fast casual" and for "family/sit down" restaurants.

Additionally, a survey was created and feedback was solicited from a special group identified as Thought Leaders, which were identified as top employers and sales tax generators in the City. Thought Leader feedback was utilized to sharpen the strategies identified within the three pillars. Their feedback was key in helping identify key ideas to prioritize and insightful on narrowing down core ideas. The survey sample can be seen in appendix 1.

2 EXISTING CONDITIONS

The City of McFarland is located approximately 25 miles north of Bakersfield and approximately seven miles south of Delano. The City is bisected by State Highway 99 which creates two distinct sections: East and West McFarland. The eastside of McFarland is largely residential with some neighborhood serving commercial long East Kern Avenue. The westside hosts the City's main commercial corridors along West Perkins Ave and West Kern Ave., City Hall, and the majority of institutional services (such as schools, the library, and police department).

Map 1.4.1: McFarland Land Use Map



Source: Cal Poly Graduate Studio's 2019 Land Use Inventory

2.1 RESIDENTIAL AREA

The most predominant residential housing type in McFarland is single family homes. This housing type comprises 95 percent or 455.15 acres of residential land in the City, where the remaining 5 percent or 25.50 acres of residential land is comprised of apartment complexes. Residential neighborhoods are present in both- East and West sides of the City. However, most of the apartment complexes and mixed-use dwellings are found in the Central Business District on the westside of the City. Residents in McFarland are primarily homeowners; 58 percent of housing units are owner occupied. This is a strength to the City; homeowners are more likely to be involved and contribute to the long-term success of their community.

Table 2.1.1 Residential land use breakdown by parcel and acreage, 2019				
Residential Land Use	Parcels	Acreage	Percent of Residential Acreage	Percent of Residential Parcels
Single Family	2,611	455.15	95%	99%
Apartment	25	25.50	5%	1%
Mobile Home	3	0.59	<1%	<1%
Total	2,639	481.24	100%	100%

Source: Cal Poly Graduate Studio's 2019 Land Use Inventory

Recently adopted ordinance NO. 001-2020, creates a commercial residential mixed use (CRMU) zoning district which allows for a blend of commercial, retail, office, and residential uses to establish in existing commercial districts (CO and C-1). The new ordinance will allow for densification in commercial nodes of the City including the areas along East and West Kern Ave., West Perkins Ave. and West Sherwood Ave. Additionally, these commercial nodes will offer a mixed-use typology of housing that is currently not abundant in McFarland, which permits mixed-use buildings to have neighborhood serving retail and services uses on the lower floors and residential units on the upper floors of new development.

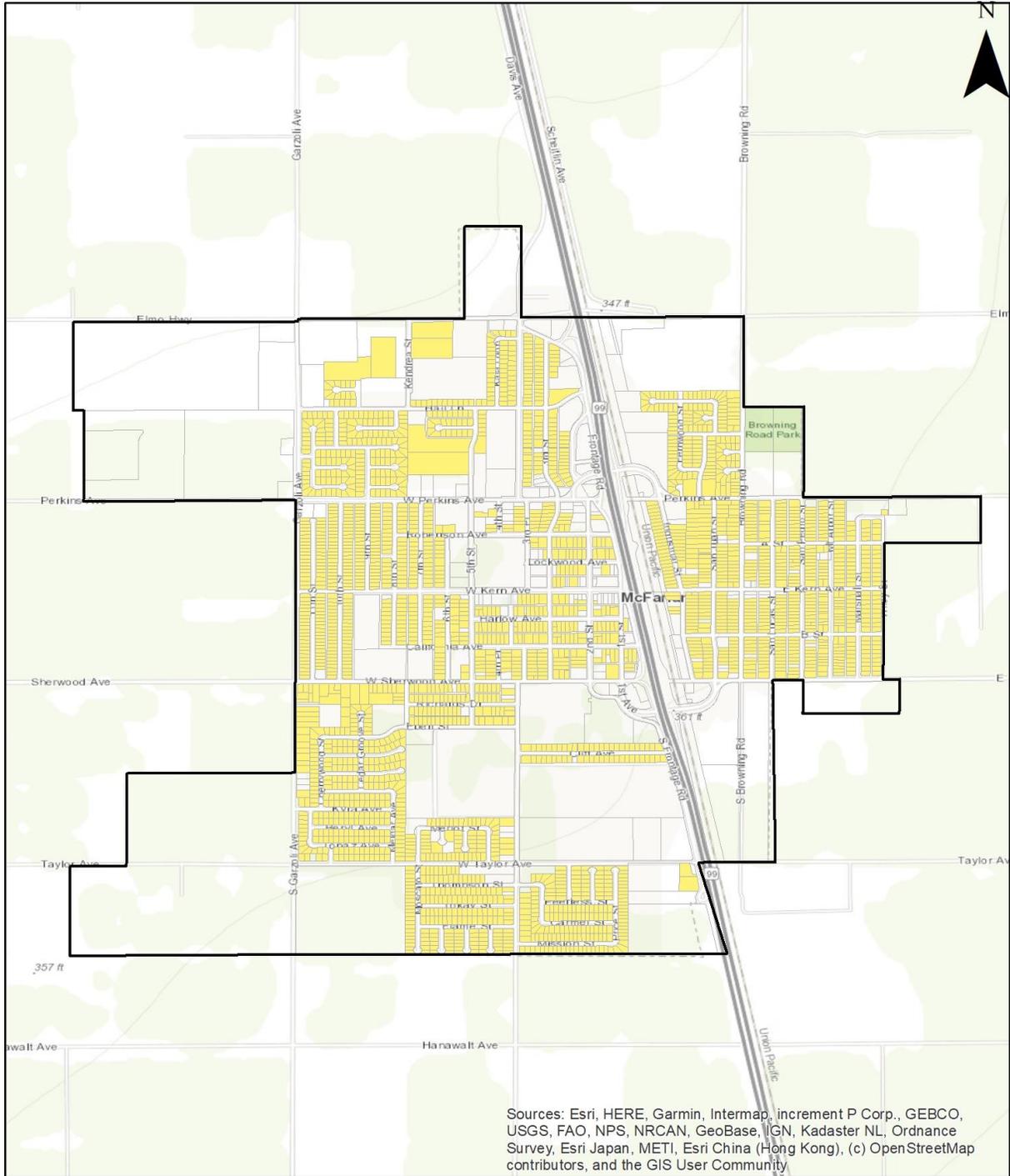


Example of Single-Family Home in McFarland, CA



Example Mixed Use Building in Saratoga, CA

Map 2.1.1: Distribution of Residential Land Uses in McFarland, CA - 2020



Legend

- City of McFarland Boundary
- Residential



2.2 COMMERCIAL AREA

Commercial land uses include office, retail, and service uses (such as hair salons). According to the Cal Poly Graduate Program’s 2019 Land Use Inventory, the City has a total of 25.87 acres of commercial property, with service comprising 64 percent or 16.46 acres, retail comprising 35 percent or 9.03 acres, and office comprising 1 percent or 0.38 acres. The majority of these commercial uses are located on the westside of the City along West Perkins and West Kern Avenues.

Land Use	Acreage	Percent of Commercial
Office	0.38	1%
Retail	9.03	35%
Service	16.46	64%
Total	25.87	100%

Source: Cal Poly Graduate Studio’s 2019 Land Use Inventory

Commercial opportunities in McFarland have increased with the passage of ordinance NO. 003-2019, which establishes a highway commercial (CH) zoning district to guide development along highway 99 and is designed to accommodate business and retail uses that provide merchandise and services desired by motorists traveling on the highway. This new zoning district will be advantageous as the City establishes its new annexation area shown in map 2.5.1.

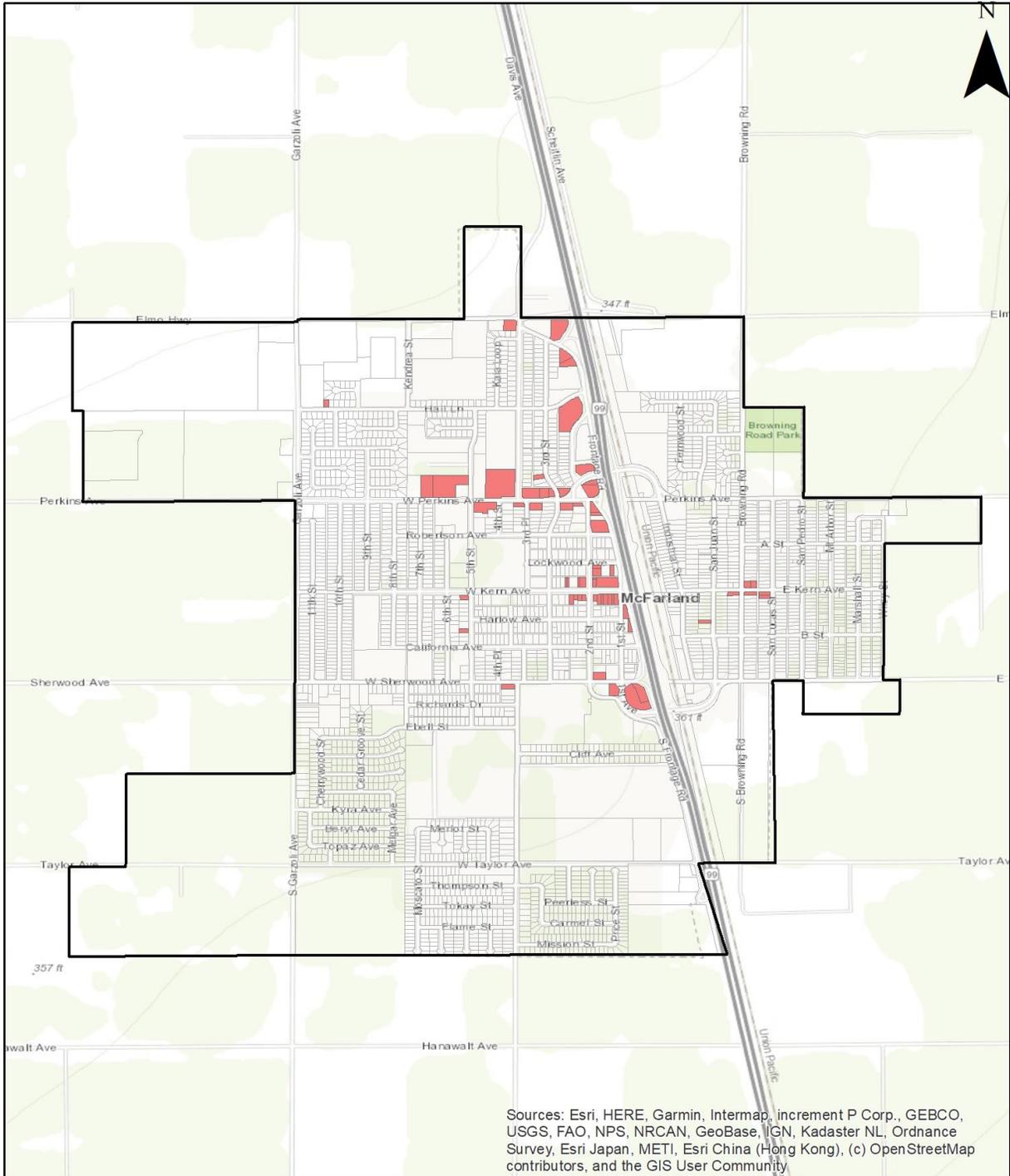


Downtown Businesses on West Kern Ave. in McFarland, CA



Example of Freeway Commercial in Morgan Hill, CA

Map 2.2.1: Distribution of Commercial Land Uses in McFarland, CA - 2020



Legend

- City of McFarland Boundary
- Commercial

0 0.25 0.5 Miles

2.3 INDUSTRIAL AREA

Industrial land uses in McFarland are comprised of agricultural industries and agriculture related services. According to the Cal Poly Graduate Program’s 2019 Land Use Inventory, the City has a total of 15.48 acres designated as industrial property, which comprises 1 percent of the land in the City. The majority of agricultural industries are located just outside of the City’s limits, and, therefore, are not included in the City’s Land Use Inventory.

The leading agricultural crops surrounding the City are cotton, sugar beets, potatoes, and roses. There is also a citrus processing plant and an almond hulling facility just outside the City boundary. An abundance of private label wineries and cold storage facilities also exist in the McFarland/Delano/Wasco area.

The current General Plan (2011) calls to encourage the development of light industry in area to make the community self-sufficient economically by 2011. Under that objective, policy was created to seek out and actively recruit appropriate industry; under this policy is an implementation measure to rezone and/or annex areas suitable for industrial development. With the annexation highlighted in map 2.5.1, this implementation measure can be achievable by harnessing this annexation area off of highway 99 and zoning the lands for industrial uses.

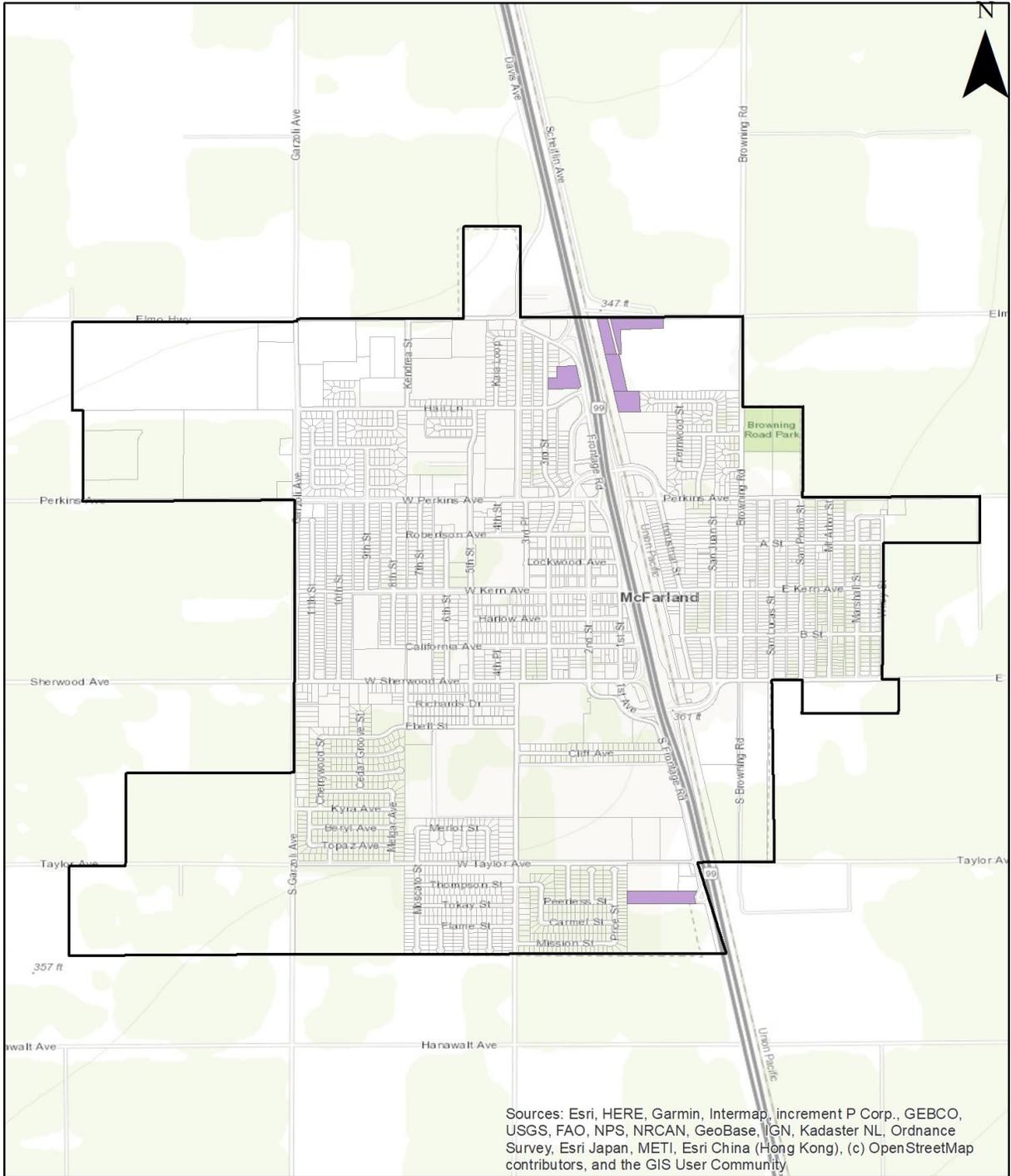


Greenfield Hay Sales, just outside McFarland, CA



Georgia Pacific, just outside McFarland, CA

Map 2.3.1: Distribution of industrial land uses in McFarland, CA - 2020



Legend

-  City of McFarland Boundary
-  Industrial

0 0.25 0.5 Miles

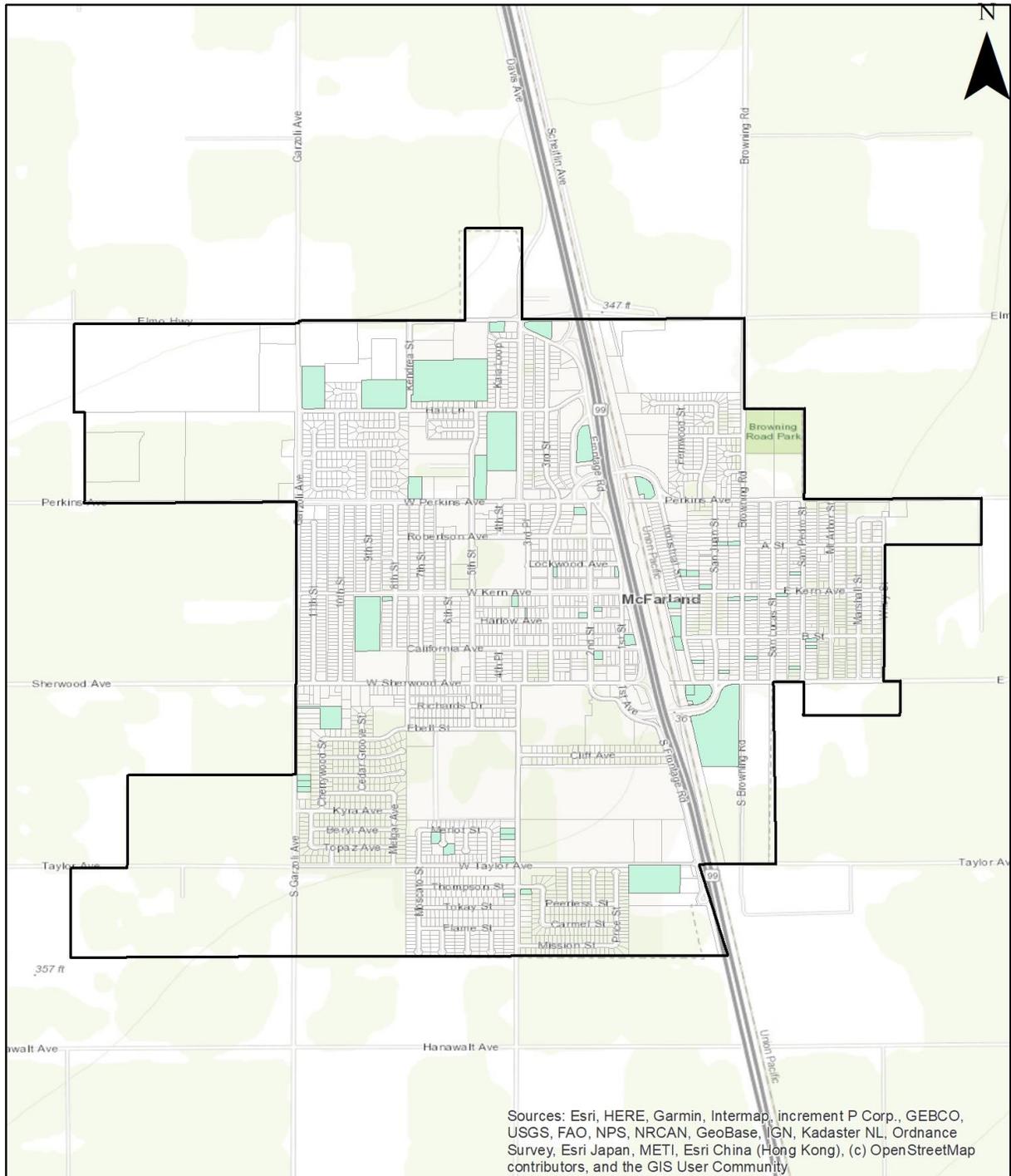
2.4 VACANT LAND

There is currently 74.23 acres of vacant land in the City, accounting for 6 percent of the total land area in the City. As far as community aspirations for future development, public comments collected from Cal Poly’s Graduate Studio identified a desire for commercial and mixed-use development with community spaces. Residents stated that limited opportunities in McFarland lend them and their families to driving out of town to access restaurants; “big box” stores and other retail; and for employment.



Vacant land available for sale off Elmo Hwy, McFarland, CA

Map 2.4.1: Distribution of Vacant Land Uses in McFarland, CA - 2020



Legend

-  City of McFarland Boundary
-  Vacant Parcels

0 0.25 0.5 Miles

2.5 SOI AND ANNEXATION

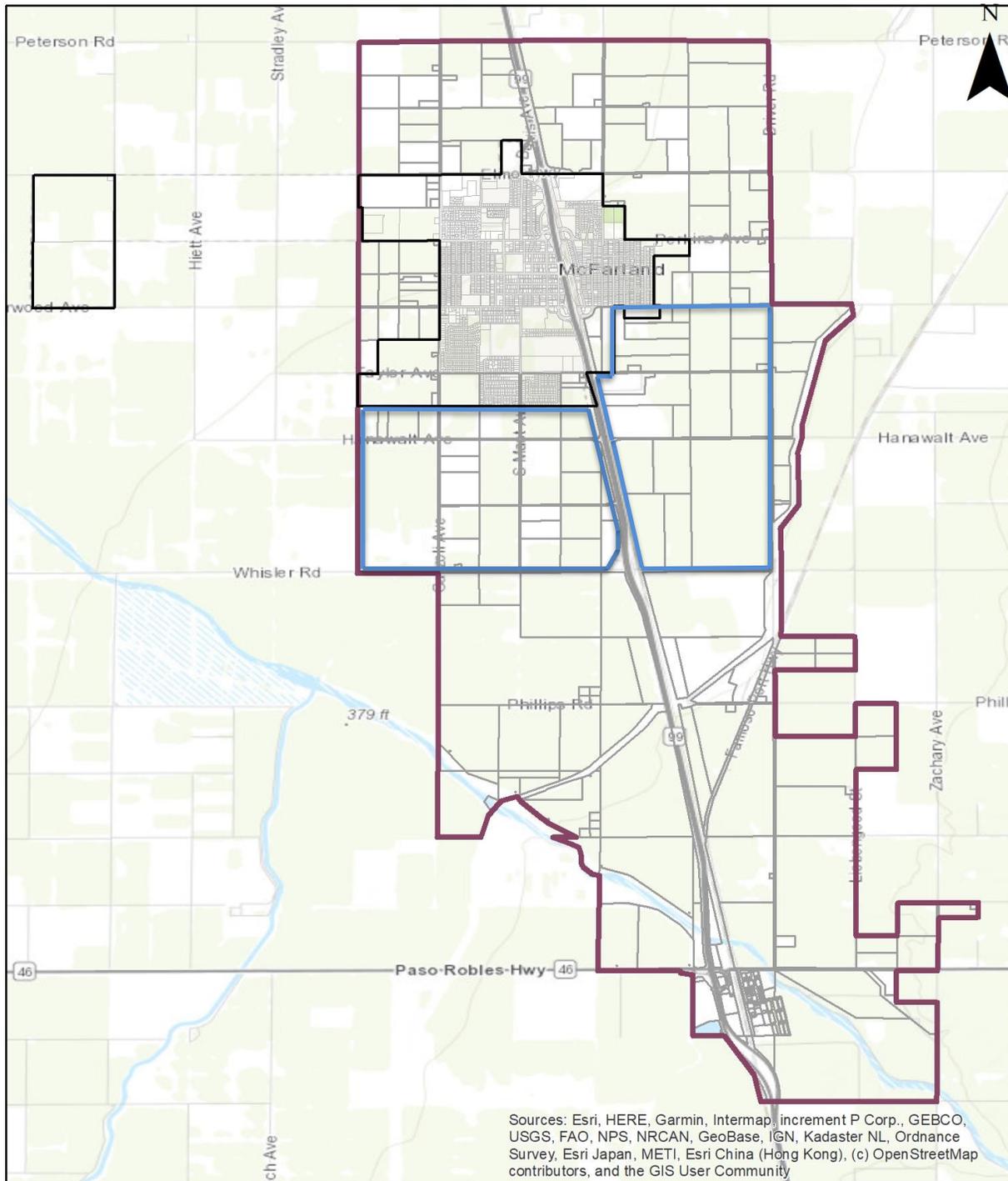
Sphere of Influence (SOI) is defined as a planning boundary outside of any agency's legal boundary or city limit, which designates the agency's probable future boundary and service area. The SOI boundary must be approved by the Local Agency Formation Commission (LAFCo), which is an independent agency with jurisdiction over cities and sole purpose is to promote orderly growth; discourage urban sprawl; and preserve open space and prime farmlands. McFarland's SOI extends North to Peterson Rd. and South along Highway 99 to Jackson Ave., the total boundary can be seen in map 2.5.1.

An annexation is the process by which an agency uses to expand its boundaries into adjacent areas not already incorporated into a city. McFarland is in the process of annexing an area of approximately 3.30 square miles (or 2,091.85 acres) within its SOI, the boundary begins at East Sherwood Ave. and extends down to Whisler Rd., the boundary can be seen on map 2.5.1. This annexation will provide McFarland with more presence along Highway 99, including the Whisler Rd. freeway interchange.

Key opportunities in this annexation area:

- 1) Utilize new highway commercial (CH) zoning in a linear fashion along highway 99 and employ the Whisler Rd. freeway off ramp as key location for highway commercial serving uses.
- 2) Utilize lands not directly off the highway as industrial zones, which can serve to provide more land for industrial development in the City.

Map 2.5.1: SOI & Whisler Annexation, McFarland, CA - 2020



Legend

-  City of McFarland Boundary
-  Proposed Sphere of Influence
-  Tentative Annexation to Whisler Rd.

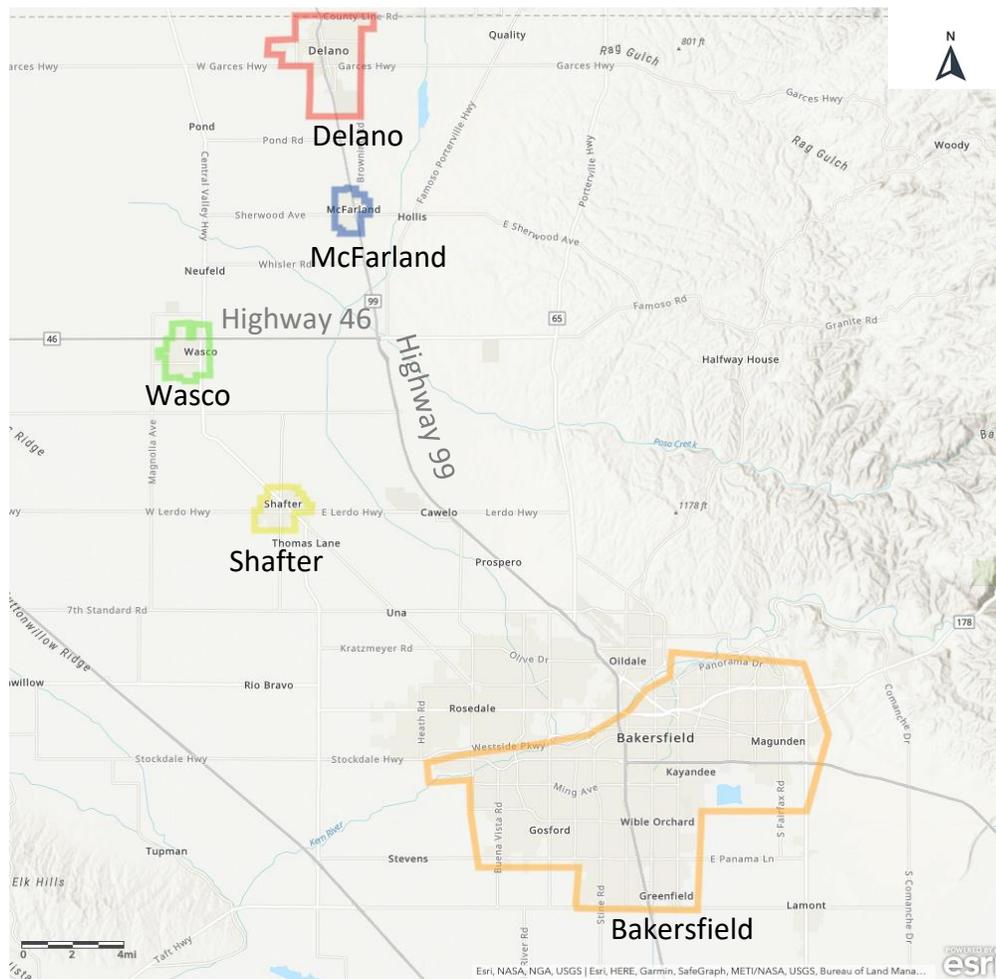
0 1 2 Miles

3 DEMOGRAPHIC & ECONOMIC INFORMATION

This section outlines trends in population, employment, income, and commuting as a way of gaining insight into potential market demand in McFarland. These insights serve to provide an understanding of development potential.

Demographics provide an insight into residents’ spending capacity and age-related spending trends, demand for goods, services and housing preferences, competitive advantage in attracting business, healthcare and education needs, and the most significant industries. Sources used in this section include the Department of Finance, Kern Council of Governments, and Cal Poly SLO’s Graduate Studio, among others.

A cluster of cities surrounding McFarland was selected to establish the economic performance of McFarland within its local context. The cluster cities were chosen to represent the overall area within which business operations in a similar size, location, and transportation context. The cities identified are McFarland, Shafter, Wasco, Delano, and Bakersfield. Data from Kern County at large will also be utilized as a benchmark. The economic analysis will characterize the City within the greater Bakersfield metropolitan area.



3.1 POPULATION

Population and age distribution provide a snapshot of McFarland’s market size and the types of land uses that residents prefer and can support. Age and associated stage in the life cycle impact housing choices and demand for certain goods and services.

From 2000 to 2020, McFarland’s population grew from just under 10,000 people to just under 15,000 people, a 67 percent increase in 20 years. Over the same period, neighboring cities Shafter, Wasco, Delano, and Bakersfield grew at a rate of 62.28 percent, 73.61 percent, 74.48 percent, and 62.90 percent, respectively. As a whole, Kern County grew from just under 700 thousand people to just under one million, representing a 68.81 percent increase.

Table 3.1.1: Historic Population McFarland vs. Shafter vs. Wasco vs. Delano vs. Bakersfield vs. Kern County (2000-2020)					
	2000	2005	2010	2015	2020
McFarland	9,835	11,616	12,707	14,064	14,388
Shafter	12,731	14,450	16,917	17,867	20,441
Wasco	21,263	23,666	25,533	26,180	28,884
Delano	39,499	44,353	53,110	52,016	53,032
Bakersfield	247,057	299,363	347,483	370,701	392,756
Kern County	661,653	753,863	839,631	874,264	961,556

Source: California Department of Finance: 2000-2020

Projections estimate that McFarland will have a population of just under 24,000 in 2040, or an increase of 60.73 percent from 2020 (Graduate and Community Planning Program 2019). Likewise, the Kern Council of Governments (KernCOG) estimates that Kern County will have a population just over 1.3 million in 2040, or an increase of 26.55 percent from 2020.

Table 3.1.2: Projected Population City of McFarland vs. Kern County (2000-2040)							
	2000	2005	2010	2015	2020	2030	2040
McFarland	9,835	11,616	12,707	14,064	14,388	18,770	23,690
Kern County	661,653	753,863	839,631	874,264	961,556	1,135,257	1,308,958

Source: California Department of Finance: 2000-2020

*Kern Council of Governments: 2000-2040 Long Range Demographics Forecast
McFarland Population Projections: 2030-2040 City of McFarland and Community and Regional Planning Program 2019*

3.2 HOUSEHOLD SIZE

Household size provides insight into local housing needs and preferences. The housing cycle typically ranges from more affordable, smaller units (trending towards younger populations that are in their first jobs or young families), to larger units (more room for larger families), then to a return to smaller units once children have left the family home.

From 2000 to 2020, McFarland’s household size rose slightly from 4.30 persons per household to 4.51, household size grew 4.65 percent. Over the same period, households in the neighboring cities of Shafter, Wasco, Delano, and Bakersfield’s household size also grew at 6.83 percent, 3.86 percent, 4.15 percent, and 7.75 percent, respectfully.

Table 3.2.1: Historic Household Size McFarland vs. Shafter vs. Wasco vs. Delano vs. Bakersfield vs. Kern County (2000-2020)					
	2000	2005	2010	2015	2020
McFarland	4.30	4.41	4.44	4.48	4.51
Shafter	3.67	3.82	3.86	3.91	3.94
Wasco	3.79	3.87	3.86	3.92	3.94
Delano	4.02	4.11	4.11	4.16	4.19
Bakersfield	2.92	3.05	3.10	3.14	3.16
Kern County	3.03	3.21	3.15	3.19	3.24

Source: California Department of Finance: 2000-2020

Cal Poly’s Graduate Studio’s projections estimate that household size in McFarland will decrease to 3.26 persons by 2040, while KernCOG estimates that the County will see household size increase to 3.34 by 2040. Forecasts of a declining household size may indicate smaller family units living in McFarland as compared to the County in the future.

Table 3.2.2: Projected Household Size City of McFarland vs. Kern County (2000-2040)							
	2000	2005	2010	2015	2020	2030	2040
McFarland	4.30	4.41	4.44	4.48	4.51	3.63	3.26
Kern County	3.03	3.21	3.15	3.19	3.24	3.30	3.34

Source: California Department of Finance: 2000-2020

*Kern Council of Governments: 2000-2040 Long Range Demographics Forecast
McFarland Household Projections: 2030-2040 Cal Poly Graduate Class 2019*

3.3 AGE

The age composition of a community informs expected spending behavior of residents and serves to provide insight on demand for service type jobs, and a profile of the labor pool.

Median age in McFarland is relatively young and estimated to be 25.90 in 2020, an increase of 0.5 from the 2000 median age of 25.40. In neighboring cities of Shafter, Wasco, Delano, and Bakersfield, all exhibited a median age increases from 2000 to 2020 at rates of 0.40, 0.20, 2.20, and 1.40 respectively. At the county level, median age increased 1.40 years from 30.60 in 2000 to 32.00 in 2020. The trend of an aging population within McFarland, neighboring cities, and Kern County is emblematic of broader trends observed statewide.

	2000	2010	2020
McFarland	25.4	25.5	25.9
Shafter	26.3	25.4	26.7
Wasco	29.3	27.7	29.5
Delano	27.9	29.5	30.1
Bakersfield	30.1	29.4	31.6
Kern County	30.6	30.9	32.0

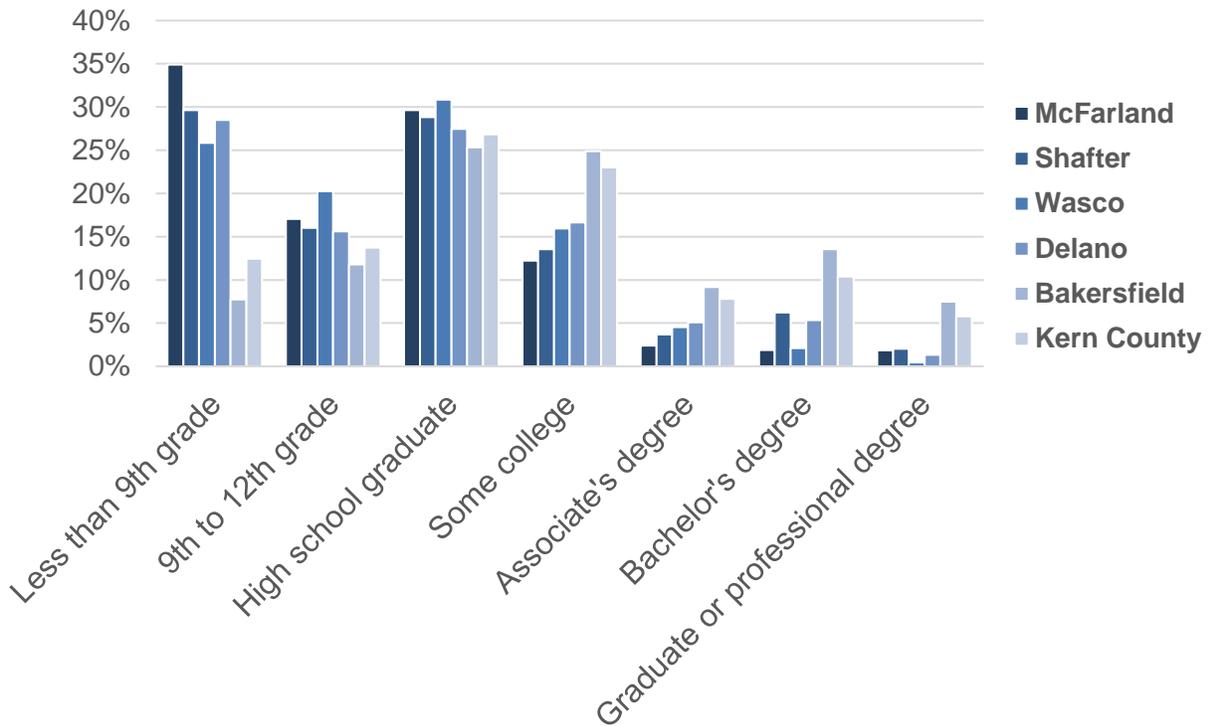
Source: U.S. Census Bureau: 2000-2020, American Community Survey 1-Year Estimates

3.4 EDUCATION LEVELS

Like income, educational attainment levels are an indicator of consumer preference and behavior, it can serve as a factor to industries looking to locate in certain areas as well as retailer’s location decisions.

As shown in figure 3.4.1, McFarland has a high share of its adult population, 25 years and over, with “less than a 9th grade” education at 35 percent. McFarland also exhibits a high share of population with a “9th to 12th grade” education at 17 percent. Combining these two categories “less than 9th grade” and “9th to 12th grade” education levels, suggests that 52 percent of McFarland’s adult population does not have a high school degree or equivalency.

Figure 3.4.1 Education Level (2018)



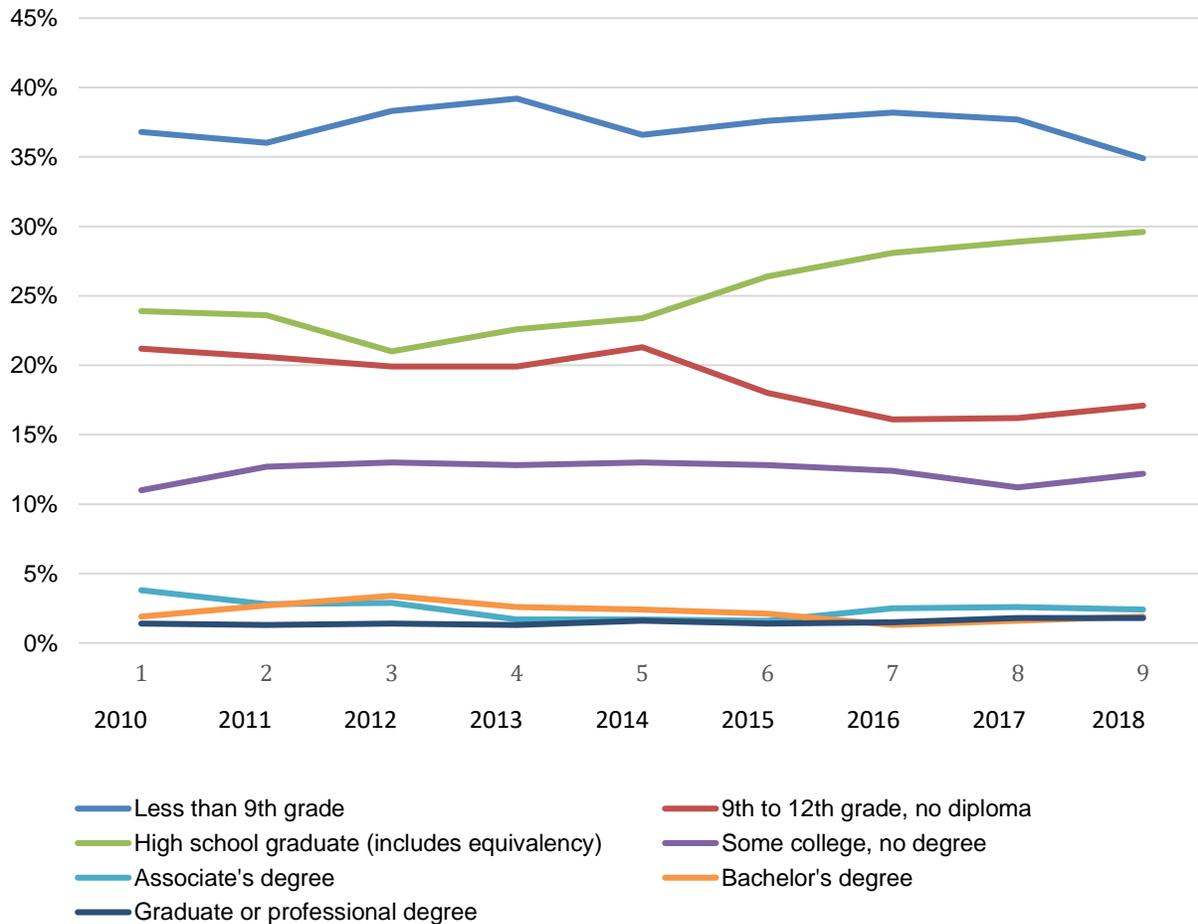
McFarland sees relatively low high school completion rates. Comparing the two categories “less than 9th grade” and “9th to 12th grade” against the rates of the cities chosen in the cluster, the data shown in table 3.4.2, reveals that the cluster cities also exhibit high rates of high school degree non-attainment in their respective populations with Shafter at 46 percent, Wasco at 46 percent, Delano 44 percent, Bakersfield at 20 percent, and Kern County as a whole at 26 percent.

EDUCATION	McFarland	Shafter	Wasco	Delano	Bakersfield	Kern County
Population 25 years and over	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Less than 9th grade	34.91%	29.63%	25.85%	28.52%	7.75%	12.45%
9th to 12th grade, no diploma	17.07%	16.01%	20.25%	15.62%	11.80%	13.75%
High school graduate	29.63%	28.84%	30.87%	27.45%	25.33%	26.83%
Some college, no degree	12.24%	13.57%	15.96%	16.65%	24.91%	23.01%
Associate degree	2.42%	3.68%	4.52%	5.09%	9.16%	7.80%
Bachelor's degree	1.90%	6.24%	2.10%	5.34%	13.57%	10.38%
Graduate/professional degree	1.84%	2.03%	0.45%	1.33%	7.49%	5.78%

U.S. Census Bureau: 2018 American Community Survey 5-Year Estimates

However, from 2010 to 2018, education levels in McFarland have steadily risen with the percent of those with “less than 9th grade” and “9th to 12th grade” education dropping with the percent of the “high school graduate” group rising. The group “less than 9th grade” education dropped 2 percent and the group “9th to 12 grade” education dropped 4 percent corresponding to the 6 percent rise in the “high school graduate” grouping. See figure 3.4.2.

**Figure 3.4.2 Education levels
McFarland (2010-2020)**



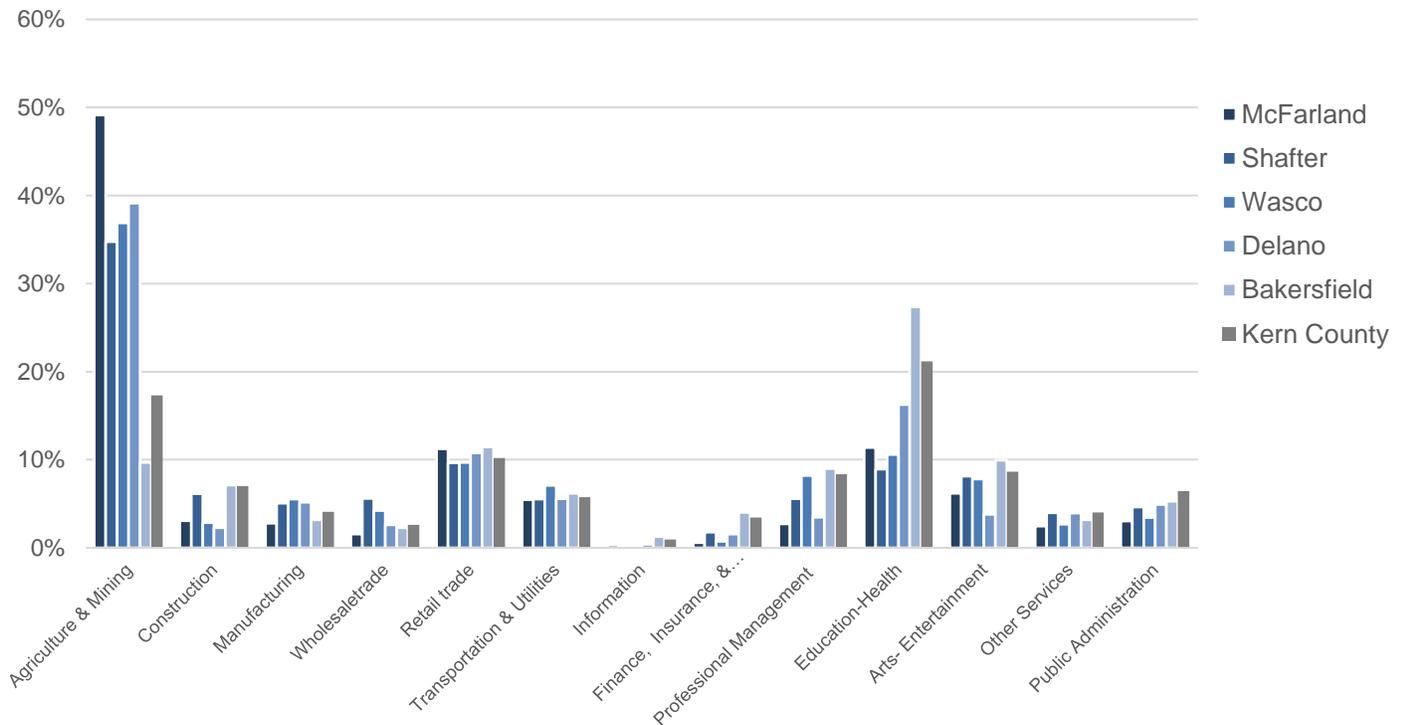
3.5 EMPLOYMENT

Jobs distribution conveys information about economic activity and market preferences. It can also indicate an areas potential competitive advantage to attract new and expand existing industries.

In 2018, 4,932 people were estimated to be employed in McFarland. The leading employment industry for McFarland was agriculture, which employed 2,423 or 49 percent of those employed. Educational and health services, and retail trade were the next two most popular employment industries, each employing 562 and 554 people, respectively, or both at around 11

percent. The top three employment industries in Shafter, Wasco, Delano, and Kern County were also agriculture, education-health, and retail trade. Bakersfield has a slightly stronger arts-entertainment employment over agriculture. Employment trends in McFarland are in line with the cluster cities selected, and is evidence of a connected jobs market, that is dependent on agriculture, education and health services, and retail trade.

Figure 3.5.1 Employment by industry (2018)



**Table 3.5.1: Employment by Industry
McFarland vs. Shafter vs. Wasco vs. Delano vs. Bakersfield vs. Kern County (2018)**

INDUSTRY	McFarland	Shafter	Wasco	Delano	Bakersfield	Kern County
Civilian employed population 16 years & over	4,932	6,370	8,094	18,146	166,626	348,493
Agriculture	2,423	2,215	2,985	7,101	16,173	60,310
Construction	152	393	231	415	11,865	24,454
Manufacturing	137	322	448	942	5,313	14,232
Wholesale trade	77	358	344	475	3,781	9,113
Retail trade	554	616	785	1,957	19,113	35,529
Transportation & Utilities	269	352	574	1,014	10,288	20,059
Information	16	11	0	75	2,113	3,371
Finance, Insurance, & Real Estate	29	113	58	285	6,694	11,935
Professional Management	135	356	665	631	15,004	29,060
Education – Health	562	568	857	2,953	45,567	73,859
Arts – Entertainment	306	518	631	689	16,558	30,104
Other services	121	253	216	716	5,325	13,987
Public Administration	151	295	279	893	8,832	22,480

U.S. Census Bureau, 2018 American Community Survey 5-Year Estimates

3.6 LOCATION QUOTIENT

Location Quotient (LQ) is a metric used to quantify how concentrated a particular industry, occupation, cluster, or demographic group is in an area or city in comparison to a larger region. A higher LQ value indicates a higher concentration relative to a larger region. LQ values greater than two identify a strong industry cluster; LQ values less than 0.5 identify a weak industry cluster.

In 2018, as shown in table 3.6.1, the location quotient between McFarland and Kern County shows a clear specialization in the agriculture sector in McFarland, with an LQ of 3.53. Utilities and arts-entertainment placed second and third with LQs of 2.33 and 1.36, respectively. All other sectors showed they were least common employment industries for McFarland residents and a LQ of 0, in comparison to the County.

INDUSTRY	City of McFarland	Kern County	LQ
Management & Enterprises	0	678	0.00
Real Estate & Rental and Leasing	17	5,528	0.22
Administration, Waste Management & Remediation	56	18,015	0.22
Mining, Quarrying, & Oil & Gas Extraction	52	12,499	0.30
Finance & Insurance	29	6,407	0.32
Information	16	3,371	0.34
Construction	152	24,454	0.44
Public Administration	151	22,480	0.48
Health Care & Social Assistance	289	42,052	0.49
Professional, Scientific, & Technical Services	79	10,367	0.54
Accommodation & Food Services	196	24,328	0.57
Wholesale Trade	77	9,113	0.60
Transportation & Warehousing	172	20,059	0.61
Educational Services	273	31,807	0.61
Other Services	121	13,987	0.62
Manufacturing	137	14,232	0.69
Retail Trade	554	35,529	1.11
Arts - Entertainment	110	5,776	1.36
Utilities	97	2,969	2.33
Agriculture	2,371	47,811	3.53
Total	4,932	351,462	1.00

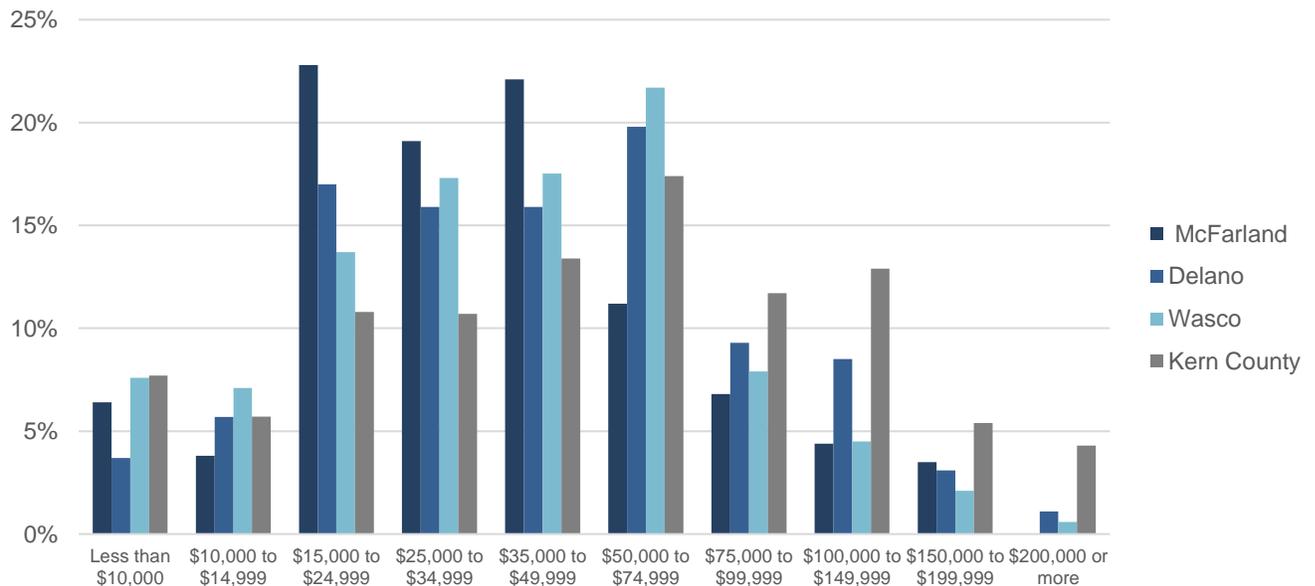
U.S. Census Bureau, 2018 American Community Survey 5-Year Estimates

3.7 INCOME

Household income is an indicator of residents’ spending power and preference for a range of commercial and residential land uses. Household income positively correlates with retail expenditures in many product categories. When looking for markets to locate in, retailers look at the median or average household income in a trade area and will seek a minimum number of households with certain income targets before establishing a business. Income is also a determinate of what types of housing residents can afford such as multi-family units, single family units or whether the market is right for rentals or for sale units.

In 2018, the median income in McFarland was estimated at \$33,281, lower than Delano and Wasco’s median income of \$41,549 and \$37,917 respectfully, and the County’s median income of \$51,579. The percent of residents in McFarland in the “\$15,000 to \$24,999”, “25,000 to 34,999”, and “35,000 to \$49,000” income brackets are notably higher than Delano, Wasco, and Kern County. The income patterns in McFarland suggest a less affluent population with less spending power than what is typical for the region.

**Figure 3.7.1 Income distribution
McFarland vs. Delano vs. Wasco vs. Kern county**



3.8 DISCRETIONARY SPENDING

The discretionary spending analysis illustrates current spending patterns. The data allows for extrapolation on how many dollars can be expected to flow through expenditure categories. It can also demonstrate expected spending habits of future residents and provide a basis for how much commercial development might be supported by those residents. Percentages shown in table 3.8.1 are based on expenditure estimates from the Bureau of Labor Statistics’ Consumer

Expenditures for the 2016-2017 calendar year for the Los Angeles Metropolitan Statistical Area. The average annual expenditures for McFarland have been calculated by apply these percentages to McFarland’s 2017 median household income of \$35,069.

Annual discretionary spending on housing citywide was estimated to be almost 37 million in 2017, by far the largest of any category, while expenditures on transportation estimated to be almost \$11 million, second among all categories. In total, McFarland is estimated to have a \$108 million-dollar annual consumer market.

Table 3.8.1: Discretionary Spending City of McFarland (2017)			
	Estimated Discretionary Spending per Household	Total Estimated Household Spending	Estimated Discretionary Spending as a Percentage of Total Spending
Average annual expenditures	\$35,069	\$107,872,244	96%
Housing	\$12,000	\$36,912,000	34.22%
Transportation	\$3,500	\$10,766,000	9.98%
Personal insurance and pensions	\$2,400	\$7,382,400	6.84%
Food at home	\$7,200	\$22,147,200	20.53%
Healthcare	\$2,400	\$7,382,400	6.84%
Food away from home	\$1,200	\$3,691,200	3.42%
Apparel and services	\$1,200	\$3,691,200	3.42%
Entertainment	\$1,200	\$3,691,200	3.42%
Personal care products and services	\$2,500	\$7,690,000	7.13%

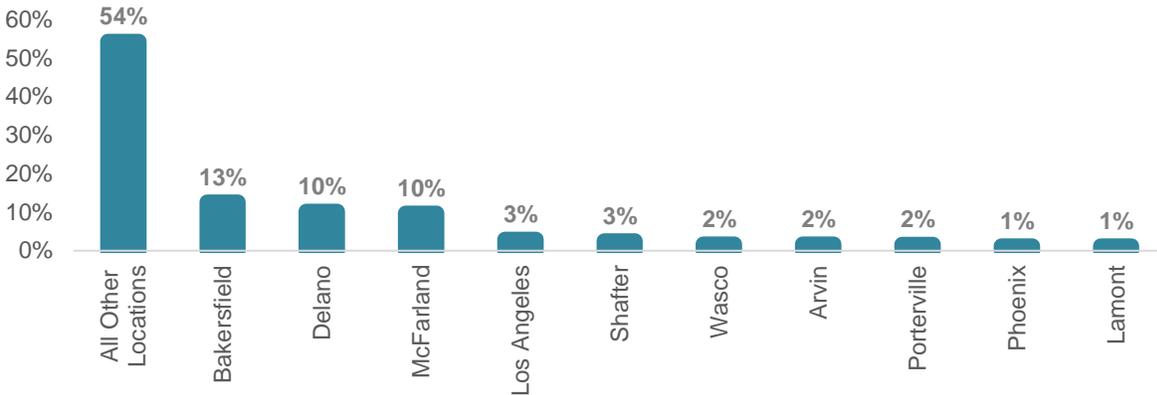
Note: Based on median household income of 3,076 households, and consumer spending estimates for the Los Angeles Metropolitan Area.

Source: U.S. Census Bureau, 2018 American Community Survey 5-Year Estimates, Bureau of Labor Statistics

3.9 COMMUTING PATTERNS

Commuting patterns of residents traveling from their home to place of employment identifies change in the daytime and nighttime populations, which may affect as areas ability to support commercial activity. Of the 6,743 workers who live in McFarland, 6,084 or 90 percent work outside of the City. The first and second most common destination for commuters were “All Other Locations” at 3,664 workers and Bakersfield with 851 workers; however, 659 workers living in McFarland (10 percent) also work in McFarland.

**Figure 3.9.1 Commuter destination
McFarland (2017)**



3.10 SALES TAX ANALYSIS

Sales tax receipts demonstrate the strength of a city’s retail market. As shown in table 3.10.1, McFarland has lower taxable transactions than the majority of the cities in Kern County, only surpassing Maricopa, a city 8 times smaller in population than McFarland. Taft and Tehachapi are smaller in population than McFarland and report 312 percent and 736 percent more in taxable transactions respectively compared to McFarland.

**Table 3.10.1: Taxable Transactions by Jurisdiction
Cities within Kern County (2018)**

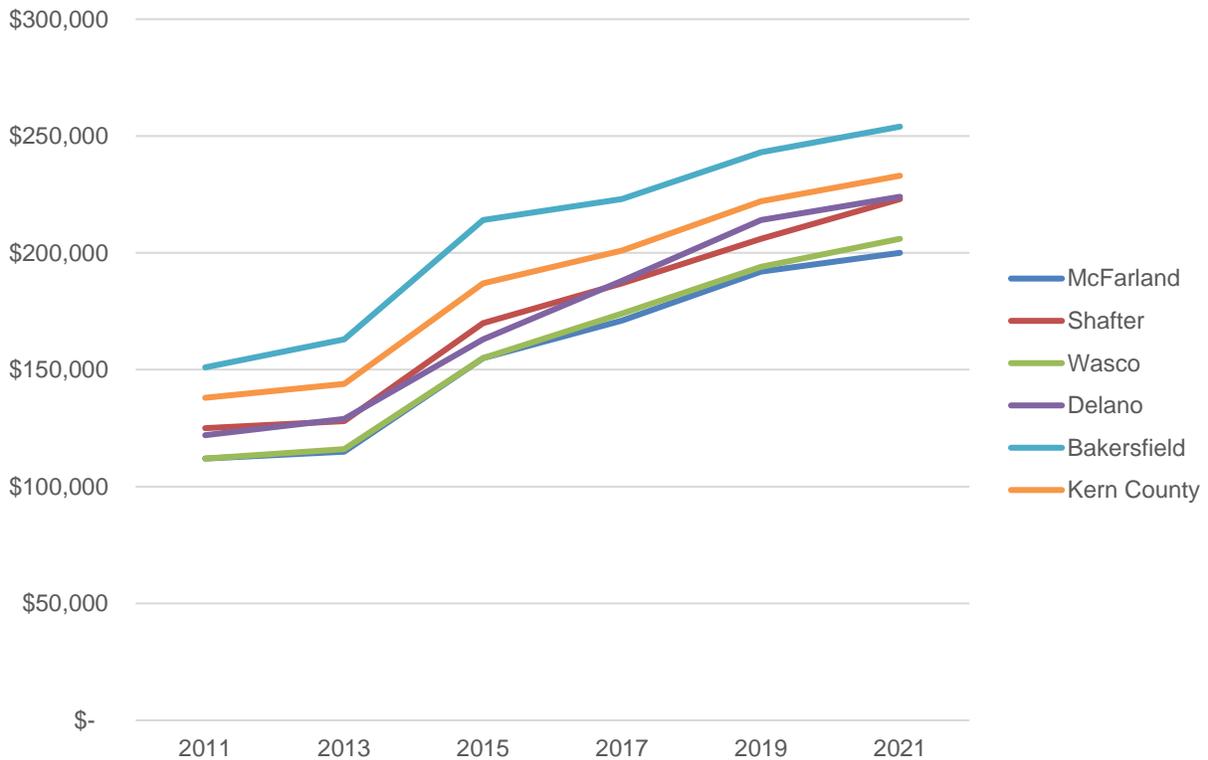
Cities within County	Population	Retail and Food Services	All Outlets
Maricopa	1,175	\$ 2,536,938	\$ 2,536,938
McFarland	14,456	\$ 26,990,460	\$ 30,756,306
California City	13,646	\$ 29,046,074	\$ 34,135,244
Arvin	21,005	\$ 46,917,287	\$ 76,452,200
Taft	9,307	\$ 76,019,974	\$ 126,731,962
Wasco	26,708	\$ 109,851,871	\$ 127,117,010
Tehachapi	12,753	\$ 245,339,557	\$ 257,216,225
Ridgecrest	28,736	\$ 263,768,283	\$ 288,912,731
Delano	52,713	\$ 406,893,487	\$ 555,231,630
Shafter	18,923	\$ 778,708,258	\$ 1,578,480,177
Bakersfield	383,579	\$ 5,156,811,237	\$ 6,378,357,987

Source: California Board of Equalization, 2018 Sales Revenue by City
U.S. Census Bureau, 2018 American Community Survey 5-Year Estimates: 2018 Population

3.11 REAL ESTATE ANALYSIS

Changes in home values are indicators of local real estate markets. Compared against the cluster cities, McFarland came last in median homes values in Zillow’s January 2021 forecast at \$200,000. Delano, a city seven miles north to McFarland, reported a median home value of \$224,000, or \$24,000 higher. However, McFarland’s median home values did perform similar to Wasco, at city 12 miles south. The forecasted median home value for Wasco in 2021 was \$206,000, or \$6,000 higher.

**Figure 3.11.1 Median Home Value
McFarland vs. Shafter vs. Wasco vs. Delano vs. Bakersfield vs. Kern county**



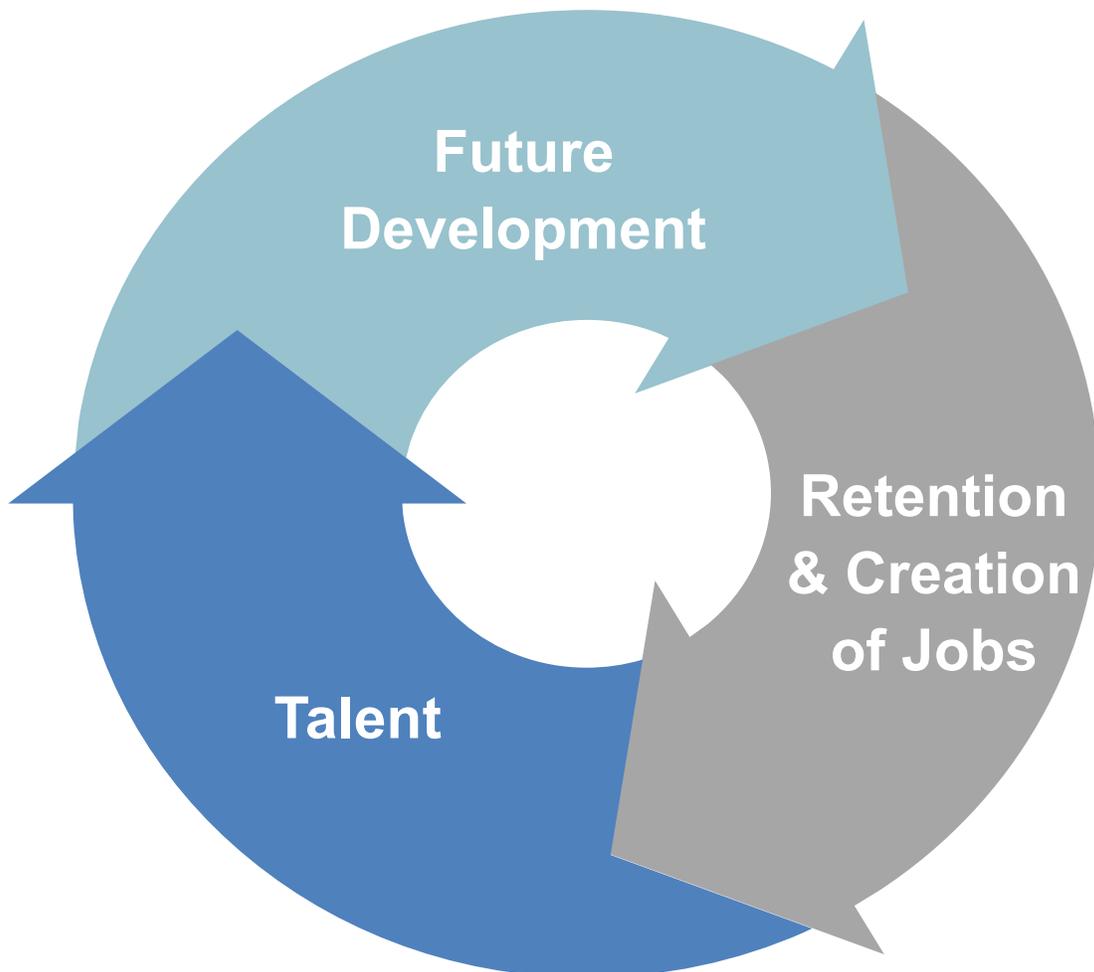
4 ECONOMIC DEVELOPMENT APPROACH

A primary role of economic development in McFarland is to create an ecosystem of growth and reinvestment into the City. In order to achieve this goal, three pillars have been created to uphold this ambition: 1) Future Development, 2) Retention & Creation of Jobs, and 3) Talent.

Pillar 1: Future Development, strategies within this pillar will guide infill development within the City and development within the City's new annexation area.

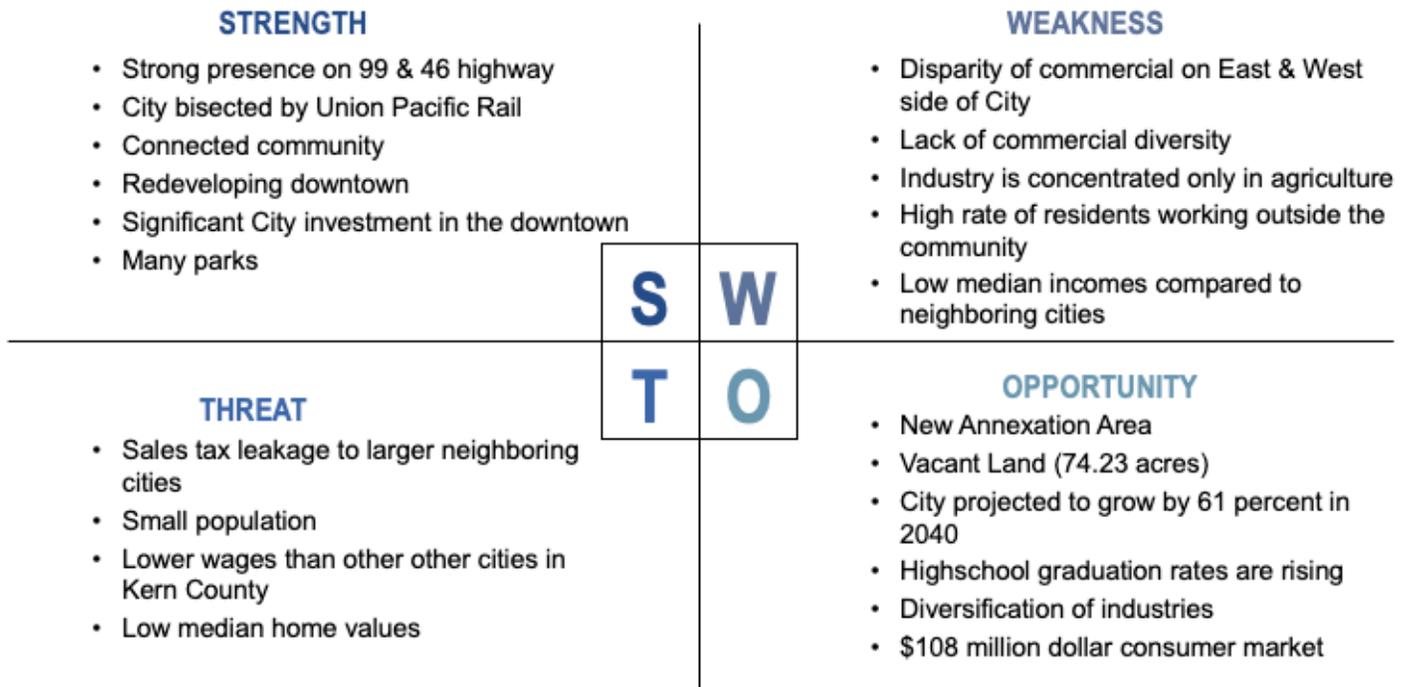
Pillar 2: Retention and Creation of Jobs, strategies within this pillar will focus on retaining existing business in the City and helping those businesses thrive and grow deep roots within the community.

Pillar 3: Talent, in order to attract and retain dynamic companies within the City, a talent pool needs to be ready and trained for high skilled dynamic work.



4.1 SWOT ANALYSIS

In order to inform the strategies within the 3 pillars it is important to assess McFarland's strengths, weaknesses, threats, and opportunities, this exercise is known as a SWOT analysis, which helps to identify and assess a community's features in a comprehensive way. Information that informed the SWOT analysis was taken from the demographic and economic section in this Plan.



Pillar 1: Future Development

The strengths the City has in attracting future development is the city's transportation connections. The City is bisected by highway 99 and is 4.45 miles from where highway 46 and highway 99 connect, which, McFarland is the closest city to this connection point. Union Pacific rail also runs between 99 highway through McFarland, there could be potential for a model split center in the new annexation area.

A weakness impacting future development is the lack of industry diversity in the City, with business highly concentrated in agriculture and agriculture type uses, it could pose difficulties in starting an initial industrial cluster.

A threat that can be turned into an opportunity is the sales tax leakage, HdL conducted a leakage study for McFarland, the study revealed that McFarland saw leakage in all retail categories HdL recorded. The top five sales tax leakages are in the following retail categories: service stations, discount department stores, building materials, casual dining, and quick-service restaurants (HdL, 2018-2019).

There are many opportunities that stand to support future development. First, the proposed annexation area stands to support the GP's goal to annex lands for industrial purposes. This annexation can also support highway serving commercial opportunities. Second, the 74.23 acres of vacant land within the City hosts a multitude of infill opportunities. The development of the annexation area and infill areas within the City can be supported by the projected population growth that McFarland is expected to see, which is a 61 percent increase in population from 2020 to 2040.

Pillar 2: Retention and Creation of Jobs

A strength to retaining jobs is the City's connected community, many businesses in the City have planted roots and intend to stay in McFarland. There is also a strength in the redeveloping downtown with desirable retail and service spaces available for those that wish to locate in the City's downtown; this desirability is also supported by City investment, such as, extended sidewalks, tree scaping, and diagonal parking which increases parking while decreasing the travel speeds of those passing through the downtown core. This decrease in travel speeds is shown to be advantageous for outdoor dining.

A weakness that also impacts the retention and creation of jobs is the lack of diversity in industrial and commercial uses. This strategic plan will identify opportunities to cluster industrial and commercial uses in specific nodes in the City in order to grow business in those two categories.

A threat is the concentration of jobs in the agricultural sector, this causes the City to exhibit lower wages than the cluster cities identified in the demographic and economic information section which is chapter 3 of this plan.

An opportunity is a new ability to attract diverse industries through new zoning classifications and a potential new annexation area, the City can set the stage to attract new business, jobs, and create an ecosystem in which business can thrive so they stay and grow.

Pillar 3: Talent

A strength the City has to keep and attract talent is its close-knit community. The community is small and well connected, it hosts great parks and has walkable streets.

A weakness is again the lack of industry diversification and also, that 90 percent of McFarland's workforce leaves the City during the daytime to work elsewhere; workers leaving the City can affect McFarland's ability to maintain its commercial businesses.

A threat which can turn into a weakness is the City's small population, if McFarland does not strategically plan for growth, it could potentially miss out on its share of population and jobs growth which is expected to be experienced by the region in the coming years.

An opportunity is rising high school graduation rates. However, there is a gap between these high school graduates continuing their studies onto college, this Plan will work on strategies to confront this.

4.2 MATRIX & IMPLEMENTATION

Matrix

Building on the three key pillars, this Economic Strategic Plan establishes a program matrix which develops a set of actions to position the City of McFarland to receive its share of the economic pie in the future. The matrix describes each pillar, the objective and City action, which phase, and which agency should take the lead in implementing the action.

Implementation

In developing actions to uphold the three pillars of this plan, intention was placed on creating strategies that can be achievable in the long and short term. A series of phases has been identified to target a time horizon for each economic development action.

Phase I: These are actions which need to be enacted first for others to build off of them, and/or are efforts that are attainable with little time or effort. The time frame for this phase is 6 months to one year.

Phase II: These actions build off Phase I, and/or require moderate time and resources therefore planning for these items will take time. The time frame for this phase is two to three years.

Phase III: Consists of implementing tools that require the most time and resources, and/or is an ongoing program. The time frame for this phase is three to five years or ongoing; which time frame (3-5 years or ongoing) will be identified in the matrix.

Economic Strategic Plan - Work Program Matrix

Pillar	Objectives & City Actions	Phase	City Lead	
Pillar 1: Future Development	ANNEXATION TO WHISTLER ROAD & INITIATIVES TO SUPPORT AREA DEVELOPMENT			
	1	Complete annexation (adoption by LAFCO & City Council)	I	Planning
	2	Establish Foreign Trade Zone (FTZ) to grow industrial and manufacturing uses in annexation area	II	ED/Planning
	3	Zone new areas in annexation strategically for highway commercial and industrial uses	II	ED/Planning
	4	Create area profile to identify size, number of parcels, and zoning within Whisler Rd. annexation area	III	ED
	5	Acquire and conduct site preparation on strategic parcels to signal to developers this area is ready for development	III, ongoing	Planning/Building
	BUILD RELATIONSHIPS WITH LOCAL LANDOWNERS			
	1	Conduct one-on-one meetings with landowners at least bi-yearly to communicate future growth opportunities and to understand property owner desires for land	III, ongoing	ED
	MARKET TO INVESTORS ON AVAILABLE OPPORTUNITIES IN MCFARLAND			
	1	Conduct a market analysis by a professional firm every five years	III, ongoing	ED
	2	Collect feedback from the community and stakeholders on city vision (see appendix 1)	III, ongoing	ED
	3	Compile market analysis and stakeholder feedback and create marketing materials	III, ongoing	ED
	4	Direct marketing materials to targeted industries by attending development events such as ICSC	III, ongoing	ED
	UTILIZE GRANT FUNDING FOR PUBLIC AND COMMUNITY ENHANCING PROJECTS			
	1	Continuously utilize CBDG consultant to identify grant funding projects that will enhance development opportunities in the City	III, ongoing	Planning/CBDG Consultant
	2	Continue enhancing sidewalk and bicycle connections in the City, esp. connections to East McFarland	III, ongoing	Planning/Public Works

Economic Strategic Plan - Work Program Matrix

Pillar	Objectives & City Actions	Phase	City Lead	
Pillar 2: Retention & Creation of Jobs	WORK WITH LOCAL BUSINESS TO ACHIEVE THE MUTUALLY BENEFICIAL OBJECTIVE OF RETAINING JOBS & BUSINESS IN THE COMMUNITY			
	1	Organize shop local events in coordination with downtown business and East Kern Ave. Businesses	I	ED
	2	Work with downtown business to organize community events along West and East Kern Ave.	I	ED
	3	Create development agreement incentivize developers to hire local workforce for development projects	II	ED/Planning
	4	Improve private sector knowledge about programs available at local institutions	III	ED/Planning
	5	With cooperation of local employers, recruit workers to enroll in appropriate education/training programs being developed locally	III	ED/Planning
	PROVIDE AN ENVIRONMENT FOR BUSINESS INNOVATION, TRANSFORMATION, AND EXPANSION			
	1	Work with local economic and workforce development organizations to attract target industries (target industries are identified in Kern County CEDs, found in section 1.2 in this plan)	III, ongoing	ED
	2	Identify target industry needs and create a permitting and zoning environment in the City to address those needs	III, ongoing	ED
	Pillar 3: Talent	SUPPORT THE EARLY COLLEGE PROGRAM IN THE CITY		
1		Continually be in partnership and support the efforts of the early college program	III, ongoing	All City Depts
ENCOURAGE ALL SEGMENTS OF THE COMMUNITY TO PARTICIPATE THE DEVELOPMENT OF THE YOUTH				
1		Organize and host annual workshops/summits to provide employers and training providers an opportunity to make connections with each other, the community, and share information; work with established programs, see East Kern Economic Plan Action item 2	III, ongoing	ED/All City Depts
2		Work with Bakersfield Community College (BCC), Cal State Bakersfield (CSUB), and employers to implement more internships, create greater awareness of job opportunities among students and parents, and place more students in internships with local employers	III, ongoing	ED
RETAIN EDUCATED WORKFORCE IN THE CITY				
1		Outreach with local employers on hard-to-fill technical occupations they have available, share findings with early college program	III, ongoing	ED
2		Highlight and promote the multitude of challenging and rewarding career opportunities within the City and Region	III, ongoing	ED

REFERENCES

- “2017 Morgan Hill Economic Blueprint.” <Http://Morganhill.ca.gov/>, City of Morgan Hill, morganhill.ca.gov/DocumentCenter/View/21522/City-of-Morgan-Hill-Economic-Blueprint.
- “ACS DEMOGRAPHIC, HOUSING, EDUCATION ESTIMATES.” <Data.census.gov>, United States Census Bureau, data.census.gov/cedsci/table?q=McFarland%2C%2BCA&g=1600000US0644826&tid=ACSDP5Y2018.DP05.
- California Department of Tax. *California City & County Sales & Use Tax Rates*, California Board of Equalization, www.cdtfa.ca.gov/taxes-and-fees/sales-use-tax-rates.htm.
- California, State of. “Department of Finance.” *E-1 Population Estimates for Cities, Counties, and the State — January 1, 2019 and 2020*, California Department of Finance, www.dof.ca.gov/Forecasting/Demographics/Estimates/e-1/.
- City of McFarland, and the Community and Regional Planning Program. (2020). General Plan Update Draft General Plan. San Luis Obispo, CA: Master’s Program, City & Regional Planning Department, California Polytechnic State University, San Luis Obispo, California, November, March.*
- “Consumer Expenditures Surveys Tables (CEX).” *U.S. Bureau of Labor Statistics*, U.S. Bureau of Labor Statistics, www.bls.gov/cex/tables.htm#MSA.
- “ECONOMIC DIVERSIFICATION PLAN.” <Https://Www.californiacity-Ca.gov/>, East Kern County, CA, www.californiacity-ca.gov/CC/images/stories/2017-02-28-East-Kern-Economic-Diversification-Plan.pdf.
- “Economic Opportunity Areas.” <Https://Bakersfieldcity.us/>, City of Bakersfield, bakersfieldcity.us/civicax/filebank/blobdload.aspx?t=52029.9&BlobID=33308.
- Graduate Community and Regional Planning Studio. (2019). *City of McFarland General Plan Update Background Report*. San Luis Obispo, CA: Master’s City & Regional Planning Program, City & Regional Planning Department, California Polytechnic State University, San Luis Obispo, California, November.
- “KernCOG Projections.” *Kern Council of Governments*, www.kerncog.org/?s=projections.
- “McFarland - PER CAPITA SALES TAX SURPLUS/GAP COMPARISON - FISCAL YEAR 2018-19.” HdL ECONsolutions.
- “McFarland General Plan Updated Elements: McFarland, CA - Official Website.” *McFarland General Plan*, City of McFarland, www.mcfarlandcity.org/326/McFarland-General-Plan-Updated-Elements.
- “Strategic Economic Development Plan .” <Https://Www.cityofdelano.org/>, City of Delano, www.cityofdelano.org/DocumentCenter/View/840/Strategic-Economic-Development-Plan?bidId=.
- Zillow, Inc. “Mc Farland Real Estate - Mc Farland CA Homes For Sale.” *Zillow*, www.zillow.com/homes/McFarland,-CA_rb/.

APPENDIX 1- THOUGHT LEADER QUESTIONNAIRE

What positive developments have you seen in McFarland the last five years?

What is attractive about McFarland as a business?

As you think about the next five years, what should the City of McFarland focus on to remain an attractive location for people and companies?

What important trends in your industry/ business should the City understand?

In thinking about business/job growth and economic development, how do the next 12 months look to you? The next three years?

APPENDIX 2- CAL POLY GRADUATE STUDIO ZONING MAP

Preferred Scenario: Conceptual Land Use Map

