

COUNTY OF KERN
ECONOMIC DEVELOPMENT INCENTIVE POLICY

Adopted April 27, 2021

by the
Kern County Board of Supervisors



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1. INTRODUCTION & GUIDING PRINCIPLES

The Kern County Board of Supervisors has adopted this Economic Development Incentive Policy to expand and enhance the County's competitiveness by taking affirmative steps to attract new businesses and to encourage the growth and resilience of existing businesses.

This Economic Development Incentive Policy emphasizes and facilitates attracting and growing businesses which complement existing industries, assist in the growth and diversification of the County's economic base, provides employment opportunities for unemployed and underemployed residents, facilitates the creation of jobs with salary and benefit rates higher than the current County average, are compatible with the County's planning and environmental goals, and are good corporate citizens. In a strategic effort to strengthen the regional economy, this policy also focuses on attracting and expanding business activity in the County's economically or socially disadvantaged communities and rural communities. This policy does not preclude cooperation between the County and cities located in the County in economic development efforts.

The County desires to attract businesses within the industry clusters identified in the County's Economic Development Strategy: value-added agriculture, energy and chemicals, carbon dioxide (CO₂) storage and biomass conversion, transportation, logistics, warehousing, manufacturing, e-commerce, destination retail (as defined below), business and professional services, tourism (including hospitality-oriented services), recreation and entertainment, health services and medical technologies, and aerospace and defense. Reinforcing their importance as drivers of growth, these clusters are included within the term "clusters of priority focus" that is used in this policy, and are considered by the County as priorities for economic development incentives. Thus, this policy is primarily, but not exclusively, focuses on encouraging businesses in these clusters to locate, expand and operate in Kern County. Other industries (e.g. retail and residential development) may qualify for the incentive if they support the socio-economic growth of the County's disadvantaged communities and rural communities.

This Economic Development Incentive Policy identifies a number of incentive programs to attract and grow businesses. These specific County programs are discussed in Section 6.

The goals of this policy are:

- To assist in, grow and diversify the County's economic base;
- Encourage employment opportunities for unemployed and underemployed residents;
- Create jobs with salary and benefit rates higher than the current County average;
- Incentivize good corporate citizens to choose Kern County as a place to do business or expand or rehabilitate their business; and

- Maintain Kern County’s competitive advantage as an economic leader in economic development.
- Position Kern County’s economically or socially disadvantaged communities and rural communities as a destination for business growth and expansion.

Additionally, the economic incentive programs adopted pursuant to this policy are designed to result in incremental new revenue to the County from those with whom the County partners. Thus, a co-equal goal of this policy is to attract incremental new revenue sources to fund core governmental services and assist in the revitalization of neighborhoods.

Wise use of this Economic Development Incentive Policy will have a transformative affect countywide and will escalate the County’s tax base to provide additional funding for County core services including public safety, public works and parks. Improvements in the County’s quality of life also assists with business attraction, expansion, rehabilitation and creation, furthering reinvestment back into our community.

The County desires to programmatically articulate performance-based incentives to stimulate investment, while minimizing financial risk to the County.

This policy is a framework that directs action, but is not meant to, and does not, prohibit the County from considering other forms of economic assistance should the benefit to the public weigh in favor of such action, including transactions that involve cooperation with cities within the County. The Board of Supervisors reserves to itself the power and authority to consider economic assistance transactions that are outside of those summarized in this policy.

2. DEFINED TERMS

As used in this policy, the terms below have the following meanings:

“*Applicant*” (sometimes referred to also as a “*developer*” or “*proposer*”) means a (1) wholly private sector, for profit, entity, a (2) wholly private sector, not for profit, entity, a (3) combination of (1) and (2) or (4) a quasi-governmental not for profit entity that applies pursuant to this Economic Development Incentive Policy for an economic incentive. The entity may be a sole proprietor, a general partnership, a limited partnership, a limited liability company or a corporation, or a combination thereof.

“Destination retail” a retail establishment or retail area (such as a mall or entertainment/shopping development) that draws customers from a broad geographic area, is characterized as serving a regional market of consumers, or attracts shoppers notwithstanding its location. In contrast with other retail uses, destination retail entices shoppers to travel from greater distance, in the case of this policy from outside Kern County, to shop for products or have a retail experience that is unique.

“General Fund Revenues” means those revenues of the County that are not otherwise restricted as to their use, including, but not limited to monies from business license fees, local property tax, sales and use tax, transient occupancy tax, documentary transfer tax, and other revenue sources.

“Infrastructure” includes facilities that support the daily life and growth of the County, such as roads, water and sewer lines, drainage facilities, electric and telecommunication facilities, public buildings, parks and airport facilities.

“Incremental New Revenue” means the incremental increase in County tax revenue that is anticipated to be generated to property tax, sales tax, use tax and transient occupancy tax (as the case may be) resulting from the new development, rehabilitation, redevelopment or expansion project proposed by an applicant over and above the tax revenue generated prior to the project proposed by the applicant, which incremental new revenue is actually deposited into the County’s general fund, during the agreed term of operation of the project.

“New Full Time Job” means a full time job requiring the person that is hired to work 40 hours per week or more, that is provided to a new hire employee (and not to an existing employee who is reclassified from another job classification) who is present and physically works on-site at a business entity’s facility that is located in the County, and which full time job pays at least a “sustainable wage.”

“Offsite Improvements” include roads, sidewalks, curbs, sewer systems, drainage facilities, water systems, landscaping in public or private streets, and electric and telecommunication facilities that are not located on the property where development is occurring, but benefit or are required to be constructed as part of a development.

“Clusters of Priority Focus” mean those industry clusters that are identified in the County’s Economic Development Strategy as being the primary industry targets for incentivizing and include: value-added agriculture, energy and chemicals, carbon dioxide (CO₂) storage and biomass conversion, transportation, logistics, warehousing, manufacturing, e-commerce,

destination retail, business and professional services, tourism (including hospitality-oriented services), recreation and entertainment, health services and medical technologies, and aerospace and defense. These clusters of priority focus tend to have significant job multiplier effects that create additional economic benefit in the form of additional jobs to Kern County and surrounding areas (direct, indirect and induced) resulting from revenue generated by the targets and the jobs provided by the targets being spent in the economy. This list is not exhaustive and may be supplemented by the County Board of Supervisors, in its sole and absolute discretion, for consideration of one or more economic incentives, to the extent the Board deems supplementing important to the vitality of Kern County.

“*Property Tax*” is the general *ad valorem* tax levied on both real and personal property according to the property’s assessed valuation and the tax rate. The County’s share of property tax revenues is based on a property’s specific location in an applicable tax rate area. For purpose of example only, the County’s share of property tax is approximately 0.002% based on a County-wide average for properties located in unincorporated Kern County (and which are outside of any municipal boundary or sphere of influence).

“*Transient Occupancy Tax*” (sometimes referred to as “*TOT*”) means a tax imposed pursuant to Kern Code of Ordinances Chapter 4.16 on a transient for the privilege of occupancy in any hotel located in unincorporated Kern County; the TOT rate is presently 6% of the rent charged by the operator.

“*Kern County Economically or Socially Disadvantaged Communities*” are defined per California **SB 535 & AB 1550** as communities identified as having disparate indicators of environmental, health, and socioeconomic factors. The boundaries of disadvantaged communities may be viewed using the CalEnviroScreen Tool. <https://oehha.ca.gov/calenviroscreen/sb535>

“*Kern County Rural Communities*” are defined as areas outside of Urbanized Areas (50,000+ people) as defined by the U.S. Census Bureau.

“*Kern County Unincorporated Communities*” refers to a populated area that is not governed by its own municipal government (such as a city or town) but instead falls under the jurisdiction of the County of Kern. The boundaries of unincorporated communities may be viewed using the County’s Interactive County Map Tool (GIS Tool). <https://www.kerncounty.com/government/gis-menu/interactive-county-map-gis-tool>

“*Sales Tax*” means that tax collected by the County pursuant to Chapter 4.12 of the Kern County

Code of Ordinances, which presently is 1.25% of the gross receipts of the retailer from the sale of all tangible personal property sold at retail in the County. Only the incremental new revenue which is actually deposited into the County’s general fund, during the agreed term of operation of the project is eligible for consideration under the incentive plan.

“*Sectors of Secondary Focus*” are primarily “people serving” businesses (e.g. retail [other than destination retail] and residential development) and tend to generate a lower level of economic activity than clusters of priority focus, because these sectors do not have the same level of job multiplier effect.

“*Sustainable Wage*” means the wage threshold for determining a “good job” in the Kern County region based on the findings of the Better Bakersfield & Boundless Kern (B3K) Market Assessment¹.

“*Use Tax*” means that tax collected by the County pursuant to Chapter 4.12 of the Kern County Code of Ordinances, which presently is 1.25%, imposed on the storage, use or other consumption of tangible personal property purchased from any retailer for storage, use or other consumption in the County. Only the incremental new revenue which is actually deposited into the County’s general fund, during the agreed term of operation of the project is eligible for consideration under the incentive plan.

3. ACCOUNTABLE USE OF PUBLIC FUNDS & TRANSPARENCY

The County’s consideration of providing incentives in any particular instance to an applicant under this policy requires both accountability and transparency of process.

With respect to accountability, the County expects that in exchange for County economic incentives, an applicant will meet and adhere to performance standards and/or quantitative thresholds that would be developed as part of the application process and negotiation of an operating covenant and/or incentive agreement. By way of example, such performance standards and/or quantitative thresholds may include, based on the type of assistance contemplated: (i) commitment to a definite project type, location and term of operation, (ii) attainment and maintenance of new full time job targets, (iii) meeting and maintaining production targets, development size (e.g., minimum square footage) or operational metrics (e.g., gross sales) and/or (iv) achieving project timelines and other standards that are summarized in this policy and that will be clearly specified in an operating covenant and/or economic incentive agreement between the

¹ <https://b3kprosperity.org/>

County and the applicant.

In addition, any grant of economic incentives pursuant to this policy will be subject to periodic auditing and reporting to ensure the applicants ongoing compliance with any standards imposed as part of an economic incentive agreement and/or operating covenant. Further, state law requires that for assistance in excess of \$100,000 the County hold a public hearing, prepare a report containing economic analysis of the proposed assistance, maintain a public website summarizing the various assistance agreements granted and provide periodic reporting and hearings on approved agreements. *See* Govt. Code § 53083.

4. APPLICATION PROCESS & OPERATING COVENANT/AGREEMENT

Prior to being considered, applicants for assistance pursuant to this Economic Development Incentive Policy must file an application with the County Administrative Office, in a form and content developed by the County, which shall include (as appropriate for the particular proposed project) the information identified in Appendix A attached to this policy.

The County Administrative Office is hereby directed to develop any such additional application material that is consistent with the rules, regulations and criteria contained in this policy and its Exhibits. It is the intention of the Board of Supervisors in adopting this policy that the County Administrative Office is hereby given flexibility to request any further information necessary for the County to adequately analyze a request for assistance.

As reflected in the attached exhibits, and among other items that may be required, an applicant must fully disclose the nature of its business (including its entity structure and governance), relevant business plans, site jurisdiction and evidence of site control, detailed financial plans indicating the amount of incentive desired, a description of any other government assistance requested or received for the proposed project, any information required by state law (including without limitation by Government Code § 53083), and other relevant information so that the application can be fully evaluated by the County. Attached as Appendix B are potential additional criteria that may be applicable for consideration.

In the event that the County provides assistance for the purchase, lease or rehabilitation of property, or if real property is used as security for a guarantee or collateral for County assistance, the County may require an appraisal, environmental reports and/or preliminary title reports as part of an application.

The information required by the application shall be sufficient to allow the County to assess the project's eligibility, perform a cost/benefit analysis of the proposed project, and evaluate the proposed project based on criteria found useful to the County to consider assistance.

All information provided by the applicant shall be treated confidentially only to the extent confidentiality is not otherwise prohibited by State law. If an economic incentive agreement and/or operating covenant is considered for action by the Board of Supervisors, the core business data required to demonstrate eligibility will be included in the public report to the Board of Supervisors. The required incentive agreement and/or operating covenant will also be available for public review prior to action considering adoption.

Applicants for economic assistance must consent, in writing at the time they submit an application, to pay for County billing of staff time and any outside consultant costs (including outside legal expenses and the costs of any appraisal deemed necessary by the County) before evaluation of an application will begin.

Notwithstanding the filing of an application, presentment of a transaction or recommendation of County staff, the Board of Supervisors reserves to itself the ultimate power and authority to consider, approve, deny or conditionally approve economic assistance transactions, including assistance transactions that are outside of those summarized in this policy.

5. PRIORITIZING ECONOMIC INCENTIVES

The Economic Development Incentive Policy seeks to focus and provide direct economic incentive assistance to projects that (1) generate a significant job multiplier effect and support investment within the County, or (2) target economically or socially disadvantaged or rural communities.

- A. **Clusters of Priority Focus for Incentives.** This Economic Development and Incentive Policy identifies the following clusters of priority focus: (1) agribusiness, including food processing, agricultural technology; (2) manufacturing, carbon dioxide (CO₂) storage, and biomass conversion; (3) supply chain management and logistics; (4) e-commerce and warehouse distribution; (5) health and medical care; (6) destination retail; (7) hospitality and tourism related industry and services; (8) medical technologies; (9) aerospace and defense; and (10) such others as the Board may deem important to the vitality of Kern County. The economic incentives discussed in Section 6 of this policy have been developed to support growth and expansion of these and similar target industries in Kern County. Specific targeted clusters of priority focus are identified in Appendix C of this

policy.

B. Sectors of Secondary Focus for Incentives. The County finds that certain ‘people serving’ businesses (e.g. retail and residential development) may generate a lower level of economic activity than those clusters of priority focus mentioned above, because they do not have the same level of job multiplier effect, but may nevertheless be worthy of economic assistance consideration in the proper instances where, for example, investment is proposed to occur in older, distressed, economically or socially disadvantaged or rural communities of Kern County where good and services are lacking.

6. ECONOMIC DEVELOPMENT INCENTIVES

This policy identifies several types of direct economic development incentives that the County will consider, based on a review of an application for assistance and further consideration by the Board of Supervisors of an economic assistance agreement and/or operating covenant. It is the intention of the County that this policy shall apply to and be considered for projects that are within unincorporated County jurisdiction and *not* within any municipal boundary or any sphere of influence of a city. However, the County believes that cooperation with other municipalities is of region-wide benefit to the competitiveness of Kern County and, in this regard, the County will explore and consider economic assistance agreements that may require multi-governmental agreements upon request and evaluation of County staff. For incentives offered pursuant to this policy, any reimbursement or revenue sharing shall only occur after the County has received the incremental new revenue generated by a project sufficient to make such reimbursement or revenue sharing payments; that is, the County shall not provide upfront reimbursement or revenue sharing.

A. Offsite Improvement Reimbursement from Project Generated Revenue.

The County will reimburse a percentage (to be identified and discussed as part of the application process) of the cost of constructing offsite improvements required for development of an eligible project. Reimbursement would be made from County general fund revenue in an amount equal to and only after incremental new revenue directly generated by such eligible project is paid to the County. Any such incentive would be documented in an incentive agreement and/or operating covenant, which would include (among other provisions) a maximum amount of incremental new revenue that may be used to calculate reimbursement to the applicant and a maximum term of years on the reimbursement.

This incentive provides value to the applicant in the form of reimbursement based on incremental new revenue generated by an eligible projects, thus providing an offset for offsite infrastructure construction costs. This incentive is low risk to the County because the applicant must pay for and construct the offsite improvements at the time of development, generate revenue to the County,

and be later reimbursed over time as incremental new revenue from the project is generated. Examples of County revenue generated directly by a project include documentary transfer tax, property tax, sales tax, use tax, business license fees, and transient occupancy taxes.

Eligibility for Offsite Improvement Incentives.

The County will consider entering economic assistance agreements and/or operating covenants with an applicant pertaining to a cluster of priority focus (as described above), subject to an established application and review process as provided in this policy, where such project:

- Supports, leverages or creates expansion opportunities for development within the identified clusters of priority focus;
- Is occupied or operated by the owner of the property, or is subject to a long-term lease agreement;
- Retains or creates at least 100 new full time jobs or creates at least 10 new full time jobs that pay 200% or more of the sustainable wage for each job;
- Is located in an area where existing infrastructure exists or can readily be extended;
- Is located within unincorporated Kern County and not within a municipal boundary or sphere of influence of any city;
- Would not require a Zoning Code amendment or General Plan amendment to change the land use designation of the property in order to obtain authorization for the use;
- The proposed activity does not violate any local, State or Federal regulation; and
- Would meaningfully increase the assessed valuation of the property upon completion of the proposed development.

Consideration of Eligibility for Sectors of Secondary Focus & Smaller Businesses

The County may consider, in its discretion, providing offsite improvement incentives to an applicant proposing a project in a sector of secondary focus where there is a demonstrated and critical need that may not be met but for the provision of incentives. This may include, for example, situations where investment is proposed to occur in older, distressed disadvantaged or rural communities of Kern County where goods and services are lacking.

B. “Project Revenue” Sharing to Incentivize Capital Investment.

An amount of County general fund revenue reflecting a percentage (to be identified and discussed as part of the application process) of the incremental new revenue directly generated by an eligible project may be used to incentivize private development, capital investment, rehabilitation or redevelopment within the County. The determination of whether to enter an incentive agreement and/or operating covenant to provide this type of incentive will be prioritized by the County (a) for those clusters of priority focus designated above in Section 5 and (b) where revenue sharing incentives would meaningfully assist in development of projects that have significant public benefit to the County. The application process would include a thorough analysis and due diligence

process. The shared revenue will be reimbursed to the Proposer after the County receives it.

Any such economic incentive would be documented in an incentive agreement and/or operating covenant, which would include (among other provisions, including those identified in Section 4 above) a maximum amount of incremental new revenue that may be used to calculate reimbursement to the applicant and a maximum term of years on the reimbursement.

Eligibility for Revenue Sharing Incentives.

The County will consider entering economic assistance agreements and/or operating covenants to provide revenue sharing assistance with an applicant pertaining to a cluster of priority focus (as described above) or disadvantaged and rural community focus, subject to an established application and review process as provided in this policy, where such project:

- Supports, leverages or creates significant expansion opportunities for development within the identified cluster of priority focus;
- Significantly benefits the economic vitality of the County;
- Is occupied or operated by the owner of the property, or is subject to a long-term lease agreement;
- Retains or creates at least 100 new full time equivalent jobs or creates at least 10 new full time jobs that pay 200% or more of the sustainable wage for each job;
- Includes “local hire” as a component, to the extent legally permissible;
- Is located in an area where existing infrastructure exists or can readily be extended;
- Is located within unincorporated Kern County and not within a municipal boundary or sphere of influence of any city;
- Would not require a Zoning Code amendment or General Plan amendment to change the land use designation of the property in order to obtain authorization for the use;
- Would meaningfully increase the assessed valuation of the property;
- The proposed activity does not violate any local, State or Federal regulation; and
- Includes specific performance criteria such as job creation and net increases in County revenues that are quantifiable.

Consideration of Eligibility for Sectors of Secondary Focus & Smaller Businesses

The County may consider, in its discretion, providing revenue sharing incentives to an applicant proposing a project in a sector of secondary focus where there is a demonstrated and critical need that may not be met but for the provision of incentives. This may include, for example, situations where investment is proposed to occur in older, distressed, economically or socially disadvantaged or rural communities of Kern County where good and services are lacking.

General Considerations

Generally speaking, it is anticipated that the amount of assistance provided in an economic incentive agreement and/or operating covenant providing for revenue sharing will be reflective of the benefits to the community provided by the project, including the creation of jobs of a number, type and quality reflective of expanding Kern County's economy. Priority will be to those projects that would meaningfully increase Kern County's job base with new full time jobs.

Eligible revenue sharing subsidies include property, sales taxes, use taxes, transient occupancy taxes, documentary transfer taxes, business license taxes and any other local revenue stream generated directly by the project.

C. Other Indirect Financial Incentives & Non-County Incentives.

The County may offer other indirect financial incentives or forms of assistance to qualified applicants as determined by a review and evaluation by the County Administrative Office and, if necessary, approved by the Board of Supervisors. Additionally, other incentives that are managed by other government agencies may be available. Examples of other forms of assistance may include, but are not limited to:

- Employee training/placement assistance;
- Assistance obtaining state tax incentives
- Recycling Market Development Zone incentives;
- Industrial Development Bond Financing;

7. PERIODIC REVIEW

This policy shall be periodically reviewed, at a regularly scheduled Board of Supervisors meeting, to evaluate its effectiveness and to make necessary amendments.

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Appendix A

Summary of Application Information for Incentives

The County of Kern is pleased you have chosen our County to locate/expand your business. This document specifies the information the County will require to assist you in your request for economic incentives offered pursuant to the County's Economic Development Incentive Policy.

Your application should be submitted as early as possible during your business planning process. Application review and approval of an incentive agreement and/or operating covenant by the County Board of Supervisors must be complete prior to start of project construction.

INFORMATION TO BE SUBMITTED

Contact Information

1. Business name and legal status (including if appropriate information on affiliated entities).
2. Name, title, address, telephone numbers, e-mail address of principal business contact during the application process.

Physical Project/Site Information (to the extent known at time of application)

1. Site location, including address (if assigned), and all current assessor parcel numbers.

If business is to be located within an existing building/facility, specify the date it was built, contact information for the current owner and specify whether the proposed business plans to buy or lease the building.

2. A project description and site plan locating all existing and planned buildings and facilities, ingress, egress and on-site circulation patterns (auto, truck and other, as appropriate). If improvements are to be phased over time said phasing must be indicated on the plan.
3. A list of all public infrastructure required by the County to be constructed as part of the development.
4. A list of all capital equipment to be installed on site.
5. Provide a statement of consistency/inconsistency of the proposed and use with the County's or applicable city's existing General Plan and Zoning Ordinance.

Nature of the Proposed Business

1. Identify the type of business to be conducted, and provide a description of the products or goods to be manufactured (as applicable) and the business four digit NAICS code.

2. Provide information regarding the source and type of any raw or component products to be used on site. Are they to be purchased from within or from outside Kern County?
3. Provide information regarding the intended market of any products to be produced onsite or services to be sold from the proposed business. Will they be sold inside/outside the County?
4. Briefly describe any potential negative environmental impacts from the proposed business and how they will be mitigated.
5. Describe specifically why economic incentives are important to the decision to locate the proposed business in Kern County.
6. Submit a list of communities where similar facilities, especially those owned/operated by your company are currently doing business.
7. List any federal, state, city or other county government assistance and/or assistance listed as Tier 1 incentives herein, for which the applicant has applied, and the current status of that request.
8. Identify if the proposed business location is a (1) disadvantaged community or (2) rural community as defined above.
9. Provide any additional information you would like the County to consider during its evaluation of your application.

Itemized Cost Estimates

1. Building and other real property improvements Lease rate (if applicable).
2. Capital Equipment.
3. Public Infrastructure (County required and other, if any).
4. Sales and use tax to be paid during the first five years of operation which will accrue to the County's General Fund.
5. Other information that you would like to the County to consider in the category.

Employment

1. Number of new full time employees to be hired, and projected hiring schedule (specify number of employees who will/will not be hired from within the County).
2. Number of part time employees and projected hiring schedule (specify number of employees who will/will not be hired from within the County).
3. Specify wage rates and benefits to be paid all employees to be located on site.

4. Describe the businesses plans for employee development and training.
5. List specific skills you will be seeking from the County's labor force.

Other Information

1. Prior to consideration of any incentive that requires compliance with Govt. Code § 53083, the County shall prepare, at the applicants sole cost and expense, the required reports.
2. The County may request additional information to be provided in order to evaluate the application. Failure to provide such information may result in the application not being acted upon.

Please submit your completed application documents to:

Stacy Kuwahara
Assistant Chief Administrative Officer
Kern County Administrative Office
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Phone: (661) 868-3169
e-mail: kuwaharas@kerncounty.com

Appendix B

Incentive Award Amount Evaluation Criteria

These criteria may be considered, in addition to others, with respect to evaluating an application for economic incentive assistance, based on the type of transaction being contemplated:

1. The proposed business is included within one of the County's targeted business clusters.
2. Number of new jobs to be created.
3. Extent to which jobs to be created will be consistent with the County's general employment and CalWORKs goals.
4. Extent to which the business will pay wages higher than the County's average wage rate and provide exceptional employee benefits.
5. Extent to which jobs are to be created in, or available to residents of a rural, low income area or area of high employment.
6. Degree to which the business will contribute to the County's strategy of economic diversification by introducing a cluster business or industry which is both desirable and currently under-represented in the County's economy.
7. Degree to which products manufactured or services provided are exported out of the County.
8. Degree to which required goods and services will be purchased by the prospective business from other Kern County businesses.
9. Degree to which a critical or very beneficial service or other business complement will be provided to the geographic area of proposed business location.
10. Degree to which the proposed project location is consistent with the existing County General Plan designation, land use zone classifications, and Agricultural Preserve status for the site.
11. Extent to which the business will not generate significant new air emissions and/or other negative environmental impacts.
12. The type of business, level of private investment, past record of the company, and other relevant factors indicate a low risk of failure to comply with the terms of a County/business incentive agreement.
13. Business plans to continually upgrade and invest in plant, equipment, technology and employee development.
14. Demonstrated record of successful business performance in other locations.
15. Extent to which the award of economic incentives is critical to the prospective business' decision to locate in the County. Businesses for which a Kern County location is of strategic importance (regardless of incentives offered) will not be rated highly pursuant to this criterion.
16. Extent to which the applicant has identified, and plans to address, employee child care needs for employees of the proposed business location.

Appendix C

TARGETED INDUSTRY CLUSTER GROUPS

The County's Economic Development Strategy specifies targeted business clusters and specific business types included within each cluster. The following pages list the Targeted Industry Clusters that are used by the County's Incentive Evaluation Committee during its review.

The list is not intended to be exclusive with respect to eligibility for incentives, but will serve to emphasize those businesses which will be recognized as meeting the County's goal of developing identified business clusters. Refer to the North American Industry Classification System's (NAICS) website for other industry classifications not listed here for consideration. If the other industries support the socio-economic growth of the County's disadvantaged communities and rural communities.

The list may be amended from time to time by the Board of Supervisors to recognize changes in the County's economy or opportunities to pursue additional or different cluster groups. On November 7, 2017, the Board of Supervisors adopted the "County of Kern, Economic Development Strategy Update." The following list identifies the newly adopted Targeted Industry Clusters.

NAICS

Description

Value-Added Agriculture

1123	Poultry and Egg Production
1125	Animal Aquaculture
115114	Postharvest Crop Activities (except Cotton Ginning)
115210	Support Activities for Animal Production
311	Food Manufacturing
312	Beverage and Tobacco Product Manufacturing
313	Textile Mills
3331	Agriculture, Construction, and Mining Machinery Manufacturing
3332	Industrial Machinery Manufacturing
42491	Farm Supplies Merchant Wholesalers

Energy and Natural Resources

213	Support Activities for Mining
324	Petroleum and Coal Products Manufacturing
325	Chemical Manufacturing
326	Plastics and Rubber Products Manufacturing
327	Nonmetallic Mineral Product Manufacturing
3331	Agriculture, Construction, and Mining Machinery Manufacturing
3339	Other General Purpose Machinery Manufacturing

Transportation, Logistics, Warehousing and Manufacturing

333	Machinery Manufacturing
334	Computer and Electronic Product Manufacturing
335	Electrical Equipment, Appliance, and Component Manufacturing
336	Transportation Equipment Manufacturing
339	Miscellaneous Manufacturing
4235	Metal and Mineral (except Petroleum) Merchant Wholesalers
4238	Machinery, Equipment, and Supplies Merchant Wholesalers
42448	Fresh Fruit and Vegetable Merchant Wholesalers
42449	Other Grocery and Related Products Merchant Wholesalers
4245	Farm Product Raw Material Merchant Wholesalers
4246	Chemical and Allied Products Merchant Wholesalers
4247	Petroleum and Petroleum Products Merchant Wholesalers
481	Air Transportation
484	Truck Transportation
485	Transit and Ground Passenger Transportation
488	Support Activities for Transportation
492	Couriers and Messengers
493	Warehousing and Storage

Aerospace and Defense

332	Fabricated Metal Product Manufacturing
336	Transportation Equipment Manufacturing
334	Computer and Electronic Product Manufacturing

Tourism, Recreation and Entertainment

512	Motion Picture and Sound Recording Industries
71	Arts, Entertainment, and Recreation
72	Accommodation and Food Services

Health Services and Medical Technologies

334	Computer and Electronic Product Manufacturing
3391	Medical Equipment and Supplies Manufacturing
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities

E-Commerce

4541	Electronic Shopping and Mail-Order House
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