2. IS SITE DEVELOPMENT AN APPROPRIATE ECONOMIC DEVELOPMENT STRATEGY?

While this module focuses on site development, it is important to realize that not all communities will find site development to be a feasible economic development strategy. The authors recommend that each community invest resources into developing some type of an economic development plan that considers the strengths and weaknesses of the community and the residents' wishes, and that systematically develops feasible strategies. Site development can be a costly investment with no guarantees for a successful outcome. Section 5 discusses a systematic planning program that communities can use for site development. Following these steps can save time, money and controversy for a community.

It is important to realize that prospective businesses are searching for a profitable location, not just a profitable site. They consider factors other than the physical site. These include labor, education levels and proximity to suppliers/buyers. The community that best matches the business’s criteria AND has a prepared site has a distinct advantage over other communities. As we stress throughout this module, the site-development process should be viewed as meeting the prospective business’s needs as well as the community’s needs.

Economic-development planning should include a wide consensus and involve all aspects of the community. Many communities engage in strategic planning. In the United States, many use an Overall Economic Development Program (OEDP) – a planning process developed by the Economic Development Administration to help identify potential grant projects. Whatever planning process a community chooses, it should be thorough. By working through a planning process, a community may discover several possible economic development strategies. If site development is not one of these, the community may have saved time and grief by not pursing a strategy that is inconsistent with its needs, strengths and weaknesses. If site development is chosen as a strategy, the planning process should lead to more consensus for that decision.

A critical element of planning for any industrial site is determining the capacity levels and types of industrial parks in the community’s market area. There has been little research completed to determine the capacity level of all industrial sites. One estimate from the 1980s cited in Eisinger (1988, 179) notes that in the United States, 59 percent of the land in industrial parks does not have a tenant. Hence, communities should survey surrounding communities to determine the capacity level of each park, the size of the park, its location, and other pertinent factors. The community can then begin to determine if there is an overcapacity of industrial space. If there is an overcapacity, the community should determine why. Are the parks/sites prepared sites with appropriate infrastructure? Are the sites accessible? How long have they been vacant? Just because there may be excess capacity in the sites does not mean that there is no need for more sites. For example, a community may find a nearby town with several small acreage lot sites, another town with several sites and no infrastructure serving the sites, and yet another nearby town with a park designed for research and white collar firms. Even if all of these locations have excess capacity, there still may be a need for prepared, large sites targeted for manufacturing industries. After obtaining answers to these questions, the community can then deduce the appropriateness of site development.

Area universities, extension services and consultants often have resources to aid in community planning. In addition, a community’s regional planning agency has probably done land use and comprehensive planning that indicates geographic areas of the community for industrial and other types of development.