INTRODUCTION

When most people think of economic development, they think of attracting an industry to their community. They think that somehow, a company chooses a community and finds a place to build an establishment. But like most things in life, the site-selection process is not that simple. A great amount of time must be spent in preparing for development and meeting the requirements of prospective businesses. The following story provides a useful illustration:

A Scenario

Imagine you’re going to the annual Founder’s Day dance. It’s the biggest event each year in the community. All the right people will be at the event; people who can affect your career, people who can help you get access to the prestigious organizations and businesses of the community. Of course you will want to make your very best impression. So you go shopping and buy a new suit and a tie and a new shirt. When you get home and try on these new items you discover your shoes aren’t what you had hoped. They really look dingy next to all this new stuff. So you head out to the local shoe store to buy a pair of shoes. The sales clerk greets you kindly and offers assistance. You tell the clerk you’re looking for a burgundy loafer with tassels, size 11, priced in the neighborhood of $105.00. The sales clerk returns with a pair of shoes, slips one on your foot and tells you how great it looks. The problem is, it’s a size 10 1/2, brown with no tassels, but at least it is a loafer. "It’s the wrong size," you say to the sales clerk. "We can fix that" is the reply, "we got a stretching machine in the back." You offer a counter argument to the sales clerk: "but I asked for burgundy and this shoe is brown." "No problem" the sales clerk replies, "we got burgundy dye. We’ll fix it up for you, and I just noticed these shoes are on sale for $80.00." After that last remark you politely put your own shoe back on and walk out of the store.

The world is full of informed consumers. People know what they want before they go out to make a purchase. It is now the role of the business establishment to have what the buyer wants. Gone are the days when people had little choice and had to buy what the retailer wanted to sell. Even utility businesses are opening up to choices for the consumer. The change started with telephone providers and has spread to natural gas and electric providers. No one has to select a particular item anymore. Today if you wish to successfully market a product you need to understand the buyer’s wants and desires.

This reality is of particular importance to an industrial or retail firm selecting a site. Firms complete a great deal of market analysis before searching for a suitable location. In addition, firms compile detailed information regarding the cost of product. They know whether electricity cost is more important than freight cost or labor price. Prepared with a list of "must haves" based on this information, the firm’s site consultant or representative begins the quest for the firm’s ideal location. You can be assured that, like the shopper looking for a pair of shoes, individuals seeking a site for their firms are not about to change the selection criteria because they had a great dinner at your local restaurant. That is why developing a site is so competitive and requires a great deal of preparation by community leaders. It didn’t work for our shoe clerk to offer to dye the shoes the right color, and it won’t work for a community when it offers to change the terrain of its local industrial site. Instead, a community needs to spend time long before that first visit by a firm’s site-selection team seeking answers to the details regarding the site the community wishes to promote. The more a community considers site-selection criteria before it selects or develops a particular site for promotion, the lower the likelihood becomes that local leaders will need to explain why they spent so many public dollars on a site that is drawing no interest.

Unfortunately, there seems to be an urge among community leaders to find a piece of land in or near town, find a realtor to list the property, place a sign on the land proclaiming "Industrial Site" and run an ad in a site-promotion magazine announcing the availability of land for development. Maybe good fortune will smile on these leaders and a Fortune 500 firm will chose to locate on the site. More often, though, the community goes through years of frustration trying to build interest in the site. At more than one service organization meeting these same leaders must explain why no one is locating a business in the community. Finally the happy day arrives when, in desperation, the community finds a firm to locate on
the site. Once again, though, misfortune follows these community leaders because the firm locating on the site produces waste products that discourage any other firm from locating in the area.

A happier story can be told by community leaders who took the time and energy and expended the funds necessary to prepare a piece of property as a site that meets the needs of future tenants.

This module's goal is to help communities prepare sites for business development. We will focus primarily on industrial and wholesale commercial sites. Our goal is not to go through a step-by-step physical development process that focuses on how to physically construct an industrial site. A separate module provides some of this information. It is our intention instead to focus on the tremendous effort required to lead up to physical site development, that is, the steps leading up to ground breaking. It is during this time period that many communities make expensive mistakes. Site development is an expensive and time-consuming endeavor. Proper planning is critical. Bessire (1981) provides a wonderful gem of wisdom: "Remember that in doing your planning, education is what you get from reading the small print and experience is what you get from not reading it."

Our focus is from a community perspective. Specifically, we discuss:

1. What is a site?
2. Is there a need for site development?
3. Some of the trends and data affecting site development.
4. Business/Industrial parks and sites.
5. What are some goals and objectives of site development, especially from the business's perspective? What are the actual steps to site development, focusing on the steps leading up to the actual construction?