

OK Site Certification Program Development Type Overview

Rural Business / Commerce Park

General Description

A rural business/commerce site may house a variety of functions including light industrial, assembly, commercial offices, warehouse or distribution, and general manufacturing. The objective is to provide small to medium-size companies “ready-to-go” sites free from many permitting and other time-consuming processes. Sites range in size from 1 to 10 acres depending on the client’s needs, some sites may even exceed 20 acres.

Often, a developer and/or community provides basic infrastructure such as roads and utilities and passes those costs on in the form of higher land costs. For small companies, however, low investment costs are essential, so it is important that improvement costs to the land are kept at a reasonable level.

Market Analysis

Small and large communities alike are in great need of industrial/commercial areas where small businesses can locate their operations in a quick manner. Smaller companies with intense capital investment constraints are the most likely tenants for this type of area. In a small community this area will be used for expanding small business offices and manufacturing facilities as they grow. In larger communities the same is true, with the additional need to provide a place for suppliers of the major local companies already located in the community.

Expanding businesses often seek acreage easily adaptable for new facilities. Rural business/commerce sites often fill this need by providing “ready-to-go” sites complete with utility and access infrastructure, and appropriate permitting and zoning restrictions. One owner or one agency representing the owners most likely controls the entire area. In this manner, businesses interact with just one professional entity when acquiring a site. The size of the area also allows individual investors to purchase only the amount of land needed for their facilities.

By reducing site costs and uncertainty, businesses are more likely to choose an area where they may begin construction and get operations underway quickly. For example, foreign firms wishing to establish an American presence in the U.S. market often use rural business/commerce site to gain quick access.

Minimum Site Acreage

The minimum land required is 10 developable acres subdivided into smaller 1 to 5 acre lots.

Appropriate Topography

Site topography can be rolling or somewhat sloped from one side to the other. Individual parcels should generally be level with little or no elevation change and outside the 100-year FEMA flood plain designation.

Individual parcels ranging from 1 to 15 acres should not contain major elevation changes, “valleys,” or “mountains.” Topography has a direct influence on the up-front capital costs. Poor topography not only increases site preparation costs, but more importantly, can delay fast-track projects. Risk of cost overruns and potential construction delays due to poor topography can eliminate a site, or be a factor in choosing between two otherwise equal locations.

Utility Needs

Utility needs vary by industry. The following are examples of what may be required:

Electricity

- Kilowatt (kW) Demand: 1,000 kW
- Kilowatt Hour (kWh) Usage: 600,000 kWh / month
- Dual Feed Preferred

Natural Gas

- Usage: 50,000 therms or 5,000 mcf / month

Water

- Usage: Up to 1,000 gallons / day
- Municipal System Preferred

Sewer

- Flow: Up to 1,000 gallons/day
- Municipal System Preferred

Telecommunications

- Fiber Optic service or equivalent

Transportation Requirements

The site must have good truck and automobile access.

Labor / Workforce Needs

Obviously the level of employment within a site of this nature varies widely considering an employee to land ratio. If 50 people were employed for all twelve 5-acre lots, a rural business/commerce development site of this size could likely expect to employ approximately 600 people. Near metropolitan areas the number of employees may be significantly higher because of the workforce density. Small to mid-size areas can expect lower density employment more closely resembling the 600.

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The following table shows the typical occupations that may be found in a commerce development site. The table compares 2004 Oklahoma mean hourly wages with 2004 national mean hourly wages. *Please refer to the Application Package for the detailed “Comparison of Wages” and “Description of Occupations” sections.*

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OCC Code	Title	Oklahoma	National
43-9022	Word Processors and Typists	\$11.58	\$14.17
49-9043	Maintenance Workers, Machinery	\$16.21	\$16.40
49-9041	Machinery Mechanics	\$16.85	\$19.28
47-2111	Electricians	\$17.96	\$21.58
51-2022	Electrical and Electronic Assemblers	\$13.08	\$12.63
53-7051	Industrial Truck and Tractor Operators	\$12.00	\$13.57

Proximity of Support Facilities

Proximity to suppliers of general business services is strongly preferred. Support services could include but are not limited to janitorial services, couriers, temporary staffing agencies, and office/industrial supply warehouses. Contractors that provide support for light industrial facilities or offices are advantageous. The type of contractor that will be required ultimately depends on operations in the park.

Site Development Barriers & Issues

The site should be broadly zoned allowing for a variety of uses.

Site Ownership vs. Lease

The property’s original developer would most likely sell each parcel to individual businesses and corporations, who are then free to develop the property to suit specific needs. Often the developer will build a versatile industrial shell building that is then leased to and outfitted by small businesses.

Surrounding Land Use Issues

Due to concerns surrounding noise and truck traffic a rural business/commerce development site should not be built in a residential area. Proximity to other similar commerce sites, airports, or other centers of light industrial activity could lend an advantage in creating market synergy.

Other Criteria Critical to the Selection

Refer to project evaluation criteria (musts & wants) which follow.