

5. Land Assembly

SECTOR: 

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Land assembly (or land assemblage) is the process **of combining ownership of multiple adjacent parcels** to create a site large enough to fit certain industrial projects.

Land assembly typically creates a value increase called “plottage,” since the joined parcels may have more economic utility than individual ones.

The industrial development process requires site control, meaning not just a strong location for development, but the right landowners in place to facilitate the development process. This is why land assembly happens, and why oftentimes economic development entities acquire land in order to be best positioned to get industrial development built.

Why Assemble Land for Modern Manufacturing?

Today, many industrial end users require sites larger than typical parcels, even in rural areas.

The land has to provide:

- Large footprints that include acreage for future expansion, buffers, stormwater, truck parking, and employee parking
- High utility loads
- Clean title and an understanding of environmental constraints.
- Predictable permitting and access (turn lanes, signals, rail, etc.)

That's why states, economic development organizations, and even municipalities put significant money into identifying and preparing sites, and why they prefer sites they can control through public ownership or an option to purchase.

The benefits behind land assembly are:

- Industrial users often need sites that are “ready now.” Fragmented ownership can kill a deal.
- Assembling land allows right-sized parcels and easier provisions for traffic flow, site planning, and other considerations.

- Those acquiring and prepping land can make a site less risky for development by absorbing up-front costs.
- A site with clear ownership, known constraints, and a defined path to approvals is far more competitive.

Coordinated assembly reduces holdouts and the potential leverage of being the last parcel sold.

What Municipalities Should Understand

Assembly is usually a multi-year pipeline, not a single transaction.

It is most effective when paired with site readiness work (zoning fit, utilities, access, wetlands/soils, remediation strategy).

Assembly is not anti-transparency; it is a way to manage uncertainty, complexity, and timing.

Paying for Site Control

How Communities Can Take Part in Land Assembly. Tax increment financing (TIF) lets a community recapture the increase in tax revenue a site generates after redevelopment and reinvest it in eligible costs, such as site preparation, environmental remediation, and infrastructure, and in some cases land acquisition. This can reframe up-front readiness spending as a recoverable investment rather than a sunk cost. The right authority depends on the site—a Brownfield Redevelopment Authority for contaminated or blighted property, a Downtown Development Authority (DDA) for downtown/corridor areas, or a Local Development Finance Authority (LDFA) for qualifying manufacturing and high-tech districts.

The right approach depends on the community. Growth or fringe communities with available land can assemble proactively by acquiring and preparing strategic sites ahead of demand. Built-out communities, where large-scale land banking is impractical, focus on keeping flexible funding ready to act fast when parcels become available.



Brownfields and Incentives

How Does an Organization or Municipality Use Land Assembly?

1. Preparation

Land assembly is most effective when it is treated as an implementation strategy that connects to a municipality's master plan, proactive engagement approach, and zoning readiness.

Define the “why” and guardrails. Anchor land assembly in adopted community goals (jobs, tax base, reuse of blight, resiliency, targeted industries). This can be paired with clear non-negotiables that are outcomes of the community's existing planning work.

Choose the lead and delivery structure. Decide who should hold/control land (municipality, land bank, or an Economic Development Organization (EDO) partner) and set a single point of contact plus a clear internal decision path to avoid miscommunication.

Build a realistic site pipeline. Use planning and zoning tools to identify where industrial uses make sense, then screen candidate areas for:

- Site size and configuration
- Ownership complexity
- Utilities and capacity
- Access/truck circulation
- Environmental constraints
- Political feasibility

Plan your outreach early. Aligning with the community's master plan and zoning makes land assembly smoother and minimizes mistrust. Prepare a simple project narrative and FAQ (vetted by legal) to define what information is shared and when. This establishes a transparent channel for the public before they resort to Freedom of Information (FOIA) requests.

2. Building Site Control

Most of what makes land assembly succeed happens well before parcels are closed on. This matters even more for redevelopment sites, where older parcels often come with title issues, legacy environmental conditions, or existing occupants.

Look at control options, not just outright ownership. Use options, right-of-first-refusal, or phased closings to mitigate your own risk.

No one wants to be surprised. Treat assembly as a process to reduce surprises: clarify who is leading, who talks to owners/tenants, and what approvals are needed before you move.

Sequence parcels on purpose. Start with the parcels that unlock the site (access, utilities, stormwater areas, key corners). On redevelopment sites, that often means the parcels with the “hard stuff” first (problem titles, buildings to demo, known contamination), so you don't get stuck later.

Do due diligence early and ongoing. Title/encumbrances, survey/legal descriptions, environmental studies, and basic civil feasibility. Don't pay a premium before you understand constraints.

Treat relocation as schedule-critical. If there are tenants, operating businesses, or informal uses, plan outreach and relocation up front. Expect the process to take longer than you think; build in time contingency.

Plan for the holding period. Who is responsible for maintenance, safety, nuisance mitigation, insurance, and clarity on taxes/assessments while parcels are under public control. If you have total ownership rather than an option to buy, there will be carrying costs.

Use proactive engagement to prevent escalation. Post a simple FAQ and keep the narrative consistent and up to date so people aren't forced into FOIA to understand what's happening.

Know when to stop. Money spent on a project that won't pan out shouldn't justify throwing good money after bad, as this is a common psychological trap for public boards.

3. Disposing of the Site

Project approval is only the first stage. The “finish line” is a site that is actually developed, with clear next steps and fewer surprises.

Package the site in plain language. One clean site summary: ownership status, known constraints, due diligence findings, and a realistic path to approvals. The Site Readiness and Feasibility tool can support this work, as well as DRP's VIP program and MEDC's MI Sites Program.

Match the sales method to the goal. Different ways to dispose of properties provide different pros and cons. Direct sale with performance terms, RFQ/RFP, development agreement, or ground lease are all options.

Put performance in writing. Timelines, milestones, job/investment commitments where applicable. Provide detailed clauses for what happens if performance standards are not met, including reclaiming the site.

Close the loop publicly. Once direction is clear, publish outcomes, next steps, and where the public can track progress, all part of increasing transparency and trust.

Ways to Sell or Transfer Property

Municipalities can transfer assembled land in several ways. The right approach depends on how much uncertainty remains, how important outcomes are beyond price, and how much control the community wants to keep and the needs of the end user.

Methods of Sale

These determine how a buyer is selected.

Direct Sale

A straightforward sale to a selected buyer, paired with written requirements.

Best when: The site is truly ready and the municipality wants speed.

Trade-off: Less competitive process and less leverage if terms aren't well written.

RFQ / RFP

The municipality invites proposals and selects a buyer/developer based on qualifications (RFQ) and/or project approach and price (RFP).

Best when: Project quality, experience, and community outcomes matter, or when redevelopment complexity is high.

Trade-off: Takes more time and staff effort; requires clear evaluation criteria.

Transfer Structures

These determine the legal and ownership terms of the deal, and can be paired with either method of sale above.

Development Agreement

A contract that spells out responsibilities, timing, public/private improvements, approvals sequencing, and remedies if commitments aren't met. Oftentimes the site can remain under control of the seller until after development is completed.

Best when: The project has moving parts (infrastructure, remediation, phasing) and the municipality needs clarity and enforceability.

Trade-off: More negotiation and legal work up front.

Ground Lease

The municipality retains ownership and leases the land long-term (often 30–99 years) with defined performance requirements; the developer builds/operates the project.

Best when: The municipality wants long-term control, phased performance, or to prevent land speculation, all common in redevelopment.

Trade-off: More ongoing administration; may not fit every development financing model.



Strategic Industrial Redevelopment— BAE Systems and the Van Dyke Corridor

The transformation of the former industrial site along Sterling Heights' Van Dyke Corridor into BAE Systems' North American technical and research headquarters exemplifies strategic economic planning that prioritizes long-term impact over short-term commercial gain.

Initially, the site was under contract for a large retail development, consolidating national retailers, restaurants, and other consumer-oriented uses. While retail offers immediate visibility and convenience for residents, the City recognized its lower long-term economic benefits compared to advanced manufacturing, engineering, and defense-related employment, which generate higher wages, stronger economic multipliers, and greater regional spin-offs.

Facing a choice between continued retail growth or fostering high-wage technical jobs, the City supported BAE Systems, allowing the retail opportunity to lapse. This required careful coordination, trust, and ongoing communication among the City, property owner, and BAE Systems, balancing transparency with confidentiality due to sensitive defense-related operations.

To support the redevelopment, the City established a Local Development Finance Authority (LDFA), providing infrastructure and financing for technology-oriented investment and aligning with Michigan's SmartZone initiative. This framework positioned the corridor as a hub for advanced engineering, defense technology, and high-value employment, signaling to other investors the community's commitment to long-term economic competitiveness.

While retail remains valuable for community vitality, this case illustrates the importance of prioritizing an economic ecosystem that fosters high-wage, innovation-driven jobs, which in turn support broader economic growth, including retail, housing, and additional private investment. These are opportunities to consider a different future for areas planned for retail or office use. Modern industry can fit into the existing fabric of a community.



Photo by Tip Ranks.

The Sterling Heights–BAE Systems partnership highlights how strategic planning, infrastructure development, confidentiality management, and long-term visioning can reshape a corridor for sustained economic impact.