§ 504. Site designation. An area shall be designated by the governing body, or by the commission where so authorized to act by the governing body, on its own initiative or on petition of the owners in fee of not less than fifty-one per cent of the land (excluding publicly owned land) or upon recommendation of the agency, upon a finding that such area is appropriate for urban renewal as defined in subdivision three of section five hundred two of this article. Such designation may be accompanied by a recommendation of the commission as to the predominant reuse and such other planning criteria as it may deem appropriate for the general renewal of the area.