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## Economic Development

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### Introduction

Over the years, Hudson's economy has been shaped by its historical development pattern, its regional location within the Boston I-495 circuit, and global competitive business pressures. For example, like many other New England communities, Hudson's early industries developed in mill buildings that capitalized on access to water power. Facing increased pressure from lower-priced markets in the South and abroad, textiles and associated industries eventually declined and the local economic profile changed. The development of interstate highways and Hudson's relative proximity to the concentration of institutions of higher education and technology innovators in the Boston region has also resulted in profound changes in the nature of the local economy. One result is that the 495/MetroWest Region has a heavy concentration of employment in technology-based industry clusters including IT and advanced manufacturing. This cluster is represented locally within Hudson, which is home to several technology firms.

The following chapter presents baseline information regarding the current state of the local economy, identifies the community's economic development goals as expressed through other planning documents and the planning process that was undertaken for this Master Plan Update, and suggests potential implementation strategies that could be undertaken by the Town to help advance its economic development goals.

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### Goals/Policies/Direction

The 495/MetroWest Development Compact Plan was published In March 2012. The Compact Plan provided regional-scale planning that: established community-based priorities and strategies along the I-495 corridor; integrated those priorities into regional development and preservation strategies; and, provided a blueprint for public investments. The Plan characterizes Hudson as one of the region's developing suburbs – a place that has experienced high levels of growth over the past decade,

has undeveloped land, and fairly low-density development. In order to provide direction for the expected continued growth in this area, the Plan identifies specific areas for preservation and development to ensure that new commercial and residential growth occurs in a manner that respects open space resources, transportation networks, and water resources in the region. These development and preservation priorities help to place Hudson's economic development activities within the larger regional context.

Policy directions have also been expressed at the local level. The 2004 Hudson Community Development Plan was guided by a series of "Principles for Smart Growth" that shape policy across a variety of topic areas. A number of these principles relate directly to the Town's economic development policies and are reiterated below.

- **Concentrate development and support development that is compact, conserves land, integrates uses, and utilizes existing infrastructure for sewer and water.** Avoid excessive new road and other public infrastructure, or residential properties spread out on existing roads. Enhance walkable districts mixing commercial, civic, cultural, educational and recreational activities.
- **Protect the village character and "strong sense of place" of downtown Hudson with its locally-owned businesses, healthy economy, pedestrian environment, access to the Assabet River, built features and landmarks, historical resources, and role in community life.** Consideration of the interaction of all these positive qualities on downtown Hudson should be factored into consideration of development proposals, and to proposed changes in by-laws and regulations.
- **Redevelop first.** Identify existing built resources that are unused or underutilized and give preference to their reuse. Promote redevelopment of brownfields, preservation and reuse of historic structures, and rehabilitation of existing housing, industrial buildings, and schools.
- **Increase job opportunities.** Use rehabilitation and infill development to encourage the location of new business development near housing, infrastructure, water and transportation options. Support the growth of new and existing local businesses.
- **Foster sustainable businesses.** Strengthen sustainable natural resource-based businesses, primarily agricultural activities. Support economic development in industry clusters consistent with regional and local character. Maintain reliable and affordable energy sources to reduce dependence on imported fossil fuels.
- **Encourage "green" buildings.** Work with developers on new construction projects to reduce stormwater through "green" roofs, permeable parking surfaces and other options, and to reduce energy consumption of new construction and rehabilitation through active and passive energy saving building options.

These principles remain relevant for the town and should be maintained to inform decision-making regarding development proposals or other economic development activities.

The 2004 Community Development Plan included an Economic Development component that identified potential actions for the Town to take to help support existing businesses and facilitate the growth of new economic activity. The recommendations from the 2004 Plan encompassed five general themes including:

- **Plan, Design, and Construct Public Infrastructure to Enhance Economic Development**
  - The action items related to infrastructure included roadway improvements along Route 85 to alleviate congestion (which is currently underway) and parking and parkland/recreational development in the downtown to fulfill the concepts from the Urban River Visions plan.
- **Initiate/Strengthen/Enforce Town Bylaws and Regulations**
  - Zoning related recommendations included: limiting the use of commercial or industrially zoned properties for non-commercial development; considering commercial/industrial designations on land accessible to I-495; adjusting zoning to facilitate mixed-use buildings with residential usage of upper floors; further detailing the code's treatment of home occupations to facilitate this type of business; considering changes to the C-1 District's parking, use and height restrictions in the downtown; and creating of a Mill Overlay District.
- **Support Business Already Located in Hudson**
  - Business support recommendations included: providing support to Intel to help address its water and wastewater needs; facilitating the use of Small Business Administration or other resources to support small businesses; considering use of tax increment financing or other programs to facilitate downtown investment; and providing the business cluster on east end of Main Street with communication and regulatory support as necessary.
- **Support Hudson Residents with Employment Skills and as Employees**
  - The workforce skill development recommendation was using support of local businesses to generate mentoring and intern opportunities and connections between Hudson businesses and its schools.
- **Enhance Private Sector Ability to Redevelop Business Real Estate**
  - Recommendations to enhance redevelopment potential included a façade improvement program for downtown properties and working collaboratively with owners of industrial properties surrounding the downtown to encourage their productive reuse. Potential vehicles to facilitate reuse could include zoning changes,

facilitation of use of available public financing programs, or locating public or community facilities within the buildings.

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## Economic Profile

The following economic profile inventories key indicators related to the performance of the local economy, including demographic measures, labor force characteristics, and information related to business establishments and sales activity within Hudson. While these measures can enhance understanding of the economic situation, there are other less tangible elements such as quality of life and business climate perceptions that can also influence local conditions.

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## Commercial and Industrial Assets

The Town's economic activity and commercial base is generally located within the C-1 to C-13 commercial districts, the LCI limited commercial and light industrial district, and the M-1 through M-5 and M-7 industrial districts. These businesses provide employment opportunities as well as services and goods for local residents and make a substantial contribution to the Town's tax base and fiscal health.

Commercial retail and office development is concentrated in two areas: the downtown and along the Route 85 corridor. The traditional downtown is centered around Main Street, and includes a mix of smaller retail, restaurants and offices in the historic two and three story buildings along Main Street as well as more recently developed buildings to the rear along South Street. Shopping centers and big-box stores hosting larger chain and national retailers are located along the Route 85 corridor, which is in the process of the being upgraded, and which serves as a regional shopping destination. Older strip commercial and auto-related uses are also prevalent along the corridor. In addition to retail, the Route 85 corridor is also home to an office park (Cabot Road). Additional retail space (Highland Commons) has recently been developed along Coolidge Street in proximity to an I-495 interchange near the municipal border with Berlin.

The largest industrial facility in Town is the large Intel complex located on Reed Road.<sup>16</sup> Other significant concentrations of industrial activity occur in the Brent Drive and Kane Industrial Drive area towards the east end of Main Street and along Bonazzoli Avenue just southeast of the downtown. There are additional smaller clusters of industrial or heavy commercial activity along River Road in the southwest, Central Street, Apsley Street, Cherry Street, and along Route 62 (Coolidge Street).

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<sup>16</sup> As of the writing of this Master Plan, Intel has recently announced it would be shutting down its manufacturing facility in Hudson by the end of 2014. As the Intel site is suitable for industrial manufacturing uses, future prospective buyers would most likely utilize the site in a similar way as Intel.

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## Labor Force Characteristics

This section examines various demographic and economic characteristics related to the Hudson residential population and labor force.

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### Income

From the perspective of local residents, the key measures of economic functioning relate to the ability to find a job and to generate income to sustain their families. In comparison to the State as a whole, the regional economy performs relatively well in providing employment and income for residents of Hudson. The Town has higher median household income, family income and per capita income than the State overall. However, incomes for residents of Hudson tend to be somewhat lower than for Middlesex County. Between 2000 and 2010, resident income growth within Hudson kept pace with the rate of growth for the County and the State. Hudson also has a smaller proportion of its population living in poverty than the State and County as a whole. However, its poverty rate increased substantially during the first decade of the 2000's, likely reflecting the national economic recession.

**Table 4-1 Income and Poverty Characteristics**

	2000			2010		
	Hudson	Middlesex County	State	Hudson	Middlesex County	State
Median HH Income	58,549	60,821	50,502	74,983	77,377	64,509
Median Family Income	70,145	74,194	61,664	90,719	97,382	81,165
Per Capita Income	26,679	31,199	25,952	34,516	40,139	33,966
% Population in Poverty	4.5%	6.5%	9.3%	7.1%	7.6%	10.5%

Source: 2006-2010 American Community Survey 5-Year Estimates

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### Employment Rate

Hudson residents have a lower unemployment rate than the State and the nation as a whole. As of April 2013, the Hudson unemployment rate stood at 5.5% compared to 6.3% for Massachusetts and 7.5% for the nation. The Middlesex County rate was somewhat lower at 5.0%.

The number of Hudson residents within the labor force increased modestly over the first decade of the 2000s. This growth (4.3%) was slightly less than the rate of overall population growth during that period (5.2%).

**Table 4-2 Labor Force Characteristics**

Labor Supply	2000	2010
Labor Force	10,380	10,825
Employed Population over 16	10,048	10,182

Source: 2006-2010 American Community Survey 5-Year Estimates

The number of dual working families is important to consider as this can influence a number of factors in a community. For example, if there is a large number of dual working families in a community day-care and after school programs should be expanded, stores and businesses would benefit from extending hours past a typical work day (to appeal to those families who work until 5 PM or later), and public participation may be lacking as dual working families would be less likely to attend such events during the week. Approximately 62 percent of Hudson families with children under the age of six years old, have all parents in the family in the labor force (dual working family), while 86 percent of families with children ages six to 17 years old have all parents in the family in the labor force.<sup>17</sup> This demonstrates that a majority of families with children have all parents working which can lead to implications for community factors mentioned earlier.

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## Type of Employment

In 2010, the education and health services industry sector employed the largest number of Hudson residents. The next two largest sectors in terms of employment were professional services and manufacturing. By comparison, in 2000, manufacturing still represented the largest employment source for residents. However, like many other communities across the Northeast, Hudson has experienced a decline in the number of its residents working in manufacturing (approximately 29% decline). This lost employment has been replaced with increased employment in the education and health services and professional and management services sectors. Currently, the share of residents employed in manufacturing and professional service sectors is about even.

**Table 4-3 Employment Share by Industry Sector**

Employment by Industry	2000		2010	
Agriculture, Forestry, Mining, etc.	5	0%	73	1%
Construction	555	6%	606	6%
Manufacturing	2,510	25%	1,789	18%
Wholesale Trade	309	3%	190	2%
Retail Trade	1,180	12%	1,152	11%
Transportation and warehousing and utilities	246	2%	213	2%

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<sup>17</sup> United States Census Bureau. Selected Economic Characteristics. 2007-2011 American Community Survey 5-Year Estimates. Accessed October 2013.

**Table 4-3 Employment Share by Industry Sector**

Employment by Industry	2000		2010	
	Count	Share	Count	Share
Information	344	3%	350	3%
Finance, insurance, real estate	690	7%	590	6%
Professional, scientific and management and administrative services	1,215	12%	1,812	18%
Education services and health care and social assistance	1,562	16%	2,287	22%
Arts, entertainment, recreation, accommodation	525	5%	396	4%
Other services	573	6%	418	4%
Public administration	334	3%	306	3%

Source: 2006-2010 American Community Survey 5-Year Estimates

Note: Due to the recent announcement of the Intel closure as of writing this Master Plan, approximately 700 manufacturing jobs will be lost as a result which would bring the amount of Manufacturing employment numbers down in the near future unless the Intel property is to be sold to a similar use and business.

Most working Hudson residents are engaged in management, business, science or arts occupations. This share has continued to grow since 2000, and now accounts for 44% of total employment. The next largest category of employment is sales and office occupations. The number of residents engaged in these occupations has declined somewhat over the decade, while service occupations have grown by a relatively proportionate amount.

**Table 4-4 Employment Share by Occupation**

Employment by Occupation	2000		2010	
	Count	Share	Count	Share
Management, business, science and arts	4,060	40%	4,459	44%
Service	1,135	11%	1,399	14%
Sales and office	2,486	25%	2,256	22%
Natural resources, construction and maintenance	872	9%	843	8%
Production, transport, material moving	1,495	15%	1,225	12%

Source: 2006-2010 American Community Survey 5-Year Estimates

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## Education

Hudson is a relatively highly educated community, with over 36% of its population holding a bachelor's degree or higher. Nationally, this figure is closer to 30%. However, Massachusetts is a high education state and Hudson lags the state average somewhat. It is also noted that Hudson is within a region that is particularly highly educated. For the communities within Middlesex County, nearly 50% of residents have a bachelor's degree. The discrepancy in higher education rates between Hudson and the larger state and region is particularly pronounced in the graduate or professional degree category.

**Table 4-5 Educational Attainment**

Educational Attainment (Population 25+)	Hudson	Middlesex	State
High School Graduate	29.4%	22.6%	26.7%
Associate's Degree	6.4%	6.1%	7.6%
Some College, No Degree	16.6%	13.6%	16.0%
Bachelor's Degree	23.2%	25.6%	21.9%
Graduate or Professional Degree	12.9%	23.7%	16.4%
High School Grad or Higher	88.5%	91.6%	88.7%
Bachelor's Degree or Higher	36.1%	49.3%	38.3%

Source: 2006-2010 American Community Survey 5-Year Estimates

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## Place of Work

Hudson residents tend to work relatively closer to home, with nearly three-quarters working within the County. As a result, Hudson residents enjoy a shorter commute than the state and regional average. However, not as many Hudson residents work in their home community as compared to the State, which could reflect the gap in local jobs versus the local labor force.

**Table 4-6 Commuting Characteristics**

Commuting Characteristics	Hudson	Middlesex	State
Work within County	74.4%	69.5%	65.6%
Work outside County	24.4%	28.7%	30.6%
Work outside State	1.2%	1.8%	3.9%
Mean Travel Time to Work (minutes)	24.5	27.7	27.3
Work within Place of Residence (CDP)*	15.3%	19.3%	24.3%

Source: 2006-2010 American Community Survey 5-Year Estimates

\*CDP=Census Designated Place. Statistic relates only to those workers living in a census designated place, not all workers. Approximately 78% of Hudson's population of workers lives in a defined place. Statewide approximately 70% live in a place. The Middlesex ratio is 74%.

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## Business Establishments

Hudson is home to a diverse range of businesses that employ nearly 10,000 people in total. Businesses range from high-technology manufacturing to professional, educational and health service providers, to retail and hospitality businesses. As indicated in the table below, the largest sector in terms of employment is manufacturing. The large Intel facility in Hudson accounts for a substantial share of

this total.<sup>18</sup> It is noteworthy that the manufacturing sector is the highest paying sector, with an average wage nearly double that of the next most lucrative sector. This figure is also likely dominated by Intel-related compensation. The next largest industry cluster in terms of local employment is the trade, transportation and utilities sector, which tends to produce relatively lower wages.

**Table 4-7 Hudson Employment and Wages by Sector**

Sector	Number of Establishments	Average Monthly Employment	Percent Of Total Employment	Average Weekly Wages
Total	614	9,697	100%	\$1,388
Construction	93	679	7%	\$1,279
Manufacturing	78	3,463	36%	\$2,492
Trade, Transportation and Utilities	122	1,807	19%	\$660
Information	4	64	1%	\$927
Financial Activities	31	277	3%	\$1,202
Professional and Business Services	111	1,377	14%	\$790
Education and Health Services	27	786	8%	\$829
Leisure and Hospitality	54	698	7%	\$339
Other Services	89	365	4%	\$659

Source: Massachusetts Executive Office of Labor and Workforce Development

Most of the establishments (84%) within Hudson could be classified as small businesses with fewer than 20 employees. More than half of the businesses in town have less than five employees. The number of firms with 100 or more employees is relatively limited.

**Table 4-8 Hudson Business Size**

Size of Establishments (# of Employees)	# of Firms	Percent
1-4	276	53%
5-9	81	16%
10-19	75	15%
20-49	58	11%
50-99	14	3%
100-249	11	2%

<sup>18</sup> As of the writing of this Master Plan, Intel has recently announced it would be shutting down its manufacturing facility in Hudson by the end of 2014. As the Intel site is suitable for industrial manufacturing uses, future prospective buyers would most likely utilize the site in a similar way as Intel.

**Table 4-8 Hudson Business Size**

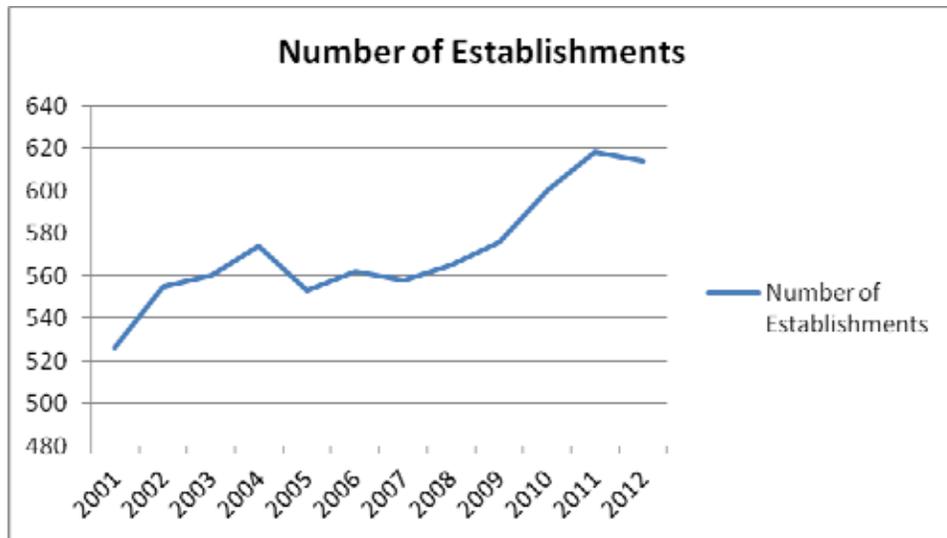
Size of Establishments (# of Employees)	# of Firms	Percent
250-499	1	0%
500-999	1	0%
1000+	0*	0%
Total	517	100%

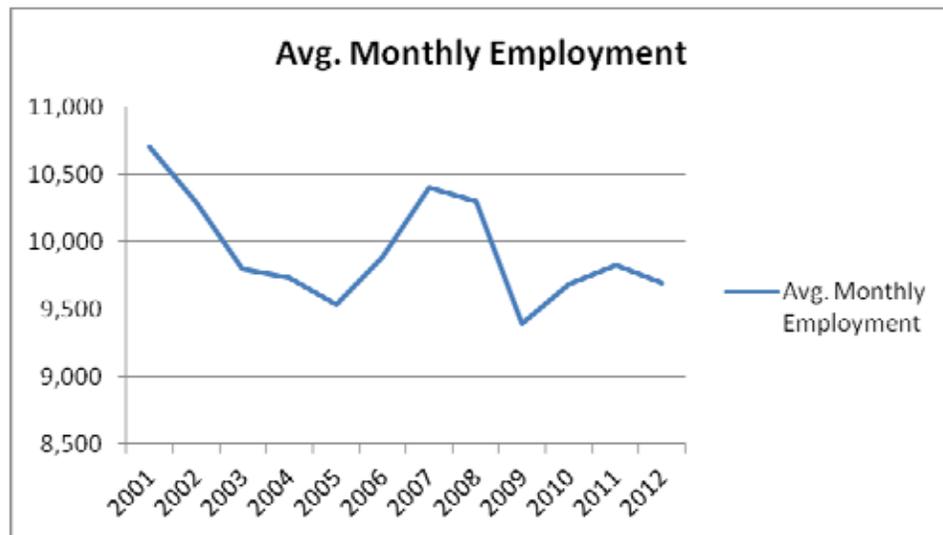
Source: US Census, Zip Code 2010 Business Patterns

\*The Intel facility does not appear to be reported correctly by the zip code business patterns data. The facility employs several thousand workers.

From the period 2001 to 2012, Hudson experienced an overall increase in the number of business establishments located within the town. The largest period of growth occurred during the period from 2007 to 2011. However, the total amount of employment has decreased since 2001. The Town experienced job losses in the early part of the decade, followed by a period of job growth during 2005-2007. Employment declined sharply again through 2009 during the nationwide recession. A limited recovery in the number of jobs has occurred over the past several years, however employment in the Town is still off approximately 9% from its 2001 total. The growth in the number of business establishments, but with a corresponding decline in the number of jobs, may reflect workers who started independent businesses in response to downsizing during the recession.

**Figures 4-1 and 4-2 Number of Establishments and Average Monthly Employment**





Source: Massachusetts Executive Office of Labor and Workforce Development

The value of sales or business done is another way to view the local economic mix. As indicated below, manufacturing is responsible for the largest share of business activity by a large margin. Retail and wholesale trade represent the next largest sources of sales volume.

**Table 4-9 Employer Value of Sales, Shipments, Receipts, Revenue or Business Done**

Industry Sector	Value (\$1,000)	% of Total	Massachusetts Proportion
Manufacturing	924,866	62%	16%
Wholesale Trade	134,991	9%	27%
Retail Trade	264,960	18%	16%
Information	NA	NA	NA
Real estate	30,414	2%	3%
Professional, scientific and tech services	44,641	3%	10%
Administrative and support and waste management	37,217	2%	0%
Educational services	Withheld	Withheld	Withheld
Health care and social assistance	12,219	1%	10%
Arts, entertainment, and recreation	4,668	0%	1%
Accommodation and food services	25,996	2%	3%
Other	16,120	1%	2%
Total	1,496,092	100%	*

Source: 2007 Economic Census

\*Does not sum to 100% because the State has other sectors that are not represented locally.

## Tax Base

An important determinant of a municipality's health and ability to provide suitable services to its population is its tax base. Over the years, residential property has generally accounted for about four-fifths of the Town's valuation for tax purposes.

Commercial, industrial, and personal property classes are responsible for the remainder. The distribution of the assessed valuation between these classes has remained generally stable. However, the Town levies a different tax rate on the different classes of property. The residential tax rate in 2013 is \$16.38 per \$1000 of assessed value, while commercial, industrial and personal property is taxed at a rate of \$32.90 per \$1000 of assessed value. As a result, while residential property accounts for approximately 81% of the Town's valuation, the residential tax levy is only approximately 69% of the total. These tax burden proportions have remained relatively stable over recent years. As reported by the Massachusetts Department of Revenue, the average single-family tax bill was approximately \$4,700 in 2013, which is roughly comparable to the reported statewide average of \$4,846.

**Table 4-10 Assessed Value Trends**

Year	Residential	Commercial	Industrial	Personal Property	Total	Residential Percentage	Other Percentage
2004	\$1,646,648,130	\$142,076,670	\$221,078,400	\$28,859,900	\$2,038,663,100	81%	19%
2006	\$1,994,695,151	\$146,154,849	\$212,386,400	\$30,826,800	\$2,384,063,200	84%	16%
2008	\$2,143,939,530	\$170,733,170	\$234,642,800	\$29,658,000	\$2,578,973,500	83%	17%
2010	\$1,891,583,075	\$175,006,525	\$226,035,400	\$38,348,000	\$2,330,973,000	81%	19%
2012	\$1,739,879,730	\$176,090,170	\$187,484,000	\$45,927,300	\$2,149,381,200	81%	19%

Source: Massachusetts Department of Revenue

**Table 4-11 Tax Levy Trends**

Year	Residential Levy	Commercial Levy	Industrial Levy	Personal Property Levy	Total Levy	Residential Proportion	Commercial / Industrial / Personal Property Proportion
2009	23,463,506	3,869,240	5,399,842	884,113	33,616,701	69.8	30.2
2010	24,628,412	4,427,665	5,718,696	970,204	35,744,977	68.9	31.1
2011	25,325,321	4,853,668	5,663,907	1,182,903	37,025,799	68.4	31.6
2012	26,985,535	5,203,465	5,540,152	1,357,152	39,086,304	69.04	30.96
2013	28,327,591	5,564,171	5,847,034	1,368,209	41,107,005	68.91	31.09

Source: Massachusetts Department of Revenue

## Focus Areas/Strategic Opportunity Areas

A number of areas within Hudson have been identified by the State, the MetroWest Region and the Town as strategic areas for targeted development, redevelopment or investment. The related planning programs or processes that identified these sites are discussed below.

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## 43D Priority Development Areas

In August 2006, Chapter 43D was enacted into State law, establishing an expedited permitting program to promote targeted economic and housing development. The Chapter 43D program establishes an inventory of Priority Development Sites where municipalities offer a maximum of 180-day local permitting. In order to be eligible as a Chapter 43D Priority Development Area, a site must:

- Be zoned for commercial, industrial or mixed-use development
- Be eligible for the development or redevelopment of a building of at least 50,000 square feet of gross floor area (may include existing structures and contiguous buildings)
- Be approved by the local governing authority
- Be approved by the state Interagency Permitting Board

Cities and towns that opt into Chapter 43D are able to target specific areas for economic development. These areas also receive priority consideration for state financial assistance such as the MassWorks Infrastructure Program grants, brownfields remediation assistance, and other financing through quasi-public organizations. Hudson received Interagency Permitting Board Approval in 2008 for three 43D Priority Development Areas. These include:

- 185-205 and 173 Washington Street (Bonnazoli)
- 2 parcels on Cabot Road
- 75 Reed Road (Intel)

As indicated in the following section, all of these sites have been identified as regional priority development areas as part of the MetroWest Development Compact Plan, as well. The Bonnazoli site is a brownfield within a Town designated Blight Target Area that is in the process of being cleaned up to facilitate redevelopment.

Given that Intel has announced that it is ceasing their manufacturing operations in 2014, this designation plays a more significant role in the future marketing and redevelopment of the property. The 43D process with the promise of expedited permitting will be a valuable tool for the Town to use in marketing the property. Additionally, the Town has undertaken efforts to address water and wastewater needs in order to ensure sufficient capacity to meet the needs of future commercial and industrial developments. However, additional funding is needed to address the aging infrastructure that provides water and wastewater services to these areas.

It is noted that a proposal for multifamily housing development at the Cabot Road site is currently being processed in accordance with Chapter 40B provisions for projects that include at least twenty-five percent affordable units. If the project is approved and constructed, this would foreclose the use of that 43D site, which is one of the larger available sites in the western portion of town near the regional highway

network, for commercial or industrial economic development activity. While the Cabot Road option appears to be closed, the Intel site also offers a much larger site in the same general location with access to the highway network.

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## MetroWest Development Compact Priority Development Areas

At the heart of the MetroWest Development Compact Plan is the identification of priority areas for development and preservation. The priority development areas (PDAs) are defined as “areas within a city or town that have been identified as capable of supporting additional development or as candidates for redevelopment. These areas are generally characterized by good roadway and/or transit access, available infrastructure (primarily water and sewer), and an absence of environmental constraints.” During the development of the plan, the 495 MetroWest Partnership solicited locally identified PDAs. Seventeen locations were identified in Hudson. The Plan then undertook a screening process to identify those locations that had regional significance. Seven locations in Hudson were classified as regionally significant PDAs:

- Brigham Estate
- Route 85 Corridor
- Bonnazoli
- Cabot Road
- Intel
- Brigham Three
- Tower Street Mill

As indicated above, three of these PDAs (Bonnazoli, Cabot Road, and Intel) are also eligible for expedited permitting procedures as Chapter 43D sites. The Brigham Estate, Bonnazoli, and Brigham Three sites are all generally located on or near the Route 85 Corridor. The Tower Street Mill complex is located just north of the downtown core along Main Street.

The Brigham Estate is is zoned residential in the midst of a commercial retail corridor. The parcel is large and semi-vacant with potential for redevelopment in the future. It is currently owned by a local developer and given its proximity to Marlborough, it is thought to have potential for a commercial use such as a hotel. The Town should evaluate opportunities for this property such as rezoning the parcel as commercial since this residentially zoned pocket is inconsistent with surrounding uses on Route 85.

The Town is in the midst of a substantial multi-year improvement project for the Route 85/Washington Street corridor, which is to be completed in 2014. The improvements involve reconstruction, resurfacing, widening, intersection geometry modifications, installation of traffic lights, and a roundabout. The project will also

improve the pedestrian, bicycle and aesthetic environment along the corridor. In addition to relieving traffic congestion and improving the functionality and attractiveness of the Route 85 commercial corridor, the improvements should also ease travel between the regional highway network and Hudson's downtown. These transportation improvements are intended to support and facilitate additional investment in the commercial areas along the corridor as well as in the downtown.

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## Blight Target Areas

A Blight Target Area (BTA) is a subsection of a community that has been certified by the Massachusetts Department of Housing and Community Development (DHCD) as meeting the federal Housing and Urban Development (HUD) guidelines for being blighted. Any such area, so-certified, must first be reviewed by the community, and designated by the Chief Elected Officials of the community as meeting the definition of blighted and substandard. A minimum of 25 percent of all buildings and public infrastructure within the designated BTA must be deficient and identified as being in fair to poor condition. By being located in a BTA, buildings, vacant parcels and public infrastructure that are deemed in fair to poor condition or have elements that are in fair to poor condition, then become eligible for certain federal grant funds, such as the Community Development Block Grant (CDBG) or the Economic Development Fund grant (EDF).

Past Community Development Block Grant applications made eligible because of BTA certification have provided funding for such projects as Downtown Façade improvements, the Cellucci Splash Park and the reconstruction of the South Street Parking Lot. Certification is valid for ten years. The Washington Street area was certified in 2009. The current Downtown BTA certification expired in June of 2013, and the Town is in the process of updating the survey.

Current efforts in the Downtown and Washington Street/Route 85 locations are focused on upgrading infrastructure and the visual quality to support redevelopment and enhance the appeal of these areas as lively destinations. The cleanup of the contaminated Bonazzoli property and the Route 85 improvements are examples of the types of physical enhancements and collaborative approach used to improve conditions within Blight Target Areas.

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## Mill Redevelopment

Like other communities in New England, Hudson has a number of mill buildings as a legacy from its historic past as a mill town. While some continue to serve as large manufacturing facilities (e.g., Hudson Lock), or have been reactivated with a mix of smaller tenants such as the Hudson Mill Business Center at 43 Broad Street, other substantial mill buildings remain significantly underutilized. For example, the Tower Street mill complex contains over 200,000 square feet of space, but is only

about 30% occupied by some smaller local plastic and box assembly businesses. The owner has not invested in building improvements and is considering residential development options, which would require a zoning change.

In the mid-2000s, the Town created an Adaptive Reuse Overlay District that applied to several mills surrounding the downtown, including the Tower Street, 43 Broad Street, 15 Broad Street, and the Houghton Street mill complexes. The overlay allows for the ground floors to be reused for commercial uses such as retail, restaurant, offices, health clubs, and studios, and the upper floors to be converted to residential use. However, there has been limited use of these provisions to date. While the Broad Street Mill building includes a number of active uses, the Tower Street Mill has not seen a significant degree of reuse. The Houghton Street Mill is currently used as a self-storage facility and the mill building at 15 Broad Street is occupied by a painting and plating business. None of these facilities has yet taken advantage of the provisions of the Adaptive Reuse Overlay that allow for residential reuse. These complexes are in close proximity to the downtown and the Assabet River Rail Trail and offer the potential to accommodate substantial development that could help support downtown businesses and benefit from the recreational, civic, and commercial amenities available in the downtown.

There are several other mill buildings that are further removed from the downtown that are not covered within the Adaptive Reuse Overlay District, such as the Apsley Street mill building where Hudson Lock, LLC is located.

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## Resources

The Town has an active Economic Development Commission that works with business owners to retain, grow and attract new business activity to Hudson in order to support economic development. The Commission can help business navigate the various state and federal programs that may be available to them, sponsors periodic educational programs and public information sessions, and coordinates with the Town to advocate for business interests.

The Town's Community Development Department also serves as a resource for the local business community. In addition to the planning and implementation of physical improvements to support economic development as described above, the Department coordinates programs to stimulate development at targeted sites and can help direct businesses to the wide variety of financial and technical resources and programs that are available through the State, federal government, and other organizations. A summary of these programs is available on the Town's website<sup>19</sup> and in the appendix of this document.

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<sup>19</sup> [http://www.townofhudson.org/Public\\_Documents/F00013F0E/EDC/resources/Econ%20Devel%20Resources.pdf](http://www.townofhudson.org/Public_Documents/F00013F0E/EDC/resources/Econ%20Devel%20Resources.pdf)

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## Recommendations

Local economies are shaped by a complex interaction of factors that can include historic development patterns, infrastructure capacity, natural resources, access to markets, access to labor, financing availability and, in an increasingly interconnected world, global competitive pressures. However, local government also has a role in supporting and facilitating economic activity. This can involve activities such as provision of infrastructure, assembly of land, adjusting land use regulations, investment in local businesses, or facilitating partnerships with institutional or private entities. In a most basic sense, local government's economic development initiatives should be aimed at reducing the costs to businesses of development or operation.

As detailed in Section 4.2, the 2004 Community Development Plan included a number of recommended actions for the Town to take within five general themes to help support existing businesses and facilitate the growth of new economic activity. The Town has taken action on a number of these recommendations, including the Route 85 improvements that are currently under construction, the recently completed new park space to support the downtown, and the creation of an Adaptive Reuse Overlay District to encourage mill redevelopment. All of these activities are occurring in the three general areas (downtown, Route 85 and the mill buildings) that have been targeted as focal points for economic development initiatives during this Master Plan Update process as well as by the regional and state planning efforts identified above. Most of the other general recommendations related to supporting existing businesses, working cooperatively with landowners and potential redevelopers, and supporting educational quality remain important and relevant.

While many of the 2004 recommendations still hold, the Town's progress on key action items, economic changes over the past decade including a bruising recession and technological changes, and the analysis of the changes in the local business and labor force characteristics, suggest that some supplemental recommendations may be appropriate. For example, the Town has seen a growing number of smaller businesses with fewer employees. Nurturing these small businesses may provide a long-term means to support local job growth and diversify the local economy so that it becomes more resilient to potential shocks related to business cycles or changes in particular industries. The data also suggest that Hudson is located in a particularly highly educated region, however its residents tend to have received less education on average. In a region that is known for its high technology clusters, this may suggest that workforce skill development may be important for ensuring that residents can take full advantage of regional employment opportunities.

The rapid improvement in communication technology has also changed the economic landscape. With an increased ability to coordinate teams or transact business remotely, the importance of some traditional business location criteria for certain types of firms may be reduced. Coupled with shifting generational

preferences in where they want to live (e.g., younger generations are starting families later in life, tend to have smaller families, and are expressing a desire for smaller homes, but in more active and enriching communities), this suggests that quality of life and quality of community may become increasingly important determinants in business siting decisions. The following section identifies potential supplemental economic development recommendations, generally targeted to three key geographic focus areas, to build upon the 2004 action items based upon discussions from the public forum and the changing local and regional economic conditions.

### *Downtown*

During the public forum convened to consider economic development issues, survey results suggested that the most important action for supporting the downtown would be facilitating more mixed-use development with housing. This would help increase the property tax base, as well as provide additional discretionary spending potential that could be captured by local businesses. The survey results and ensuing discussions also indicated that streetscape and façade improvements to create a more attractive and welcoming downtown environment were also strongly encouraged. Other commonly noted themes were a lack of street activity and attractions, particularly during the evening and nighttime to draw people to the downtown and inadequate parking. The Town has invested CDBG money into public space improvements in and around the downtown. Potential additional recommendations for this area include:

- ED 1. Continue to target CDBG activities toward improvements to the public realm in downtown – trees/landscaping, street furniture, lighting, façade improvements.
- ED 2. Investigate the potential for hosting a farmers market or additional special event programming in the downtown as a supplemental draw to bring residents and visitors into the downtown.
- ED 3. Celebrate the rail trail and recreational opportunities available within the core of the town and consider ability to support a recreation-oriented public concession in association with the rail trail (e.g., food cart, bicycle rental/repair.)
- ED 4. Consider financial incentives such as property tax abatement to encourage rehabilitation and redevelopment of downtown buildings for mixed-use.
- ED 5. In addition to continuing to promote mixed-use downtown development with residential use on the upper floors, consider additional multifamily housing on the downtown fringe. There are several large sites within proximity to the downtown core that could support residential, recreational, educational, or municipal development, such as the closed St. Michael’s Catholic School on Main Street. Additional density within walking distance of the downtown could expand the customer base for local businesses and generate additional street activity. Residents who live in close proximity to the core are more likely to patronize local shops and restaurants and help provide a stable customer base. With a more

- active customer base, local business owners may be more likely to adjust offerings or hours of operation to respond to local demands.
- ED 6. While there is a perception that the downtown is undersupplied with parking, there is substantial off-street private and public parking between Main Street and South Street and the perpendicular side streets. It may be possible to promote better usage of these existing resources through signage and development of a more active and pedestrian friendly streetscape. As described in the Land Use chapter, a parking study may be warranted to identify whether additional public spaces or a parking management system should be considered.
  - ED 7. Work with downtown property owners and local artists to install temporary “pop-up” exhibits or public art installations in vacant ground floor retail spaces in order to avoid empty facades that contribute blighting or depressing influence.
  - ED 8. Review whether regulations inhibit development of restaurants, nightlife or arts/performance uses that would help activate the downtown during the evening. (e.g., overly burdensome parking regulations, limitations on outdoor dining, etc.)

#### *Route 85*

For the Route 85 focus areas, the public forum survey indicated a clear preference for allowing small-scale commercial and mixed residential and small-scale commercial development. The substantial roadway improvements being undertaken along Route 85 will ease congestion, improve its functioning and attractiveness, and prime the corridor for additional investment. Supporting recommendations could include:

- ED 9. Creation of design guidelines to help ensure that new development complements the public improvements and contributes to a more cohesive and attractive visual environment.
- ED 10. Consideration of more fine-grained zoning or a corridor master development plan that identifies specific locations for appropriately scaled infill commercial and residential development.
- ED 11. Given the surrounding commercial development, the Town should determine development or rezoning opportunities for the currently zoned residential Brigham Estate parcel located along the Route 85 Corridor.

#### *Mill Buildings*

The public forum discussions also indicated a clear desire to see Hudson’s mill buildings rehabilitated and reactivated with new commercial and residential uses.

- ED 12. The Town created the Adaptive Reuse Overlay District in order to encourage this type of reuse, although there has been limited new development that has taken advantage of those provisions. This may partially be a result of the nationwide recession and associated challenging financing environment that hit shortly after the zoning was enacted. However, it may be worthwhile to consider whether

better marketing or revision would be warranted (e.g., increased residential density) to create more of a development incentive. Additionally, the Town should consider adding buildings to the Adaptive Reuse Overlay District such as the Apsley Street mill (Hudson Lock, LLC) and the industrial area on Cherry Street.

- ED 13. Property tax abatements or public infrastructure investment through District Improvement Financing (DIF) or Tax Increment Financing (TIF) could also be explored to provide financial incentives to enhance the attractiveness of these sites for reuse.
- ED 14. Another option for supporting individual commercial or manufacturing businesses that could be appropriate for tenants of mill buildings (or anywhere in the Town), would be a local revolving loan fund. A revolving loan fund is established with public money that is then lent to the private sector, typically for real estate, machinery, permanent working capital, and business improvements. As the money is repaid, it is then lent to other businesses. This type of program could be targeted to businesses in certain desired locations (e.g., mills) or industry cluster or sectors (e.g., technology, renewable energy/efficiency). Some communities have utilized CDBG funds as a potential initial source of funds for their programs.
- ED 15. Mill buildings might also provide a suitable location for a small business incubator. As indicated by the business characteristics statistics, the Town has seen a growth in the number of small businesses. Incubators typically provide low-cost space, support services and management training for start-ups and can be operated by private, public or non-profit entities. While operating an incubator may be beyond the Town's ability due to resource and staff time or expertise constraints, the Town could explore relationships with educational institutions in the region to provide incubator space and services that would provide practical experience and research for staff and internship opportunities for their students, while supporting local business development and innovation.
- ED 16. Offer higher density bonuses and other incentives for keeping mill buildings intact.

*Other Considerations*

- ED 17. Wireless service has become an increasingly important feature for both residents and businesses, with many households and establishments foregoing landlines entirely. Currently, wireless coverage on the east side of Town, which includes commercial and industrial development areas, is spotty and inconsistent. As wireless service becomes a major business siting factor, this condition will put Hudson at a disadvantage in attracting business.
- ED 18. During the public forum, relaxed zoning and permitting procedures for commercial development were also identified as important in supporting business growth and development. The Town has (and

markets) available land within commercial and industrial zoning districts that permit a fairly wide range of uses, so it appears unlikely that zoning restrictions per se are constraining investment. However, complicated development review processes can result in uncertainty and delays that have a monetary impact on applicants. A more predictable and streamlined process can help encourage redevelopment or incorporation of new building technologies. The Town could review whether there are any unnecessary roadblocks or delays in its administrative procedures for review of development applications that could be made more efficient. The Town could also look to expanding the amount of 43D Priority Development Areas in order to streamline permitting for industrial and commercial development to assist in business growth.

- ED 19. Energy efficiency measures can reduce energy costs, providing a benefit to both commercial and residential users. The Town could consider establishing an expedited permitting procedure and/or building permit fee discount for installation of energy conservation devices (e.g., solar installations) or other “green” development features.
- ED 20. Similarly, the construction or retrofitting of high performance buildings that meet green building certification could be encouraged through financial (e.g., property tax abatement) or development incentives. Incentive zoning is a rewards-based system where additional density or height above a zoning district’s baseline is offered as a bonus in exchange for a specific defined community benefit or feature, which could be targeted to energy efficient construction.
- ED 21. Create a solar by-right bylaw to install solar energy on buildings that is easy for businesses to comprehend. Solar options on buildings should be by-right unless the installation is a certain maximum size, requires removal of trees, or is controversial in terms of reflection. As-of-right solar installations would only require a building permit and would not require additional approval by the Planning Department. This encourages the installation of solar energy on buildings. Additionally, develop a streamlined process for alternative energy for accessory uses to further encourage their installation.
- ED 22. Hudson is located within a region with a particularly high density of universities and colleges. The Town or its Economic Development Commission could work with local business to identify the most pertinent skills to meet local industry needs and direct job-seekers to the available instructional resource or workforce training.
- ED 23. Market reuse or redevelopment opportunities better. For example, determine ways to better market vacancies (such as the future Intel site and Cabot Road office park); develop marketing strategies for specific areas of Town; and market the Town in a regional sense,

collaborating with other communities such as Marlborough and Southborough.

- ED 24. Implement a Transitional Overlay Zoning District between commercial/industrial and residential zones in order to minimize the impacts between the uses and districts. See the Housing chapter for more information on the Transitional Overlay Zoning District.
- ED 25. Work more closely with neighborhoods on economic development strategies, ideas, and initiatives for each neighborhood and the overall community.
- ED 26. As a way to encourage new economic development, expand expedited and coordinated permitting processes to other developments, similar in the way Chapter 40B or 43D developments are reviewed.
- ED 27. Examine options for connecting Cherry Street to Main Street, as Cherry Street currently exists as a dead end with commercial and industrial uses. This could facilitate redevelopment of commercial buildings at the end of Cherry Street while minimizing impacts to nearby residential uses. By providing direct access from Main Street, the extension will offer an alternative means for truck traffic to access the industrial section of the street without traveling through residential neighborhoods.
- ED 28. Conduct an evaluation of commercial tax rates, especially as expressed on a square foot basis to determine how its tax rates compare with neighboring and comparable communities.



Downtown, Assabet River Area, Hudson, MA