
3 The Economy in Hudson

3.1 Introduction

The economy in Hudson continues to evolve in response to key infrastructure investments made almost 40 years ago when the Interstate 495 link passing through the town was completed. In announcing the plans for I-495 --an outer bypass road of the Boston area, the Massachusetts Department of Public Works stated that the bypass would “provide a much-needed boost to the economic development of the cities and towns it serves by providing swift, easy access to all parts of the state and the nation.” (bostonroads.com) During the past three decades, the I-495 corridor became the fastest growing area in Massachusetts. Similar to Interstate 95/ Route 128, technology firms established operations along I-495. In contrast to growth along the MA 128 corridor in recent decades concentrating in software and related services, the growth along the I-495 corridor has emanated from hardware manufacturing and communications. The location and growth of such firms has significantly affected the Hudson economy as well as its population.

Today technology, technology related, and manufacturing businesses are clustered in three areas of the town: in the I-290 Connector and Route 85 area; in old mill buildings surrounding downtown and west along Route 62; and in the East End of Hudson along Main Street. Prominent among Hudson technology businesses is Intel, which employs 2,500 in a 1.2 million sf facility. Retail businesses are primarily clustered in two areas: also around the I-290 Connector and Route 85, where newer, franchise firms are located, and in the historic down-town, where smaller retailers are concentrated. Strip development along the Route 85 corridor north of the Connector is extending a continuous commercial area connecting the two commercial clusters. Retail malls and national retailers in the Connector/Rt. 85 area serve Hudson residents as well as out-of-town shoppers attracted to this accessible, regional shopping area. All of Hudson’s businesses provide employment for residents and commuters too.

Understanding the Hudson economy entails evaluating it from several perspectives: Do residents have access to jobs? Are they prepared for the requirements of the modern economy? Do residents have sufficient incomes on which to live comfortably? Can businesses survive and grow in Hudson? Are businesses providing goods and services that residents need? What are the prospects for business growth in Hudson? Is the town’s tax base healthy? Using statistical, “secondary” data, as well as “primary” data provided in the insights of Hudson residents and business owners, this economic development plan addresses these questions.

Many components comprise a community’s economy: its labor force, its businesses, and its infrastructure, including utilities, systems, and land. This Economic Development Element of the Hudson Community Development Plan will consider the labor force, businesses, and infrastructure; the availability of capital is outside the purview of this plan. The Economic Development Element, first, will describe existing conditions, including some trends, and Opportunities and Obstacles, and then suggest activities to realize opportunities and minimize the obstacles.

3.2 Performance of the Economy

An overarching existing condition concerns how the economy is performing for Hudson residents. A review of trends in income, employment, and business establishments suggest that the economy is performing relatively well in Hudson.

3.2.1 Income and Poverty

Compared to the state, the Hudson economy has performed well in generating income for most Hudson residents, as the following table indicates:

**Table E-1
Income and Poverty in Hudson, 1990 and 2000**

ITEM	Hudson		State
	1990	2000	2000
Per capita income	\$18,327	\$26,679	\$25,952
Median Family Income	\$51,689	\$70,145	\$61,664
% Households w/ Public Assistance Income	4.3%	2.6%	2.9%
% Persons in Poverty	3.6%	4.5%	9.3%

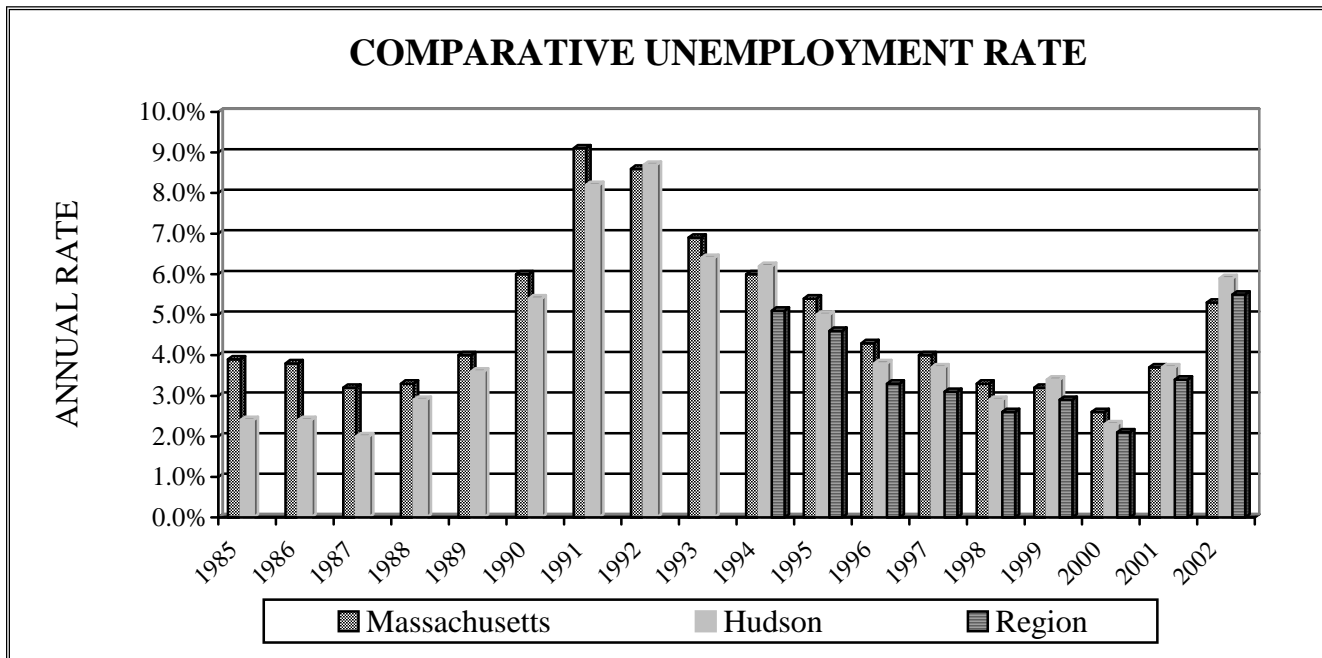
Sources: 1990 and 2000 U.S. Census

Hudson has higher per capita and median family incomes than the state, and has fewer residents living in poverty and receiving public assistance. Per capita and median family incomes (unadjusted) increased substantially during the 1990s, yet are lower than the Hudson region (consisting of Hudson, Marlborough, Northborough, and Westborough), which had a per capita income of \$30,166 in 2000. Nonetheless, the percentage of residents living in poverty increased, indicating a bifurcation of income groups.

3.2.2 Employment

Another indicator of economic performance is the availability of jobs. The Hudson job market is part of a larger regional, Massachusetts, and national economy. Economic tides ebb and flow, affecting the available number of jobs. As Figure E-1 illustrates, Hudson residents during the 1985 to 2002 period generally enjoyed a lower unemployment rate than the rate statewide, but higher than the rate in the Hudson region (consisting of Hudson, Middleborough, Northborough, and Southborough). A relatively lower unemployment rate is not the equivalent, however, to access to jobs. Assuming that 4.0% is full employment, Hudson residents in 7 of the 18 years during the 1985 to 2001 period did not have access to jobs. The confluence of increased incomes and unemployment levels indicating that residents are unable to find work suggest that Hudson households have two wage earners or rely on unearned income in periods of unemployment. The 2000 Census reported that 47.5% of all Family Households in Hudson consisted of a both a husband and wife working, a somewhat lower rate than 49.3% at the metropolitan area and 49% statewide.

Figure E-1: Comparative Unemployment Rate



Source: Massachusetts Department of Employment and Training

3.2.3 Business Growth

Another indicator of economic conditions concerns patterns of business operations in Hudson. During the 1985 to 2001 period, business activity in Hudson steadily increased, as Table E-2 and Figure E-2 depict.

The number of establishments in Hudson, their total payroll, and the number employed reached a peak in 2001. During the 1985 to 2001 period:

- The number of establishments increased 53.8%;
- The total payroll increased 293% (unadjusted);
- The number of employees increased 57.6%

The larger increase in payroll relates to a growth of Average Annual Wage, which increased 149% during this period. Measured by number of employees, the average business size hovered consistently between 18 and 21 employees per establishment. During the 1998 to 2001 period, Hudson added an average of 6 establishments annually, net of business closures or relocations.

TABLE E-2
Establishments and Employment in Hudson, 1985 to 2001

Year	Number of Establishments*	Total Payroll (000s)	Amount Payroll/ Establishment	Number Employed	Average Employees/Firm	Average Annual Wage
1985	342	150,488	440,023	6,792	19.9	22,156
1986	404	173,345	429,072	7,238	17.9	23,949
1987	439	205,506	468,123	7,982	18.2	25,746
1988	440	248,629	565,066	8,797	20.0	28,262
1989	451	275,244	610,298	9,130	20.2	30,147
1990	449	271,894	612,238	8,381	18.7	32,442
1991	429	259,931	605,900	7,887	18.4	32,957
1992	407	272,411	669,314	8,178	20.1	33,310
1993	426	294,468	691,239	8,800	20.7	33,462
1994	450	296,707	659,349	8,865	19.7	33,470
1995	470	321,859	684,806	9,241	19.7	34,829
1996	499	373,847	749,192	9,780	19.6	38,226
1997	495	436,699	882,220	10,380	21.0	42,071
1998	507	437,428	862,777	9,986	19.7	43,804
1999	492	402,761	818,620	9,186	18.7	43,845
2000	509	502,210	986,660	9,647	19.0	52,059
2001	526	590,750	1,123,099	10,707	20.4	55,174

Source: Massachusetts Division of Employment and Training (ES-202 Series)

* Establishments refer to business entities registered with the Division of Employment and Training for Unemployment Insurance purposes. Firms without employees are not included as Establishments.

Based on Table E-2, Figures E-2, E-3, E-4, and E-5 graphically depict changes in number of jobs in Hudson, the annual average wage, the annual payroll, and the number of establishments.

Figure E-2: Number of Jobs in Hudson by Year

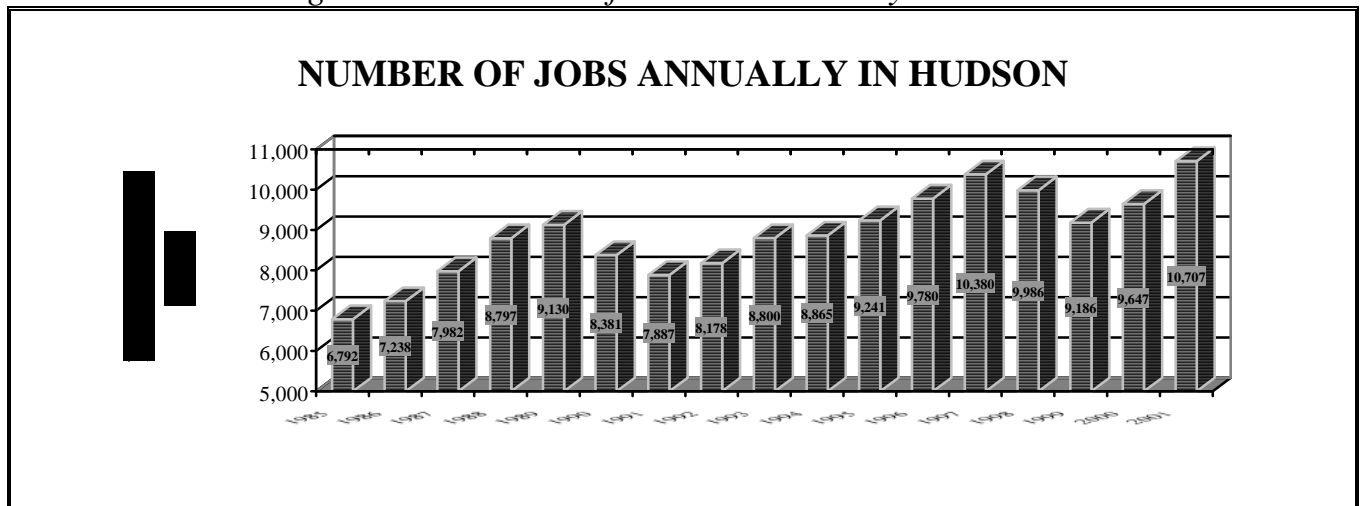


Figure E-3: Annual Wages in Hudson by Year

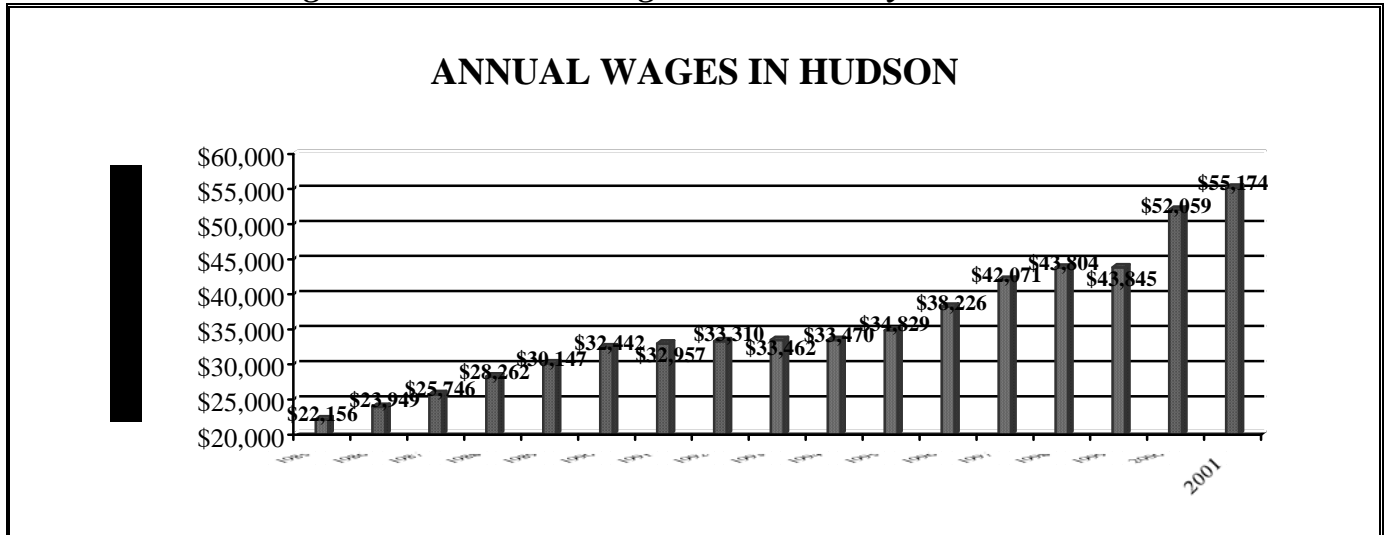


Figure E-4: Annual Payroll in Hudson by Year

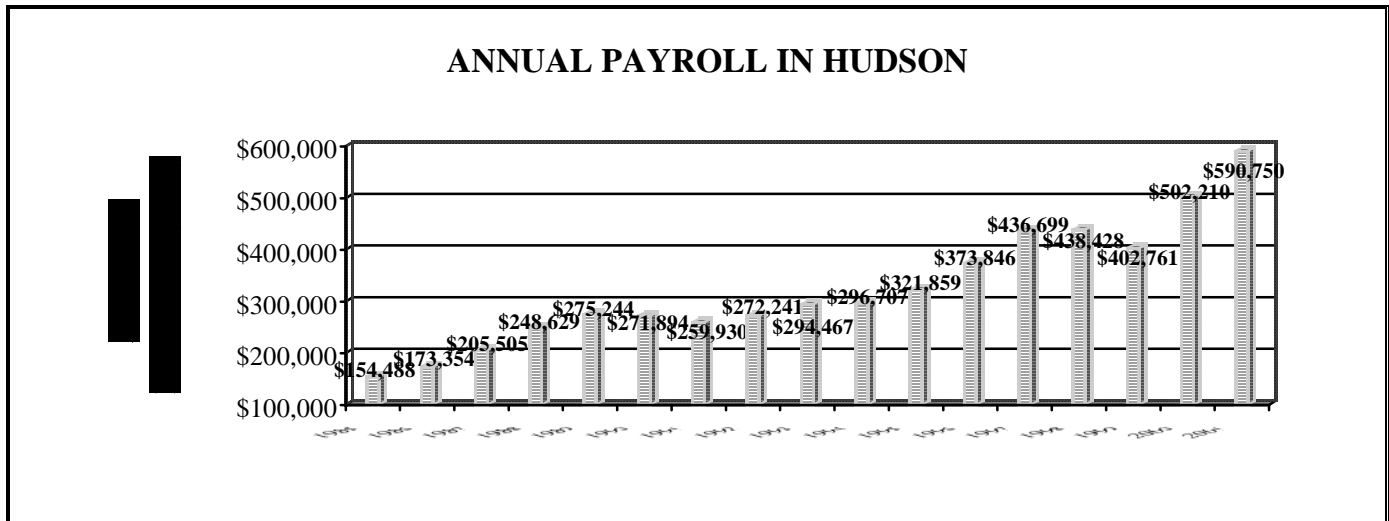
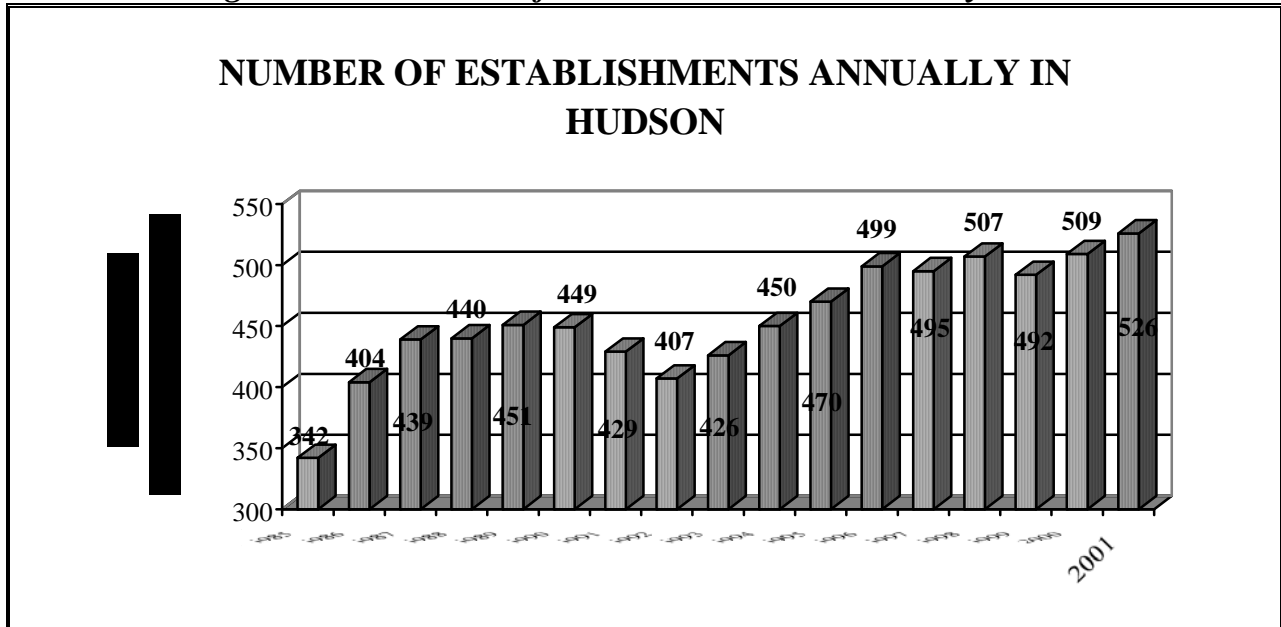


Figure E-5: Number of Business Establishments by Year



Hudson residents buy goods and services in their town. Businesses providing convenient, needed goods and services to the local Hudson market make life more comfortable for residents, provide economic opportunity for owners, and contribute to a more complete community. Within the growing inventory of Hudson businesses described above is an array of businesses oriented to the local market, summarized in Table E-3 for 1997.

TABLE E-3: Inventory of Locally Oriented Businesses in Hudson

Industry	Number of Establishments	Number of Employees	Annual In \$1,000s	
			Payroll	Sales
Retail Trade	70	1,186	21,496	214,432
Cars and Parts	11	167	4,982	56,545
Furniture/furnishings	3	Unavailable*	Unavailable	Unavailable
Electronics/appliances	3	15	295	2,769
Bldg. material/garden	6	83	2,391	18,412
Food & beverage	12	379	5,719	54,700
Health & personal care	5	Unavailable	Unavailable	Unavailable
Gasoline Stations	9	68	1,099	11,410
Clothing &	6	63	667	6,784
Sporting	4	Unavailable	Unavailable	Unavailable
Non-store retailer	6	Unavailable	Unavailable	Unavailable
Food & Drinking Places	31	407	4,079	14,332
Repair and Maintenance	23	103	1,940	7,433
Personal & Laundry	15	53	693	2,383
Health & Social Assist.	20	149	2,450	6,333
Ambulatory Care	16	75	1,813	5,085
Social Assistance	4	74	637	1,248

Source: 1997 Economic Census * "Unavailable" refers to data suppressed to protect confidentiality

As of 1997, some 159 businesses served residents and visitors with retail goods, food and drink, repair and maintenance, personal services, and health and social assistance.

Several characteristics summarize the performance of the Hudson economy:

- Hudson is relatively wealthy. It has higher per capita and median family incomes than the state, and has fewer residents living in poverty. Although incomes increased substantially during the 1990s, the percentage of residents living in poverty increased, indicating a bifurcation of income groups.
- Hudson residents can find jobs, although they also endure economic downturns. During 1985 to 2002, residents generally enjoyed a lower unemployment rate than the rate statewide. If 4.0% is assumed as full employment, residents in 7 of these 18 years did not have access to jobs.
- Business is good in Hudson. During the 1985 to 2001, business activity in Hudson has steadily increased. The number of establishments increased 53.8%; total payroll in Hudson increased 293%; and the number of employees increased 57.6%. During the 1998 to 2001 period, Hudson added an average of 6 establishments annually, net of business closures or relocations.
- Many local businesses provide goods and services to residents and visitors. In 1997, 159 businesses provided retail goods, food and drink, repair and maintenance, personal services, and health and social assistance.

3.3 Components of the Hudson Economy

Key components of the Hudson economy are its labor force, its businesses, its land, and its infrastructure.

3.3.1 Labor Force

The Hudson labor force consists of residents who are at least 16 years of age and are employed, or are actively seeking employment. In contrast to the 5.1% growth in the population of Hudson during the 1990 to 2000 period, the labor force has remained relatively stable, as Table E-4 illustrates. Defined as the percentage of labor force that is either employed or looking for work, the labor force participation rate declined in Hudson during the 1990 to 2000 period. A potential explanation for this decline is demographic changes resulting in a labor force less available to work, such as youth in school or elderly. Then too, labor force workers may have dropped out of those employed or actively seeking employment. Hudson's relatively low unemployment rate suggests that the overall availability of jobs was not a significant factor in the decline of labor force participation. Nonetheless, Hudson's labor force participation rate exceeded the statewide rate.

TABLE E-4: Labor Force Trends, 1990 and 2000

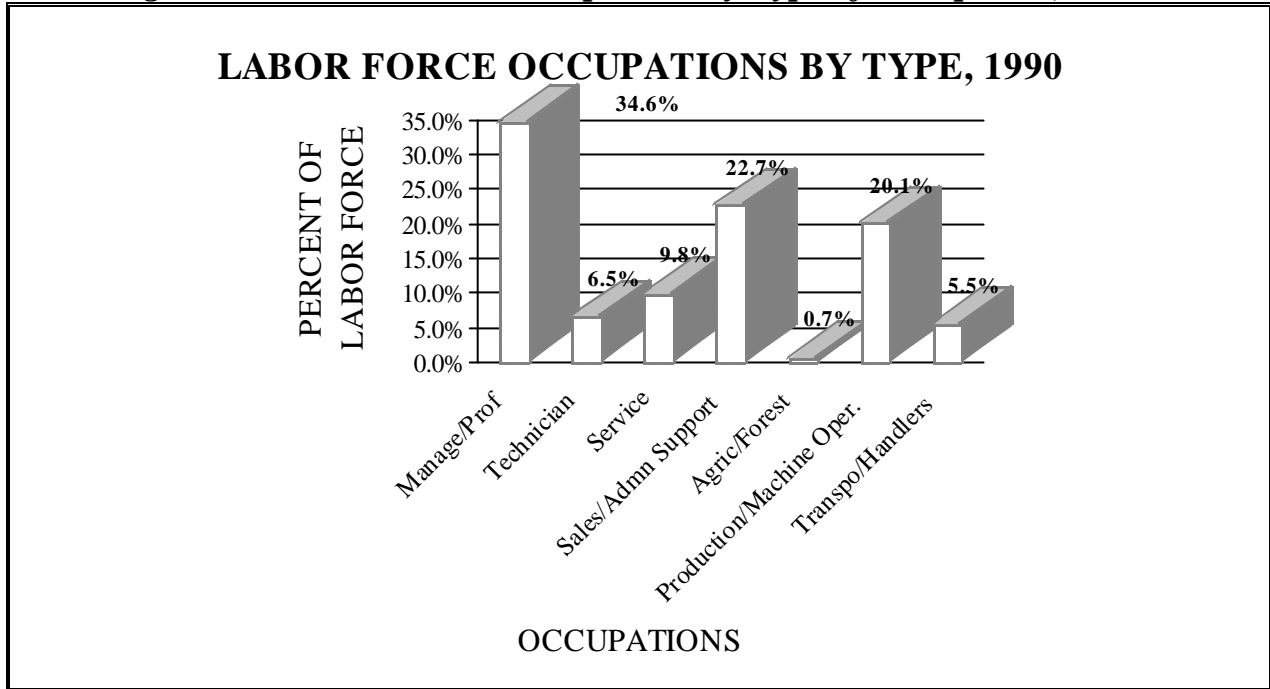
Item	1990	2000		
	Hudson	Hudson	Region	Mass.
Labor Force	10,325	10,382	N/A	N/A
Labor Force Participation	75.0%	72.8%	72.1%	66.2%

Source: US Census, 1990 and 2000

Hudson residents, of course, participate in a regional labor market, commuting to jobs near and far. The 2000 Census reports that the resident labor force expended an average of 24.6 minutes per day in commuting to jobs, compared to 27.0 minutes statewide. No data is available that describes what percentage of the resident labor force works in Hudson. Some commuters are undoubtedly commuting to jobs in Hudson. The Census reports that almost 5% of the resident work force works either at home, walks to work, or takes public transportation.

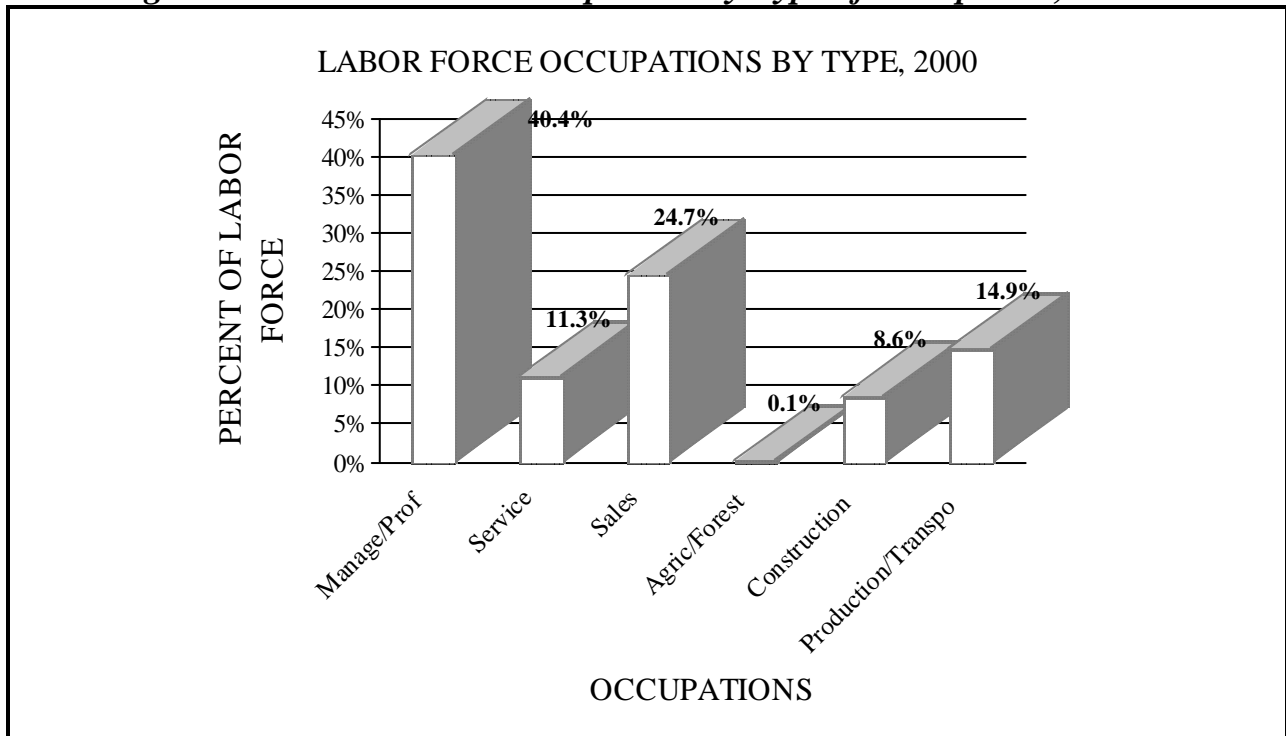
As Figure E-7 illustrates, more than 40% of Hudson residents are engaged in generally well-paying, Managerial/Professional occupations. Comparing Figure E-6 with this chart suggests that increasingly over time Hudson residents are engaged in managerial professions. (Note: Since the 1990 and 2000 Census report occupational data in different categories, the categories of occupations differ somewhat.)

Figure E-6: Labor Force Occupations by Type of Occupation, 1990



Source: U.S. Census, 1990

Figure E-7: Labor Force Occupations by Type of Occupation, 2000



Source: U.S. Census, 2000

While maintaining relatively high rates of employment, residents have changed the industries in which they have been employed in the 1990 to 2000 period. Similar to trends state and nationwide, fewer residents are employed in the manufacturing sector and more are employed in service sectors, such as health, education, and business services, as Figures E-8 and E-9 report.

Figure E-8: Labor Force Employment by Industry, 1990

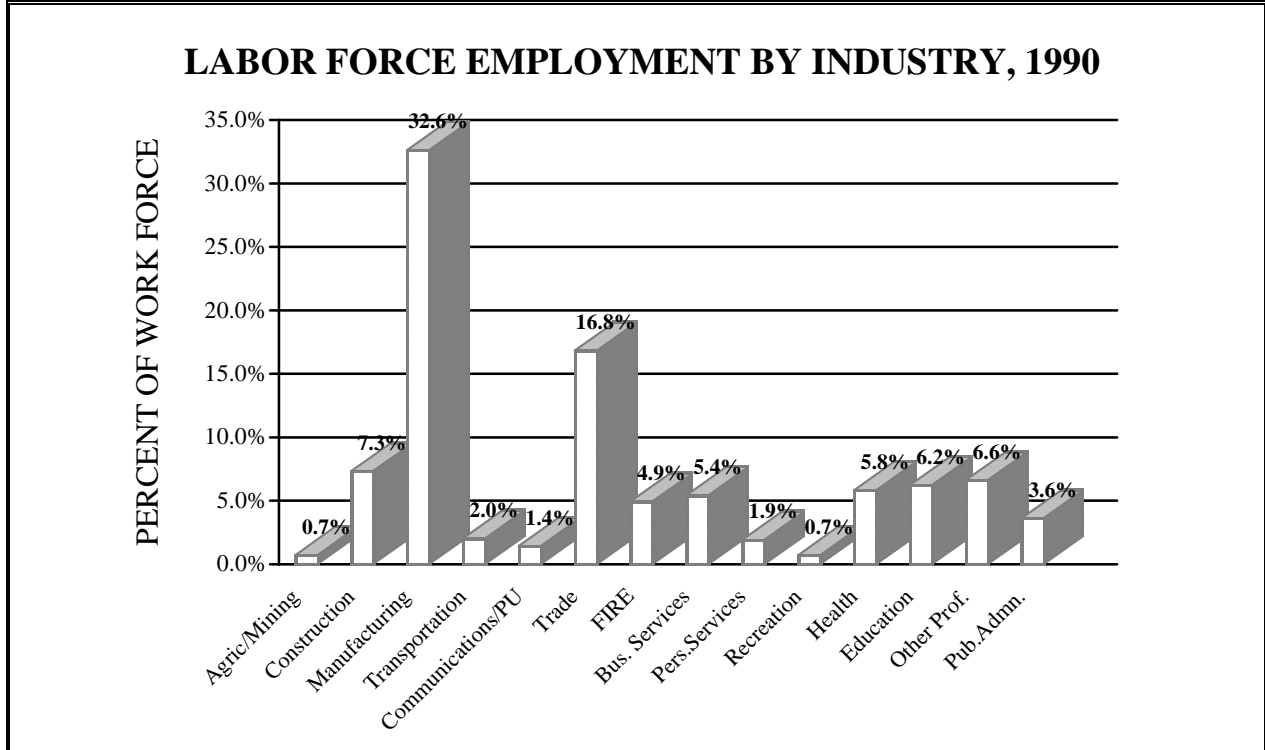
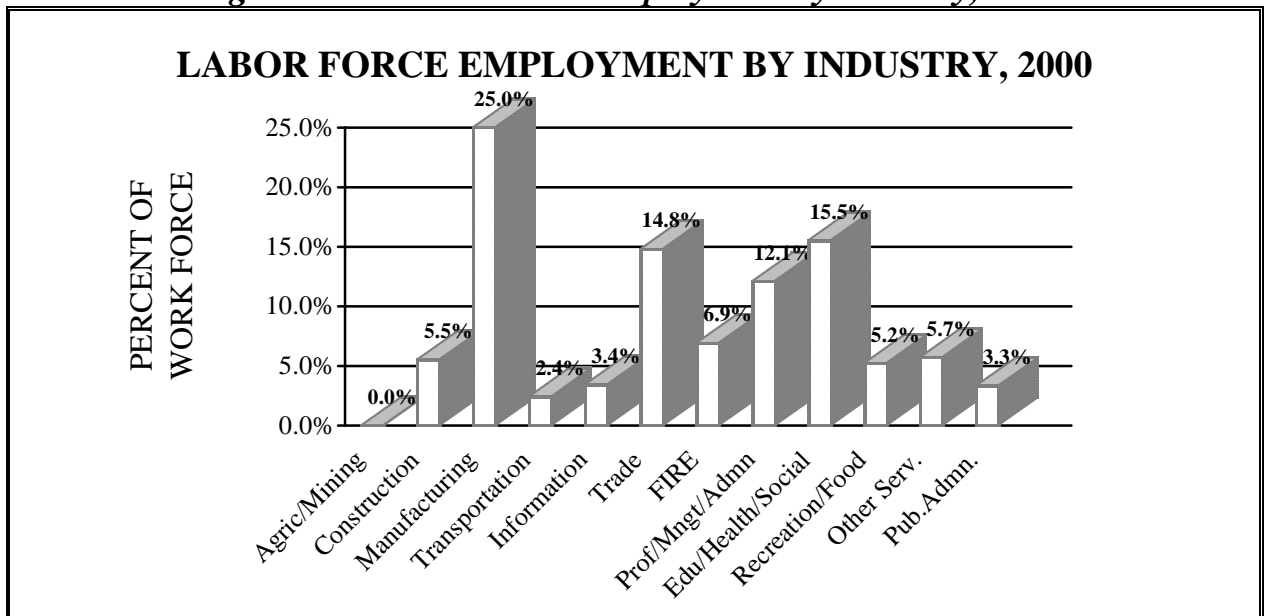


Figure E-9: Labor Force Employment by Industry, 2000



Source: U.S. Census, 2000

An educated labor force is desired by most employers. Professional and technical employers may require advanced education as a condition of employment. The educational levels of the Hudson labor force improved during the 1990 to 2000 period, although currently somewhat less than the educational levels in the state in advanced education. The Massachusetts population is one of the most educated nationwide.

Table E-5: Educational Status of Hudson Population

Characteristic	1990	2000	Region	Mass. 2000
Percent w/High School Diploma*	77.0%	85.0%	89.0%	84.8%
Percent w/College Degree	23.2%	28.4%	40.0%	33.2%

Source: 1990 and 2000 U.S. Census * Persons 25 years of age and older

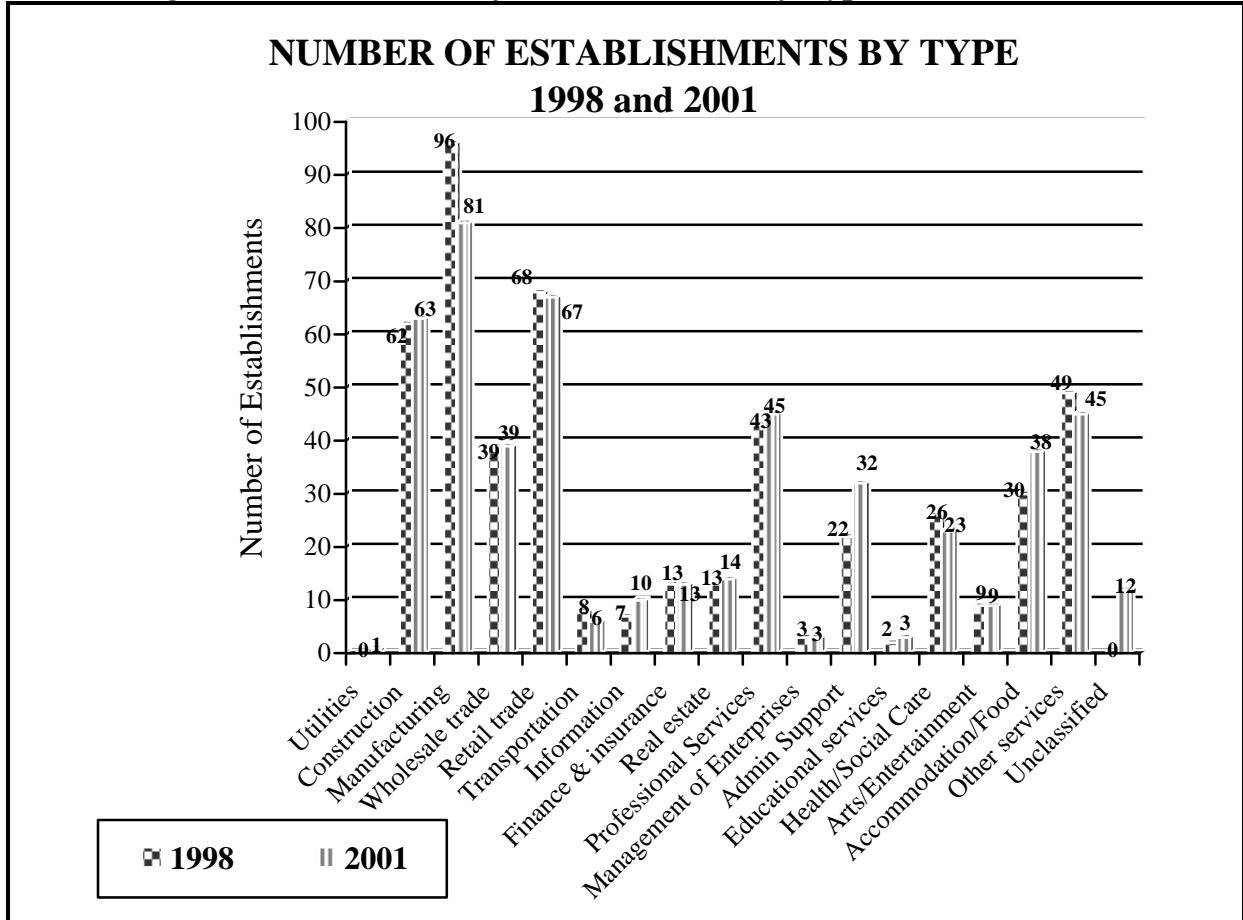
Several characteristics summarize the Hudson labor force:

- In contrast to the 5.1% growth in the population of Hudson during the 1990 to 2000 period, the labor force remained relatively stable. The labor force participation rate declined in Hudson during the 1990 to 2000 period, but exceeds the statewide rate.
- Residents commute to jobs. The resident labor force expended an average of 24.6 minutes per day in commuting to jobs, compared to 25.8 minutes in the region, and 27.0 minutes statewide.
- Increasingly over time Hudson residents have become employed in generally well-paying, managerial/ professional jobs. Currently, more than 40% of Hudson residents are so employed.
- Similar to trends state and nationwide, fewer residents are employed in the manufacturing sector and more are employed in service sectors, such as health, education, and business services.
- The industries providing employment to Hudson residents have also evolved during the 1991 to 2001 period. Manufacturing employment declined, although not as precipitously as regional manufacturing employment.
- The Hudson labor force is well educated, although somewhat less advanced compared to the state overall.

3.3.2 Business in Hudson

Hudson has a diverse range of businesses that have changed modestly in the last few years, as Figure E-10 depicts.

Figure E-10: Number of Establishments by Type, 1998 and 2001

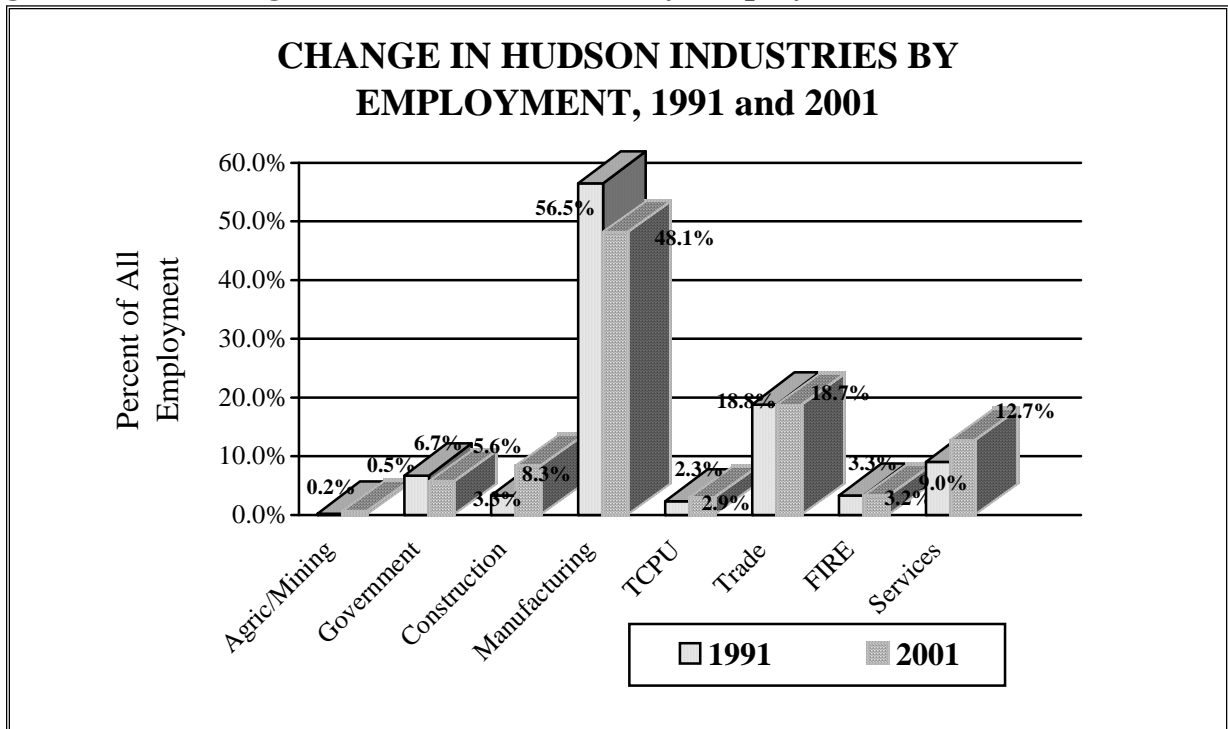


Source: U.S. Census, Zip Code Business Patterns

Section 3.2.3 reported that the inventory of businesses has grown in Hudson. During recent years, the composition of the inventory has changed, as the numbers of Manufacturing, Health/Social Care, and Other Services have declined. Information, Professional Services, and Accommodations/Food were the primary sectors experiencing increases.

From the perspective of jobs, industries in Hudson also evolved during the 1991 to 2001 period. Manufacturing declined, although not as precipitously as regional manufacturing employment, as implied by residents' employment trends in the regional labor market, reported in Figures E-8 and E-9. Employment in Services firms and Construction firms increased as a share of jobs in Hudson. Measured by employment, manufacturing retained its prominence among all industries in Hudson. Figure E-11 reports.

Figure E-11: Change in Hudson Industries by Employment, 1991 and 2001



Source: Massachusetts Department of Employment and Training

Although the proportion of total employment declined during the 1991 to 2001 period for some business sectors in Hudson, employment provided by Hudson establishments increased in all industries, as Table E-6 depicts.

TABLE E-6: Changes in Hudson Industries, Measured by Jobs, 1991 to 2001

Industry		Agric.	Gov't	Const'n	Manuf.	TCPU*	Trade	FIRE**	Services	Total
2001	Jobs	53	600	887	5,153	308	2,004	339	1,363	10,707
	Percent	1.3%	2.6%	22.3%	24.8%	4.5%	18.5%	2.9%	23.3%	100%
91 - 01 Change	No.	37	72	629	698	126	521	81	656	2,820
	Percent	231%	13.6%	244%	15.7%	69.2%	35.1%	31.4%	92.8%	35.8%

Source: Massachusetts Department of Employment and Training

* TCPU: Transportation, Communications, and Public Utilities

** FIRE: Finance, Insurance, and Real Estate

From the perspective of jobs, the Construction, Manufacturing, and Services sectors are approximately equivalent in Hudson, with Trade (Wholesale and Retail) close behind.

Sales receipts generate a different perspective on Hudson industries. Table E-7 demonstrates that manufacturing far exceeds other industries in generating sales receipts in Hudson.

Table E-7: Sales Receipts of Hudson Business Sectors, 1997

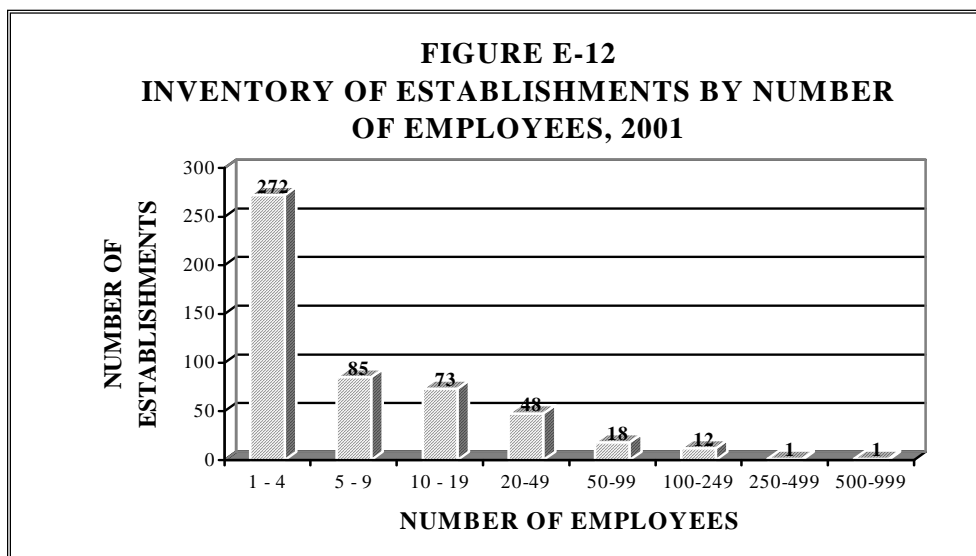
Business Sector	Sales		
	Volume (\$1,000)	% of Total	
		Hudson	Mass.
Manufacturing	1,130,261	64.3%	19.8%
Wholesale Trade	332,720	18.9%	28.7%
Retail trade	214,432	12.2%	14.9%
Real estate	7,218	0.4%	1.5%
Professional/Technical Services	30,314	1.7%	6.1%
Administrative/Support	11,852	0.7%	2.2%
Educational Services	Withheld*	Withheld	0.2%
Health/Social Assistance	6,333	0.4%	7.0%
Arts/Entertainment/Recreation	1,497	0.1%	0.6%
Accommodation/Food	14,332	0.8%	2.4%
Other	9,816	0.6%	16.6%
TOTAL	1,758,775	100.0%	100.0%

Source: U.S. Census, 1997 Economic Census

* Withheld by Census to protect confidentiality

The jobs by industry data reported in Table E-6 and the sales receipts by industry data in Table E-7 are not strictly comparable in that the data are reported from 2001 and 1997, respectively. Moreover, the definitions of the industries used by each source do not match. Nonetheless, it appears that the contribution of Manufacturing receipts far overshadow its contribution to employment, implying a less labor intensity among Hudson manufacturers.

Figure E-12 Inventory of Establishments



In addition to changes in industry, Hudson businesses have also changed in size. Table E-2 reported that the average size of businesses in Hudson has varied little during the 1985 to 2001 period. With the advent of a few larger employers,

Source: U.S. Census, Zip Code Business Patterns

the distribution of businesses is now skewed to smaller firms, as Figure E-12 indicates. In 2001, 70% of all establishments in Hudson had fewer than 10 employees, and 53% had fewer than 5

employees. The presence of a few large employers drives the average size of Hudson businesses upward. The median size of Hudson businesses, however, is less than 4 employees.

In sum, several important characteristics describe the status of existing conditions of businesses in Hudson:

- During the 1985 to 2001 period, the number of business establishments increased 53.8%.
- During the 1998 to 2001 period, the composition of the business inventory changed, as the numbers of Manufacturing, Health/Social Care, and Other Services businesses declined. Information, Professional Services, and Accommodations/Food were the primary sectors experiencing increases.
- Although the proportion of total employment declined during the 1991 to 2001 period for some business sectors in Hudson, the number of jobs provided by Hudson establishments increased in all industries. Manufacturing was the leading sector, adding almost 700 jobs in the 1990s.
- Hudson is an employment center: its businesses employ slightly more people than the size of its labor force.
- From the perspective of jobs, the Construction, Manufacturing, and Services sectors are approximately equivalent in Hudson, with Trade (Wholesale and Retail) close behind.
- Generating 64% of all sales in 1997, manufacturing far exceeds other industries in sales receipts in Hudson.
- Businesses in Hudson are generally small. In 2001, 70% of all establishments in Hudson had fewer than 10 employees, and 53% had fewer than 5 employees. Although the average size was 20.4 employees in 2001, the median size is less than 4 employees.

3.4 Property Tax Trends

The performance of the Hudson economy exerts many impacts on the town. In addition to jobs and business opportunities, Hudson businesses pay real estate and personal property taxes that support the provision of public services. Real estate taxes comprise the largest local tax burden for most Hudson businesses. The other primary source of tax revenues for Hudson is property taxes from residential properties. The tax contributions of Hudson businesses and of residential property owners interact in shouldering the major burden of local taxes.

3.4.1 Trends in Assessed Values

Assessed values of real estate are one component of the computation of real estate taxes. The other component, the tax rate, is often adjusted by communities as assessed values vary. Generally, communities with higher assessed values can levy lower tax rates to fund a package of services identical in content and cost. In practice adjusting levies relative to assessed values is more complicated, as localities have different arrays of services and cost structures. From a locality's perspective, higher assessed values for commercial or industrial (business) property reflects either a greater share of business property in the locality, or higher values gained through more prosperous business real estate. Table E-8 depicts Hudson's trends in assessed values of properties over the past 18 years.

Table E-8: Trends in Assessed Values in Hudson, 1985-2003

FY	Residential	Commercial	Industrial	Personal Property	Total	Percent of Total	
						Res.	Comm/Ind/ Pers. Prop.
1985	282,541,367	25,475,962	42,915,503	4,611,173	355,544,005	79.5	20.5
1986	381,120,391	32,053,286	62,818,570	5,045,944	481,038,191	79.2	20.8
1987	397,253,574	32,593,019	62,029,820	5,428,143	497,304,556	79.9	20.1
1988	408,181,540	32,659,388	63,629,400	6,080,638	510,550,966	79.9	20.1
1989	817,018,899	82,142,471	130,716,170	9,726,990	1,039,604,530	78.6	21.4
1990	834,883,157	80,016,218	131,389,135	9,552,987	1,055,841,497	79.1	20.9
1991	845,691,199	83,902,323	138,752,935	9,755,587	1,078,102,044	78.4	21.6
1992	735,523,413	82,770,076	125,096,158	11,010,310	954,399,957	77.1	22.9
1993	677,244,642	74,907,094	109,734,360	11,310,755	873,196,851	77.6	22.4
1994	688,768,029	78,864,978	117,411,980	11,527,530	896,572,517	76.8	23.2
1995	699,538,113	72,277,837	119,571,350	12,888,160	904,275,460	77.4	22.6
1996	704,520,062	72,729,348	122,384,420	13,445,370	913,079,200	77.2	22.8
1997	711,459,378	71,485,802	124,781,520	18,893,680	926,620,380	76.8	23.2
1998	804,118,418	80,977,942	138,441,230	18,758,250	1,042,295,840	77.1	22.9
1999	817,016,029	81,293,321	143,938,730	18,696,740	1,060,944,820	77.0	23.0
2000	903,889,312	88,347,878	144,639,210	17,175,940	1,154,052,340	78.3	21.7
2001	1,018,469,680	100,317,455	166,074,765	17,053,980	1,301,915,880	78.2	21.8
2002	1,223,165,860	122,136,050	189,880,790	18,148,330	1,553,331,030	78.7	21.3
2003	1,371,339,350	126,955,655	198,770,795	20,673,300	1,717,739,100	79.8	20.2

Source: Massachusetts Department of Revenue

During the past 18 years, the distribution of tax burdens between residential and commercial/ industrial properties in Hudson has remained stable. The share between these two use categories

Table E-9: Change in Assessed Values By Classification of Property

varied modestly over the years, returning in 2003 almost to the same distribution it was in 1985. Assessed values have increased substantially, as Table E-9 reports. The increase in the total assessed value of residential property exceeded the increase in the total assessed value of all property combined, whereas the increase in commercial/industrial property fell below the increase in all property combined. Since residential properties comprised 79.8% of all assessed property in 2003, changes in assessed valuations of residential properties exert a significant impact on total valuation. With single family home prices rising 110% since 1993, as indicated in Section 2.3.2, total assessments rise almost concomitantly. The greater increase in residential values is related to the expanded inventory of residential parcels, as Table E-10 reports.

Property Classification	Percent Change, 1985 to 2003
Residential	385%
Commercial	398%
Industrial	363%
Commercial + Industrial	376%
Personal Property	348%
All Property	383%

Table E-10: Annual Inventory of Parcels By Use, 1986-2003

FY	Residential					Vacant Land	Com-mercial	Industrial	Other Usage	Total
	Single Family	Multi Family	Condos	Apts.	Misc.					
1986	3,576	446	304	80	1	526	135	67	88	5,223
1987	3,629	447	446	78	2	665	133	69	82	5,551
1988	3,704	449	462	78	2	615	136	74	81	5,601
1989	3,676	507	452	71	16	489	193	150	128	5,682
1990	3,730	508	519	72	16	519	191	152	106	5,813
1991	3,751	505	526	72	16	594	207	146	125	5,942
1992	3,768	458	528	74	67	584	201	173	122	5,975
1993	3,726	459	527	75	68	575	193	167	135	5,925
1994	3,863	458	534	75	70	537	191	162	113	6,003
1995	3,925	459	535	74	70	527	184	168	98	6,040
1996	3,947	460	540	74	69	519	185	171	99	6,064
1997	3,974	462	598	63	66	572	185	171	98	6,189
1998	4,016	462	598	73	64	561	187	167	86	6,214
1999	4,063	462	598	73	62	529	185	167	86	6,225
2000	4,127	462	595	72	65	484	187	167	68	6,227
2001	4,186	459	593	74	65	390	178	165	71	6,181
2002	4,228	459	597	78	60	367	176	165	64	6,194
2003	4,268	461	649	75	61	345	173	163	64	6,259

Source: Massachusetts Department of Revenue

The change in inventory of parcels has occurred differently across uses, as Table E-11 indicates:

TABLE E-11: Change in Number of Parcels By Usage

Property Classification	Percent Change, 1986 to 2003
Single Family	19.4%
Multi-Family	3.4%
Condominiums	113.5%
Apartments	(6.3%)
Miscellaneous Res.	6000%
TOTAL RESIDENTIAL	125.1%
Vacant Land	(34.4%)
Commercial	28.1
Industrial	143.3
Commercial + Industrial	66.3%
Other Usage	(27.3)
TOTAL	19.8%

From 1986 to 2003, the total number of residential parcels increased more rapidly than any other use. Condominium parcels have increased the most, while multi-family parcels have remained stable. Residential parcels dominate the land use, comprising 88% of all parcels in 2003. Single family and condominium parcels comprised 79% of all parcels.

The inventory by count of industrial parcels comprises the largest increase among all uses. The number of industrial parcels is approximately equivalent to commercial parcels. As Hudson has experienced expanded real estate development, the number of parcels in vacant land has decreased substantially.

In sum, Hudson has maintained a stable share of assessed values between residential and commercial/industrial. All assessed values have increased significantly over the past 20 years, with residential values outpacing other uses. Closely behind residential are increases in industrial assessed values. These rankings are reversed in the count of parcels during the 1986 to 2003 period, in which industrial parcels outpaced all other uses, closely followed by residential, driven by large increases condominium parcels.

Differing changes in the average assessed values of parcels by classification, as Table E-12 indicates, explains some of Hudson's ability to maintain a stable mix of residential and commercial/industrial values. The average assessed valuation of commercial properties increased almost 210% during the 1986 to 2003 period, exceeding a similar substantial increase in residential values. The average assessed valuation of industrial property, on the other hand, increased modestly during this period. Industrial properties, however, had the highest average assessed value, probably reflecting the high value of a few key industrial properties in Hudson. The expanding count of commercial/industrial properties with relatively high assessed value contributes to Hudson's ability to maintain a stable mix between residential and commercial/industrial tax burdens.

Table E-12: Percent Change in Average Assessed Valuation

FY	Average Assessed Valuations			
	Residential	Commercial	Industrial	Total
1986	86,481	237,432	937,591	92,100
1987	86,322	245,060	898,983	89,588
1988	86,940	240,143	859,857	91,154
1989	173,024	425,609	871,441	182,965
1990	172,319	418,933	864,402	181,635
1991	173,653	405,325	950,363	181,438
1992	150,260	411,791	723,099	159,732
1993	139,494	388,120	657,092	147,375
1994	137,754	412,906	724,765	149,354
1995	138,167	392,814	711,734	149,714
1996	138,413	393,132	715,698	150,574
1997	137,800	386,410	729,716	149,721
1998	154,253	433,037	828,989	167,733
1999	155,385	439,423	861,909	170,433
2000	169,872	472,449	866,103	185,330
2001	189,412	563,581	1,006,514	210,632
2002	225,593	693,955	1,150,793	250,780
2003	248,701	733,848	1,219,453	274,443
% Change	187.6%	209.1%	30.1%	198.0%

Hudson's single family tax trends reflect this stability. As Table E-13 demonstrates, Hudson's average single family tax bill ranked 173rd among all localities statewide in 2003. Property taxes, of course, are a function not only of a locality's tax base, but also of its choices in providing services and their cost.

In sum, trends in property taxes in Hudson include:

- During the past 18 years, the distribution of tax burdens between residential and commercial/industrial properties in Hudson has remained stable.
- Assessed residential values have increased substantially, exceeding the increase in the total assessed value of all property, whereas the increase in commercial/ industrial property fell below the total increase.
- Since residential properties comprised 79.8% of all assessed property in 2003, changes in assessed valuations of residential properties exert a significant impact on total valuation.
- The greater increase in residential assessed values is related to the expanded inventory of residential parcels. During the 1986 to 2003 period, the total number of residential parcels increased more rapidly than any other use. Residential parcels dominate the land use, comprising 88% of all parcels in 2003.

Table E-13: Property Tax Trends for Single Family Homes

FY	Average Value	Tax Rate	Single Family Tax Bill	Hi-Lo Rank	# of Towns Included	State Median
1988	83,412	18.80	1,568	80	293	1,301
1989	162,079	9.59	1,554	102	297	1,326
1990	166,167	10.47	1,740	98	323	1,504
1991	165,266	10.75	1,777	101	265	1,640
1992	142,703	12.54	1,789	135	339	1,663
1993	132,211	15.04	1,988	110	339	1,747
1994	133,514	15.67	2,092	107	340	1,808
1995	135,721	16.49	2,238	104	340	1,872
1996	136,315	16.38	2,233	117	340	1,959
1997	136,862	16.50	2,258	125	340	2,031
1998	152,978	14.72	2,252	144	340	2,121
1999	154,320	14.33	2,211	169	340	2,191
2000	171,745	13.48	2,315	167	340	2,297
2001	188,965	12.27	2,319	187	340	2,418
2002	225,755	11.51	2,598	166	340	2,577
2003	250,625	10.72	2,687	173	340	2,709

Source: Massachusetts Department of Revenue

- The inventory by count of industrial parcels comprises the largest increase among all uses. The number of industrial parcels is approximately equivalent to commercial parcels.
- The average assessed valuation of commercial properties increased almost 210% during the 1986 to 2003 period, exceeding a similar substantial increase in residential values. The average assessed valuation of industrial property, on the other hand, increased modestly during this period.
- Industrial properties have the highest average assessed value, probably reflecting the high value of a few key industrial properties in Hudson.
- The expanding count of relatively high assessed value of commercial/industrial properties contributes to Hudson's ability to maintain a stable mix between residential and commercial/industrial tax burdens.

3.5 Economic Infrastructure

The economic infrastructure consists of the physical systems and resources that support and enable economic activity. These include utilities, roads, communication systems, and land. The quality and extent of the economic infrastructure is a key determinant of the volume and type of economic activity. Businesses need roads for access, energy systems to power production, and communication systems to contact employees, suppliers, and customers.

Map E-1 overlays the commercial and industrial zoning districts on a base map that includes the current location of areas served by town sewers. Hudson recently adopted a policy of non-extension of the sewers except to areas of Hudson that have a serious problem with failing septic systems. These areas eligible for sewer extensions are also shown on Map E-1. In reviewing this Map, it is clear that the industrial/commercial areas already served by sewer are the most likely to be able to accommodate additional growth. The industrial area on the east end of town, not currently served by sewers, can continue to accommodate only businesses that can locate without sewer service.

3.5.1 Utilities in Hudson

Modern utilities are available in Hudson, consisting of the following:

- The Wastewater System consists of 51 miles of sewer, 14 pumping stations, and a 3.00 advanced wastewater treatment facility located off Cox Street. Effluent from the treatment plant is discharged into the Assabet River. The sewer system encompasses approximately 60 percent of the town's area and serves about 4,035 customers. In addition to residential users, the customer base includes 233 commercial, institutional, municipal, and industrial customers. Significant industrial users include Intel Corporation, Hudson Lock, Larosse, Middlesex Research, and New England Tape. Hudson's long range capital budget includes an \$8.8 million upgrade to the wastewater plant in 2006. Please see Map E-1 above indicating the areas of Hudson currently served by sewers, and those areas not served by sewers that are not eligible to receive sewer extensions.
- The public water supply system consists of 5 active supply wells, one surface supply, 4 water tanks, and 98 miles of water main. The supply has a total supply of 5.12 mgd, and a permitted withdrawal of 2.84 mgd, increasing to 2.95 mgd in 2006. As Table 1-1 reports, the town used 2.74 mgd in 2001. The Environmental Impact Report for the Comprehensive Waste Management Plan reports that Hudson has adequate supply capacity to reliably satisfy average day demand, but will be compelled to operate supply sources 24 hours per day to satisfy peak maximum day demand.
- The Hudson Light and Power Department services all of Hudson and Stow parts of surrounding communities.

3.5.2 Transportation in Hudson

The advent of Interstate 495 was a key factor in the transformation of the Hudson economy from its dependence on processing woolens in the early 20th century. The highway connected the town to the technology industry that found fertile soil for growth in the 1980s and beyond. Today, transportation continues to play a important role in the local economy.

Section 4.0 describes transportation systems, problems, and projects, as identified by pertinent public agencies. Hudson is very dependent upon automobiles for transportation. Section 4 identifies potential projects to partially relieve this dependency.

Section 4.0 identifies several immediate transportation problems affecting the Hudson economy:

- Growth in Hudson's commercial/industrial sectors is contributing substantial additional automobile traffic to local roadways that lack sufficient capacity to serve this expanded volume. On the other hand, few roadways have been identified where enhanced capacity is the desired means to reduce congestion.
- During commuting periods, the intersection of Route 62 at Broad and Manning Streets suffers long delays, affecting access to downtown businesses.
- During the evening commute, the intersection of Route 85 and Technology Drive also experiences long delays, affecting orderly access to employers.

The Metropolitan Area Planning Commission (MAPC), which has substantial responsibility for transportation planning in metropolitan Boston, including Hudson, has proposed several transportation projects to improve circulation within and access to Hudson. These include:

- Replace the Cox Street Bridge over the Assabet River;
- Reconstruct Main Street from Chestnut Street to the Stow town line; and
- Explore widening of the Washington Street/Rt 85 corridor to relieve congestion.

3.5.3 Communications Systems in Hudson

At one time, sophisticated communication systems were the purview only of technology firms or larger corporations. The rapid expansion of the internet and electronic mail for commerce has rendered sophisticated communication systems essential for many businesses to compete, regardless of the sector. Factors defining the quality of internet connections concern speed, volume of data supported, and reliability. The now passé telephone connections for internet, available townwide, are the slowest and least reliable among the alternative connections. DSL, using an enhanced telecommunication technology that is faster, and more reliable, serves all the business areas of Hudson with the exception of the industry rich East End. The advent of cable modems provides an even faster, more reliable internet connection, but less secure. Widely available, cable access is not yet available to all Hudson businesses. Finally, businesses may make investments to deploy the most advanced T1 or T3 internet connections.

3.5.4 Land Use and Resources in Hudson

Zoning regulations, build-out potential, and areas for development define Land use and resources in Hudson. The Town of Hudson has established Protective Zoning By-Laws to guide development in the community. The By-Laws provide for the commercial and industrial land uses summarized in Table E-13.

TABLE E-13: Summary of Industrial/Commercial Zoning

Zone	Area (sf)	Percent	Zone	Area (sf)	Percent
Industrial 1	4,250,386	1.3%	Commercial 2	533,292	0.16%
Industrial 2	588,096	0.18%	Commercial 3	96,834	0.03%
Industrial 3	2,884,466	0.9%	Commercial 4	515,683	0.16%
Industrial 4	1,101,374	0.33%	Commercial 5	202,140	0.06%
Industrial 5	11,180,941	3.4%	Commercial 6	1,665,357	0.5%
Industrial 6	44,085,254	13%	Commercial 7	163,336	0.05%
Industrial 7	8,547,041	2.6%	Commercial 8	230,893	0.07%
Limited Comm./Ind.	4,569,344	1.4%	Commercial 9	732,736	0.22%
			Commercial 10	552,204	0.17%
			Commercial 11	1,392,682	0.42%
			Commercial 11	1,151,821	0.35%
			Commercial 12	924,308	0.28%
			Commercial 13	817,397	0.25%
Total	77,206,901	23.4%	Total	8,978,685	2.7%

Source: Massachusetts Executive Office of Environmental Affairs

The town has zoned 86.18 million square feet of land for commercial and industrial purposes, more than 26% of the land area comprising Hudson.

To assist localities in their planning efforts, the Massachusetts Executive Office of Environmental Affairs (EOEA) in 1999 conducted land use studies and analyzed the potential to develop additional land for all of the localities in the Commonwealth. EOEA projected this “build-out” potential based a derived Floor Area Ratio and upon zoning and physical constraints, especially wetlands. EOEA’s estimated build-out potential for Hudson for each zone is summarized in Table E-14.

Based it analysis conducted in 1999, EOEA projects that existing zoning and physical constraints to development permit more than an additional 11 million square feet of commercial and industrial development. Development activities or zoning changes that have occurred subsequent to the EOEA analysis may either reduce or expand the estimated build-out potential.

An additional 12 million sf would exert an undefined impact on the town. EOEA projects impacts of the total build-out of residential and commercial/industrial uses, but does not address the later uses singularly.

The potential build-out indicates prospective development. It does not express likelihood or desirability. Market forces and public action, such as regulations, affect the likelihood of development; desirability is a product of the sentiments of the townspeople and their elected officials.

In the Community Visioning element of this Community Development Plan, business leaders and town officials were skeptical about the accuracy of the projected build-out potential, especially in light of topographic constraints excluded from the EOE's analyses.

Table E-14: Commercial/Industrial Build-Out

Zoning District	Total Land Area (sq. ft.) *	Effective FAR	Total Additional Floor Area (sq. ft.)
C-1	26,507	0.31	8,217
C-2	97,534	0.31	30,236
C-6	322,843	0.31	100,081
C-7	16,027	0.31	4,968
C-9	84,062	0.31	26,059
C-10	176,782	0.31	54,802
C-11	155,404	0.31	48,175
C-12	60,309	0.31	18,696
C-13	57,726	0.31	17,895
LCI-1	1,887,880	0.27	509,728
M-1	929,622	0.41	381,145
M-3	788,672	0.41	323,356
M-4	8,606	0.41	3,528
M-5	1,230,896	0.41	504,667
M-6	18,939,492	0.41	7,765,192
M-7	3,132,772	0.41	1,284,437
Total	27,915,134		11,081,182

Source: Massachusetts Executive Office of Environmental

* Excludes land in Wetlands, 100 year flood zone, or 200 ft.

3.5.5 Important Commercial/Industrial Areas

Several areas in Hudson house concentrated business activity. The Route 85/I 290 corridor is a regional retail area that enjoys vibrant activity and turnover typical for such a use. Adjacent to this intersection, some manufacturing and commercial facilities are also located. Industrial and some commercial uses have evolved over the past 25 years in the East End along Main Street. These uses and areas appear generally healthy economically. A review of existing zoning and discussions with officials and stakeholders involved in economic development in Hudson suggest several key areas of the town deserving of attention:

- Intel Massachusetts operates a 1.2 million sf facility on a 149 acre site in central Hudson. A Fortune 500 company, Intel currently has a payroll of 2,500 employees. Intel is a regional employer that complements the technology driven economy that dominates Hudson and the

Interstate 495/ Route 128 area west of Boston. Intel reports that its Hudson operations are stable, not expansionary. It recently allowed site approval to lapse for development of a 120,000 sf complex planned for office, clean room, and manufacturing uses.

Intel is a heavy water user for its manufacturing activities. The town has committed 650,000 gpd of water supply to Intel, but the company actually uses 690,000 gpd. Intel, which has made a capital contribution to the town's waste water treatment plant to support its upgrade, has been operating on an expired wastewater permit that awaits town action for renewal. Forthcoming, more demanding standards governing phosphorous discharged in the Assabet River as waste water may pose more demands on the town's waste water systems.

Two housing developments, one completed and the other in process, are occupying two former commercially zoned parcels adjacent to Intel. The economic importance of Intel to Hudson and the region underscores the necessity of continuation of policies and investments supporting this employer and tax payer.

➤ Downtown Hudson consists of a commercial area centered at the intersection of Routes 85 and 62, extending approximately ¼ mile to the south, west, and east. Many older, handsome buildings define a small, attractive downtown, which is designated a local historic district. In addition to public and community facilities, downtown businesses consist of banks, restaurants, and small retailers and service firms exploiting specialty niches. Like many New England downtowns proximate to modern retail developments, downtown Hudson lacks the vitality it once enjoyed. The ground floors of downtown buildings are occasionally vacant, and much of upper stories are vacant. With the exception of chain fast food restaurants and banks, no national or multi-state business operates downtown. Downtown lacks an anchor business drawing customers

Some downtown buildings are in disrepair. In December 2003, the town completed a physical condition survey of 57 buildings comprising the southern area of downtown framed by Main, Broad, and Washington Streets, and the Assabet River. The survey found that 54% of the buildings were in fair to poor condition. These findings underpin a recent designation of much of downtown Hudson as "blighted," -- a platform for undertaking a façade improvement and other potential programs. Some recent investments in downtown, including a nearby residential project, a renovation of a historic building, and the expansion of a key business, may portend positive trends for continued revitalization.

The town has husbanded many activities to improve the business prospects for downtown, including streetscape improvements, developing parking lots, demolishing an abandoned building for redevelopment, acquiring land for reuse as a park, redeveloping town hall, and advancing the Assabet River Trail into downtown. Completed in December 2002, Hudson's "Urban River Visions" proposes both public and private improvements in the downtown area to utilize the Assabet River as an enhancement for downtown and community life. Proposed public improvements include parks, boat landings, extending river walks, provision of public parking, expanded views of the river from downtown, a new pedestrian bridge, and enhancements of South Street as a "second Main Street." Proposed private improvements include expanded housing downtown through zoning changes, conversion of the Broad Street and Houghton Street Mills into housing, and promotion of infill development.

➤ A former center for processing woolens, Hudson has several older industrial buildings and areas in varying condition and levels of occupancy:

- The Broad Street Mill at 43 Broad Street is a 4 story structure comprising 215,000 sf, including some smaller attached buildings. A small 35 space parking lot serves the building, which the listing broker indicates is 85% occupied, primarily for business storage purposes, renting at \$3 to \$4 psf NNN. A few of the larger retailers in the Hudson area, for example, store excess inventory in the building. Small recreational uses also occur in the property, such as a batting cage. The current owner, who recently acquired the property, intends to continue the current uses, and does not plan any significant investments in the property.
 - Five older buildings are located in close proximity along Apsley Street, consisting in total of an estimated 350,000 sf. Long time Hudson firms occupy the properties. The estimated occupancy is 50%. The upper floors of the largest building are largely unoccupied and in disrepair. The multi-story buildings fail to provide modern capacity required by many manufacturing firms.
 - The Tower Street Business Park consists of 185,000 sf in two buildings, including an 80,000 sf warehouse. A large parking lot serves the property. The listing broker reported that the building is suitable for manufacturing or Class B office space. Located about 3 miles from the desirable highway access provided by I 495, the building has a low tenancy and few prospects for new tenants in a slack real estate market and a declining manufacturing sector. The broker reports that the owner is willing to invest to enhance the potential of the property and induce tenants, and asserts that rehabilitation of the property could produce a handsome historic product, similar to Clock Tower Place in Maynard, which also lacks highway access. The broker acknowledged that the Tower Street Business Park does not enjoy the access to downtown that appears to distinguish Clock Tower Place and contribute to its attractiveness to tenants.
 - The Hudson Small Business Park consists of 70,000 sf in 7 buildings in the Houghton Street Mill complex. The owner reports that active renovation is ongoing. Currently zoned for commercial/industrial uses, the owner is seeking light manufacturing or warehouse tenants. The owner is also interested in residential uses for which zoning relief would be needed.
- The intersection of Route 62 and Interstate 495 is a largely undeveloped area with excellent highway access. Physical limitations pose obstacles for development. Recently, a hotel chain has located a facility in the area. In December 2003, developers approached town elected officials to introduce the concept of developing an 800,000 sf retail mall on 161 acres stretching from Hudson to Berlin. The project entails the town conveying 26 acres for the project.
- The Hudson Technology Park, located close to the intersection of Route 85 and the I 290 Connector, is an attractive, newer project that provides parcels for purchase and development. It contains a large, vacant modern building and a buildable parcel.

Developing underutilized commercial/industrial properties in Hudson is dependent in large part on market conditions. In its 3rd Quarter 2003 Market Report of Greater Boston, the realty firm of Spaulding & Slye reported market conditions summarized in Table E-15. Hudson is affected by both the 495/Mass Pike and the 495/North market areas.

Table E-15: Commercial/Industrial Real Estate Market Conditions

Market	Vacant SF	% Vacant	% Available*	Absorption in 3 rd Qtr.	YTD Absorption
Office					
495/Mass Pike	2,582,368	14.5%	32.1%	(337,002)	(73,648)
495/North	1,449,191	11.1%	16.1%	(28,134)	(3,906)
R&D					
495/Mass Pike	1,397,586	21.8%	38.9%	26,127	(451,166)
495/North	2,603,562	22.3%	39.7%	2,984	(170,704)
Industrial					
495/Mass Pike	985,694	8.7%	14.9%	48,757	139,523
495/North	500,765	21.9%	28.5%	(260,680)	(553,204)

* Space actively marketed, including vacant and sublease space

Source: Spaulding and Slye Colliers, 3rd Quarter 2003

Vacancy and availability rates are uniformly high in the Hudson marketplace. With the exception of industrial space, which also has the lowest vacancy and availability rates, space absorption in 2003 has been negative, indicating increasing vacancies. The industrial real estate market in the 495/Mass Pike area, centered to the south of Hudson, is showing some life, resonating with Hudson's strength – industrial space.

No comparable assessment of real estate market conditions is available for Hudson. A realtor knowledgeable of the marketplace opined, "Occupancy is reasonably high, perhaps 90%, for quality space." The realtor explained that the large vacant building in the Hudson Technology Park comprises much of the vacancy in Hudson. Over-all, the short term prospects for leasing higher quality underutilized office, R&D, and industrial space in Hudson appears strong as the market improves. For the Class B and C space characterizing Hudson's older industrial properties, the market appears less sanguine.

3.6 Summary of Opportunities and Obstacles

The town of Hudson has benefited from strong leadership in economic development. This, combined with the good fortune of its location along I 495 as well as its economic assets, has shaped an overall thriving economy at the current time. Residents enjoy relatively high incomes and levels of employment. The number of businesses, their payroll, and the jobs they provide are increasing. Townspeople and visitors have access to a rich array of retail stores and services in Hudson. The town houses a major facility of a Fortune 500 firm, providing a range of employment opportunities to the region. Hudson's growing commercial/industrial tax base has generally kept pace with the expanding residential tax base to maintain relatively stable shares of tax burdens between residential and commercial/industrial uses. The town has additional land available for development, although the existing estimate may overstate this resource. Hudson enjoys a location attractive for both retail and industrial businesses.

The town organized two community meetings during which participants shared their analysis of the strengths and weaknesses of the Hudson economy, and their vision for it. These insights provide the framework for recommended activities. The economic challenges facing the Hudson concern retaining its economic assets and accomplishments, and addressing some weak aspects of its economy.

Below is a geographic presentation of the areas of town that the participants identified through this planning process. Identified on the map are areas deemed to be suitable for either expansion of existing commercial, retail, and industrial uses or new areas not presently in commercial use that are believed to be suitable for such activities.

Commercial / Industrial Suitability Map

3.7 Recommendations and Action Items to Support Economic Development

E 1 Plan, Design, and Construct Public Infrastructure to Enhance Economic Development

E-1.1 Hudson has experienced substantial commercial development activity in the Route 85/Connector corridor. As Sections 4.0 and 3.5.2 report, this area suffers from traffic congestion. To retain and enhance its vitality, **Hudson could facilitate or undertake road improvements to maintain efficient access** to these highway dependent retail uses.

E-1.2 Public improvements, specifically those proposed in the Urban River Visions to utilize the Assabet River to enhance downtown and community life, contribute the economic vitality of the downtown business district. **Hudson should implement the infrastructure improvements of the Urban River Visions, specifically parking and parkland development and improvements, in order to maximize its impacts on retaining retailers and attracting new ones.**

E 2 Initiate/Strengthen/Enforce Town Bylaws and Regulations

E-2.1 Recently, two large commercially zoned parcels in the prime Route 85/Connector area were converted to residential uses through an overlay residential zoning district. The conversion of limited commercial/industrial property to residential uses, especially in prime market areas, undercuts the town's ability to sustain the stable share of residential and commercial/industrial tax burdens. **Hudson could seek to limit the use of commercial/ industrially zoned properties for designated business purposes,** in the absence of a compelling contrary need.

E-2.2 Hudson's primary commercial/industrial appeal relates to access to I-495. Property accessible to this thorough-fare has the most appeal for commercial/industrial development. To grow its commercial/industrial tax base in proportion to expanding residential uses, the town may wish to examine **zoning of land accessible to I-495 for appropriate commercial/industrial designations that will enhance the tax base,** yet not be so dense or generate excess traffic that it will hinder access to downtown Hudson. These changes include improvements to the underlying zoning as well as to Site Plan Review.

E-2.3 Urban centers need customers who shop the stores and patronize the restaurants. Many upper floors of downtown commercial buildings are vacant, as are parcels. Residential uses in upper floors are permissible only by Special Permit. To facilitate these residential uses, **Hudson may wish to further adjust zoning to facilitate residential development in the upper floors, and develop a public information campaign to clearly inform owners and stakeholders that Special Permits may be obtained for this purpose. Further, parking requirements in the C-1 District should be reviewed to assure adequate parking for both commercial and residential uses.** Options for improvements to the current bylaw are discussed in the recommendation H-4.1, such as allowing upper-story residential in new construction buildings and allowing residential uses to locate in certain circumstances in buildings with food service businesses on the ground floor.

E-2.4 Home occupations are increasingly important in providing work to residents in Hudson. The Hudson Zoning Bylaw currently allows professional offices and craft manufacture by right in residential zones. **The treatment of home occupations in the Zoning Bylaw should be reviewed and more detailed description should be provided in order to further detailed home occupations and to facilitate greater development of home occupations.**

E-2.5 **Uses and restrictions in the C-1 District covering much of downtown Hudson should be reviewed to determine their contribution to preserving the appearance and functioning of the downtown, and its appropriateness for housing businesses and residential units there.** Improvements can be implemented through amending the C-1 District, or through the use of an overlay zone that may include more than just the C-1 District. Improvements through these

zoning mechanisms should at least include a review of parking requirements, allowance of some mixed uses on a by-right basis, and the introduction of height restrictions.

E-2.6 Each of the older mills in Hudson is located in a different district, including commercial and industrial districts. Housing is currently allowed in some commercial and industrial districts. **The development of a Mill Overlay District, as noted in Recommendation H-2.2, will allow commercial activities to exist on these mill parcels along with residential uses.** Such a district definition will develop appropriate treatment for all older mill properties. The mix of residential and commercial will provide a lively, and convenient, shopping option for tenants and neighborhood residents.

E 3 Support Business Already Located in Hudson

E-3.1 Intel is an important employer to the town and region. Intel's permitted usages of water and wastewater treatment are inconsistent with actual use. Its wastewater permit is not current. **The town should work with Intel to resolve these water and wastewater issues, providing business-like support to this firm and facility.**

E-3.2 Despite a few large employers, Hudson's businesses are predominantly small businesses in which the median number of employees is less than 4. Smaller businesses often lack sufficient access to capital and have requisite managerial or technical capacity to survive and grow. In concert with the Assabet Valley Chamber or other appropriate entities, **Hudson could facilitate the use of Small Business Administration or other resources to support its predominantly small business community.**

E-3.3 Hudson is already an Economic Target Area as designated by the Massachusetts Economic Development Improvement Program. Designating the downtown as an Economic Opportunity Area would allow Hudson to support business and real estate redevelopment in the downtown. Further, the Legislature recently established District Investment Financing (DIF) for which regulations have not yet been promulgated. DIF would allow the Town to take additional revenues from downtown investments and place them in a fund dedicated to downtown improvements. **The town should monitor this tax incentive programs that can encourage investment in real estate to determine their utility for facilitating investment in downtown.**

E-3.5 Many commercial/industrial firms are located in the East End along and adjacent to Main Street. Although more distant from I 495 than the prime commercial/industrial area in the Route 85/Connector area, this area appears stable. **The town could seek reexamine zoning and, by means of communicating with existing users and owners, otherwise seek to support this active area.**

E 4 Support Hudson Residents with Employment Skills and as Employees

E-4.1 The quality of Hudson's labor force attracts employers. **The town should continue to provide quality education in its schools to prepare young residents to enter the work force with suitable skills. Whenever possible, Hudson should use its support of local businesses to generate mentoring and intern programs between the businesses and Hudson's schools.**

E 5 Enhance Private Sector Ability to Redevelop Business Real Estate

E-5.1 The town is in the start-up phase of implementing a façade improvement program to facilitate improvements in the downtown properties identified as in serious need of improvements. **This façade improvement program should attempt to attract the most needy buildings so that they will have the most impact in improving the downtown.**

E-5.2 Surrounding downtown are four older industrial properties in various states of repair and occupancy that are not achieving their economic potential. To address the condition of these properties, experience demonstrates that a locality may wish to **work actively and cooperatively with owners who wish to make economic use of their facilities compatible with the community, including zoning changes; consider creative or alternative uses for older properties, such as residential or artists' lofts; facilitate the flow of supportive resources that may enable a proposed reuse to achieve feasibility, such as brownfields resources, subsidized financing, or TIFs; collaborate with the private sector to identify potential tenants; and consider locating public or community facilities in the buildings.**