

CHAPTER IV – ECONOMIC DEVELOPMENT

INTRODUCTION

The Economic Development chapter of the Master Plan is intended to address both the economic wellbeing of Hudson residents as well as strength of the town's tax base. The factors influencing the local economy are largely driven by forces operating at the super-regional, state, national and international level, and are typically beyond the control of a single community. The town, however, can manage the ways in which it engages with broader economic forces. One of the areas where the town has a great deal of control is local zoning and other land use regulations. Land use regulations, together with other local ordinances and regulations, work to encourage or hinder opportunities for business development, investment, and job creation in the town. Land use regulations also impact the tax base by determining the amount of commercial and industrial development permitted in the town, establishing density and open space requirements and by influencing the quality of development through landscaping regulations, design standards and other similar requirements. Along with land use regulations, economic development is greatly influenced by the transportation network and the availability of public sewer, water and other utilities and telecommunications. This chapter is focused primarily on economic development within the context of land use planning and other factors that the town can control, though a description of the regional context and key economic indicators are also discussed. Some content of this chapter is derived from the *Hudson Economic Development Assessment* prepared by NRPC in June of 2018.

Note: Variation in sample years for datasets depend on availability of data and analysis at time of publication.

Regional Economic Climate

Prior to, and following, the COVID-19 outbreak, economic conditions in New Hampshire, the Nashua region and Boston metro area were strong. Unemployment has reached record lows and job growth has been robust. Wages and incomes are rising, and the housing market is strong. Demand for Commercial and Industrial property in the region reflects the state of the economy. Demand is strongest for industrial space with particularly high demand for large footprint (500,000 sq. ft.+), high bay warehousing and distribution space. In the second quarter of 2023, Warehouse/Distribution rents in the Nashua submarket (which includes Hudson) increased to \$9.62 per sq. ft. over the prior quarter, the largest increase in the state (Colliers International NH Industrial Trends). Overall industrial lease rates were \$12.40 per square foot. With a total of 20,031,060 square feet, the Nashua area market has by far the largest concentration of industrial space in the state with an overall vacancy rate of 2.6%. The combination of low vacancy rates and increasing lease rates have stimulated demand for new construction, and projections expect an increase in vacancy rates as new projects are completed.

The market for office space in the region while once stagnant, has seen notable increases over the past few years. Nashua submarket area currently market offers 5,549,664 square feet of office space. The vacancy rate for the area's office market stood at a relatively high 13.4% and rents have experienced some of the fastest rate increases in the state at an average asking rate of \$19.08 per square foot. Recent projections indicate that vacancy rates and rents will remain close to current rates in the near future; an indication that new office space construction will be limited. Demand for new retail space, especially regional retail, is also expected to be limited with few new entrants into the market and several significant facility closures, both recent and pending, impacting the market.

Hudson's Economic Environment

"Hudson's mix of prime location, stable tax rate, business diversity and pastoral charm continues to make it a major economic powerhouse for southern NH. Hudson properties are in such high demand that realtor.com last year named the town's zip code as the seventh hottest market in the United States." Ragsdale, K.(2021 December). Hudson Among Hottest Communities in Nation. *Business NH Magazine*.

Over the past few decades, the Town of Hudson has emerged as a major economic engine for the southern New Hampshire Region. As stated in the Town's 2006 Economic Development Master Plan chapter, "Hudson has evolved into one of the Nashua region's major employment centers over the past few decades as the number of jobs and the amount of non-residential development has increased considerably." Today, approximately 13% of Hudson's land area is commercial & industrial land and buildings.

While retail uses in Hudson are scattered along NH 3A (Lowell Rd), within the Hudson Mall, and on NH 102, there are several discrete industrial regions in the Town. Going north to south, these areas include Continental Paving and its immediate vicinity on NH 102, Brox Industries on Greeley St, the Clement Industrial Park along NH 111, the Sagamore Industrial Park off of NH 3A, and the BAE compound on the Massachusetts border.

Employment

Unemployment

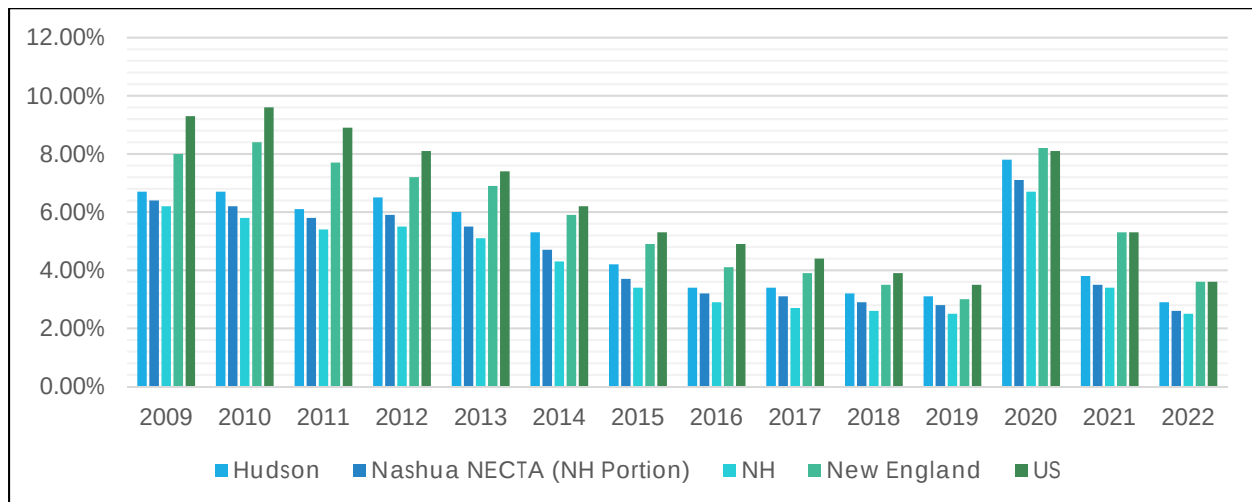
Table IV-1 shows unemployment figures for Hudson and other geographic areas from 2009 to 2022. Hudson has historically maintained an unemployment rate above the rate of the Nashua NECTA (New England City and Town Areas) region and the State of New Hampshire. Hudson, the region, and the state, however, have consistently experienced unemployment rates well below New England and national averages. As can be seen in the table below, unemployment rates had been falling steadily from the high levels experienced during the recessionary years at the beginning of the period through 2019. Unfortunately, these gains were temporarily wiped out by business closures triggered by the response to COVID-19 in the spring of 2020. Unemployment rates began to fall once again in 2021 as COVID-19 policies came to an end, and recent hiring surges have pulled unemployment rates back to record lows. Figure IV-1, on the following page, illustrates the unemployment data depicted on Table IV-1.

Table IV-1 Annual Average Unemployment Rates 2009 -2021

Year	Hudson	Nashua NECTA (NH Portion)	NH	New England	US
2009	6.70%	6.40%	6.20%	8.00%	9.30%
2010	6.70%	6.20%	5.80%	8.40%	9.60%
2011	6.10%	5.80%	5.40%	7.70%	8.90%
2012	6.50%	5.90%	5.50%	7.20%	8.10%
2013	6.00%	5.50%	5.10%	6.90%	7.40%
2014	5.30%	4.70%	4.30%	5.90%	6.20%
2015	4.20%	3.70%	3.40%	4.90%	5.30%
2016	3.40%	3.20%	2.90%	4.10%	4.90%
2017	3.40%	3.10%	2.70%	3.90%	4.40%
2018	3.20%	2.90%	2.60%	3.50%	3.90%
2019	3.10%	2.80%	2.50%	3.00%	3.50%
2020	7.80%	7.10%	6.70%	8.20%	8.10%
2021	3.80%	3.50%	3.40%	5.30%	5.30%
2022	2.90%	2.60%	2.50%	3.60%	3.60%

Source: NH Employment Security, August 2023.

Figure IV-1. Unemployment Rates, 2009 – 2022



Source: NH Employment Security, August 2023.

Local Employers

Table IV-2 shows employers and employees by employment sector in Hudson (2018). Hudson had a total of 637 private businesses together with 12 governmental employment entities for a total of 649 employers, up from 609 in 2000. The total number of people employed in Hudson in 2022 has increased from 11,466 in 2000 to 12,072 in 2022. The largest employment sector in Hudson is manufacturing. This sector employed 3,697 people in 2022, or 31.6% of total employment, though manufacturing employment has declined significantly in recent years. By contrast, Hudson had 5,212 jobs or 45% of all employment in the manufacturing sector in 2000. Manufacturing enjoys among the highest wages of any sector, making its decline noteworthy. Retail, Hudson's second largest sector, employs 1,500 or 14% of total employment, slightly up from 12% in 2000. In contrast to Manufacturing with an average weekly wage of \$1,853.10, average weekly wages for Retail are among the lowest at \$695.58. Major employers in Hudson now include BAE Systems, the Hudson School District, and the fabricator APW Enclosures.

In the last few years, two employers have significantly increased their footprint in Hudson. OnSemi, a manufacturer of silicon carbide and intelligent power technologies acquired Hudson-based GT Advanced Technologies (5 Wentworth Drive) and subsequently expanded into another facility at 55 Executive Drive (aka former Comcast site). Integra BioSciences, a medical and laboratory equipment manufacturer, moved into 2 Wentworth Drive and subsequently acquired 22 Friars Drive, establishing Hudson as their US headquarters. Hudson's largest employers are shown on Table IV-3.

Table IV-2. Employers and Employment by Employment Sector, Hudson, 2022

Source: NH Employment Security at <http://nhetwork.nhes.state.nh.us/nhjs>.

Note: N/A = not available as the information is either not tracked by NH Employment Security or Confidential.

Employment Sector	Employers		Employees		Average
	#	%	#	%	Weekly Wages
Agriculture, Forestry and Fishing	N/A	N/A	0	N/A	N/A
Mining	N/A	N/A	N/A	N/A	N/A
Construction	N/A	N/A	N/A	N/A	N/A
Manufacturing	73	11.50%	3,697	31.60%	\$1,853.10
Transportation and Warehousing	19	2.90%	150	2.70%	\$1,090.83
Wholesale Trade	48	8.60%	703	5.00%	\$1,637.93
Retail Trade	75	11.40%	1,500	14.00%	\$695.58
Information	N/A	1.20%	N/A	8.70%	\$1,254.62
Finance & Insurance	12	2.30%	84	0.90%	\$1,250.27
Real Estate and Rental Leasing	17	2.30%	92	0.80%	\$1,471.66
Professional and Technical Service	58	8.30%	545	3.80%	\$1,602.58
Management of Companies/Enterprises	9	0.90%	33	0.40%	\$2,074.99
Administrative and Waste Services	53	8.50%	480	4.40%	\$1,054.74
Educational Services	10	1.50%	68	0.50%	\$461.90
Health Care and Social Assistance	30	4.60%	482	4.40%	\$941.64
Arts, Entertainment, and Recreation	10	1.80%	166	1.60%	\$789.29
Accommodation and Food Services	45	7.20%	740	5.90%	\$440.32
Other Services Except Public Admin	62	10.80%	262	2.50%	\$939.25
Unclassified Establishments	N/A	0.50%	N/A	0.10%	N/A
Total Government	12	1.80%	130	8.40%	\$1,110.88
Federal Government	2	0.30%	128	1.10%	\$1,391.91
State Government	2	0.30%	15	0.10%	\$559.92
Local Government	8	1.20%	802	7.10%	\$1,075.74
Total Private + Government	649	100.00%	12,072	100.00%	\$1,339.15
Total Private	637	98.20%	1,125	91.60%	\$1,358.58

Table IV-3. Largest Employers in Hudson, 2022

Employer Name	Product or Service	Number of Employees
BAE Systems	Signal analysis & jamming technology	678
Hudson School District	Education	571
APW Enclosures	Sheet metal fabrication & integration	300
Mercury Systems	Defense electronics	200
Integra BioScience	Research & biotechnology	190
Hudson Mills	Apparel, textile	100

Sources: New Hampshire Community Profiles - 2022, NH Department of Employment Security; Town of Hudson



BAE Systems is Hudson's Largest Employer

Table IV-4 Commuting Destinations of Hudson Residents

Place of Work	Total Workers	Percentage
Nashua	2,356	19%
Hudson	2,286	18%
Merrimack	258	2%
Other Nashua Area	455	4%
Manchester	754	6%
Other Manchester Area	164	1%
Salem	343	3%
Londonderry /Derry	404	3%
Bedford	285	2%
Windham	124	1%
Concord	109	1%
Rockingham/Seacoast	288	2%
Other Northern NH	92	1%
Other Western NH	98	1%
NH Subtotal	8,016	64%
Lowell	520	4%
Other Lowell Area	1,238	10%
Burlington	243	2%
Boston /Cambridge	323	3%
Other Boston Metro	1,218	10%
Northern Mass.	453	4%
Central Mass.	392	3%
Southern Mass.	59	0%
Massachusetts Subtotal	4,446	36%
Other	56	0%

Source: American Community Survey

Though a discussion of Hudson’s employment sectors, wages and major employers is a critical component of planning for the town’s economy, it is important to note that only 18% of Hudson residents in the labor force actually work in Hudson. 36% of Hudson workers commute to Massachusetts, the highest percentage in the region, and 19% commute to jobs in Nashua. The high (and growing) percentage of workers commuting to Massachusetts may also be contributing to Hudson’s relatively large increase in median family and per capita income as discussed in greater detail below.

Income

Table IV-5 shows per-capita income and median household income in Hudson, Hillsborough County, and the state for 2011 (actual), 2011 shown in 2021 dollars and 2021. By a wide margin, Hudson had a significantly higher median household income in 2011 and 2021 than the state or county. Per capita income in 2011 was higher than the state median but similar to that of the county, likely to due to

Hudson's larger average household size (see Chapter II). In 2021, however, Hudson's per capita income exceeded that of both the state and county and median family income increased substantially in adjusted as well as actual dollars. These figures indicate that Hudson is becoming more affluent and that incomes are rising at a higher rate than that of the State and County.

Table IV-5. Median Household Income, 2011-2021

Median Income, 2011-2021						
	Median Household Income			Per-Capita Income		
	2011	2011 (in 2021 dollars)	2021	2011	2011 (in 2021 dollars)	2021
Hudson	\$84,304	\$101,165	\$112,285	\$33,721	\$40,465	\$51,705
Hillsborough County	\$70,591	\$84,709	\$86,930	\$33,653	\$40,384	\$45,238
State of NH	\$64,664	\$77,597	\$83,449	\$32,357	\$38,828	\$43,877

Source: US Census Bureau

Table IV-6. Median Household Income, 2011-2021

Percent Change in Median Income, 2011-2021 (in 2021 dollars)		
	Median Household Income	Per-Capita Income
Hudson	33.19%	53.33%
Hillsborough County	23.15%	34.42%
State of NH	29.05%	35.60%

Source: US Census Bureau

Regional Comparison of Tax Base

Table IV-7 shows the total equalized assessed value of all property in the NRPC Region. Equalized assessed valuation per capita is used as a measure of the relative strength of a community's tax base. Hudson's 2022 equalized assessed value per capita of \$164,655 makes it the sixth highest ranking NRPC community after Amherst, Hollis, Merrimack, Pelham and Mount Vernon. Hudson's per-capita assessment value, however, is slightly lower than that of the region and lower than that of the State. It is noteworthy that two communities with the highest valuations per capita, Amherst and Hollis, have much lower levels of commercial and industrial development, but benefit from higher residential property values and relatively extensive areas of conservation land that tend to enhance the values of neighboring properties. Merrimack, the third ranked community in the region, has a large commercial and industrial base and a diverse range of housing types as well as fairly extensive park and conservation land. Strengthening Hudson's tax base will require balancing commercial and industrial development while protecting the property values of existing residential neighborhoods, building on the town's park and conservation holdings and careful development of remaining areas suitable for residential development.

Table IV-7. Non-Residential Equalized Assessments in the NRPC Region, 2022

Rank 2022	Community	Total Equalized Assessed Valuation	Population	Equalized Assessed Valuation Per Capita	Rank 2000
1	Hollis	\$1,946,089,953	8,478	\$229,546	1
2	Amherst	\$2,477,964,039	11,940	\$207,535	2
3	Merrimack	\$4,980,745,509	27,165	\$183,352	5
4	Pelham	\$2,572,903,412	14,421	\$178,414	4
5	Mont Vernon	\$452,442,166	2,613	\$173,150	3
6	Hudson	\$4,261,444,003	25,881	\$164,655	6
7	Litchfield	\$1,378,695,482	8,621	\$159,923	12
8	Nashua	\$14,663,791,399	92,043	\$159,315	8
9	Mason	\$232,370,183	1,465	\$158,614	13
10	Lyndeborough	\$259,235,506	1,723	\$150,456	7
11	Brookline	\$875,615,047	5,835	\$150,063	9
12	Wilton	\$566,962,426	3,933	\$144,155	10
13	Milford	\$2,155,625,035	16,534	\$130,375	7
	NRPC Region	\$36,823,884,160	220,652	\$166,887	
	State	\$252,630,325,928	1,388,779	\$181,908	

Source: NH Department of Revenue Administration, Annual Report for FY2022
at: <https://www.revenue.nh.gov/publications/reports/documents/2022-annual-reportvf-web.pdf>

Population from NH OPD Estimates.

Existing Commercial and Industrial Uses

Industrial uses contribute the most to Hudson's tax base compared with other non-residential uses, comprising 38% of the total non-residential assessed value. Table IV-8 shows the assessed value *per acre* for each non-residential use. The average assessed value per acre for commercial property in Hudson is \$167,200 per acre. The average assessed value per acre for industrial property in Hudson is \$283,900 per acre. Currently Sagamore Industrial Park, the largest in Hudson, is experiencing a total vacancy rate of 1%, well below what is desirable and indicative of high demand due to the park's access to Route 3 and Turnpike. The second largest park in Hudson, Clement Industrial Park, currently is at a vacancy rate of 13.9%. With a notably higher vacancy rate than its larger counterpart, Clement is in a generally worse location for doing business, with little option to expand nearby.

A high assessed value per acre indicates that the use contributes more to the local tax base per area of land than other uses. The three *generalized* land uses with the highest assessed value per acre are miscellaneous commercial uses, office uses, and private school/childcare uses. *Specific* uses with the highest assessed value per acre include gas line rights-of-way, nursing homes, restaurants/bars, carwashes, auto parts stores and banks. Specific developed uses with the lowest assessed value per acre include sand/gravel plants and quarries, fish/game clubs, golf courses, discount stores and parking lots, all of which require large areas of land. Land uses that require large areas of land for private open space or parking generally have a lower assessed value per acre.

Table IV-8. Non-Residential Equalized Assessments in Hudson, 2018

Land Use*	Quantity (parcels)	Total Assessed Value	Total Acreage	Assessed Value per Acre
Auto-Related	46	\$19,299,000	81.9	\$235,700
Institutional	4	\$1,622,600	5.6	\$289,200
Lodging	3	\$5,816,000	5.6	\$1,045,700
Office	60	\$41,483,500	78.2	\$530,200
Recreation	5	\$5,723,100	516.6	\$11,100
Retail	45	\$60,785,700	139.4	\$436,100
Storage	28	\$16,528,500	77.4	\$213,600
Total Commercial	191	\$151,258,400	904.7	\$167,200
Non-Utility Industrial	96	\$180,411,200	564.7	\$319,500
Utility/Communications	57	\$57,292,600	272.6	\$210,200
Total Industrial	153	237,703,800	837	\$283,900

*These land use categories are derived from the assessor's database. Variation in sample years for datasets depend on availability of data and analysis at time of publication.

Economic Revitalization Zones

The Economic Revitalization Zone (ERZ) tax credit program, which is detailed in RSA 162-N, offers a short term business tax credit for projects that improve infrastructure and create jobs in designated areas of a municipality. ERZs were established to stimulate economic redevelopment, expand the commercial and industrial base, create new jobs, reduce sprawl, and increase tax revenues within the state by encouraging economic revitalization in designated areas. Communities benefit from ERZs by the job growth of its businesses located in the community, and by potential growth of the local tax base due to expansion of the business's plant and equipment assets.

Hudson currently has three (3) designated ERZ's:

1. Sagamore Industrial Park
2. Clement Industrial Park
3. BAE Systems (65 River Road)

This program has regularly shown to be an asset when attracting business. The CFO of Integra BioSciences reported that the ERZ tax credits made a difference in the company's decision to locate and grow in Hudson.

Future Commercial and Industrial Development

Issues related to residential and commercial development generated many comments on the Master Plan survey and were also a major subject of discussion during the public input sessions. These included concerns over the extent of residential development generally and subsequent loss of open space, and a consensus that commercial and industrial development should be limited to existing commercial industrial areas as expressed in the survey comment below:

“Let's keep the commercial businesses along the river and the main routes and keep the residential areas residential.”

Generally, a balanced approach to development, as noted in the following quote, seems to be the goal of most of the people who provided input into the planning process.

“The town's growth and economic viability depend on a balanced approach to development and land protections. Development opportunities and sound land use regulations provide Hudson a way to compete with surrounding communities for better employment and a strong tax base while not sacrificing the overall character of the community.”

Land Use Participants indicated a desire for a balanced, planned approach to Hudson's land use development, with goals including:

- More open space conservation and protection in new developments.
- Focus commercial and industrial development within existing commercial/ industrial areas.
- Encourage reuse or redevelopment of existing commercial buildings and sites rather than on undeveloped land.
- Improve design standards landscaping, architecture, and site design.

This section provides brief profiles of Hudson's existing business and industrial districts as well as areas identified as having potential for significant commercial and industrial growth. The areas identified as having significant growth potential are based on several factors including land availability, land-use, and access to transportation networks. The development potential for each of these areas takes into account possible building area, potential property valuations, tax revenue, employment, and other factors. In some cases, both industrial and retail development scenarios are discussed. It should be noted that commercial and industrial development types vary widely, and potential impacts can vary considerably. These analyses are based on development scenarios that could be reasonably anticipated given existing development patterns in Hudson and prevailing market conditions.

Sagamore Industrial Park



The Sagamore Industrial Park is Hudson’s largest industrial district and its largest concentration of employment, supporting an estimated 2,700 jobs. It is noteworthy that many of these jobs are also relatively high-paying making it an important component of the region’s economy. The industrial park is located just north of the Sagamore Bridge between Lowell Road and the Merrimack River. There are a variety of businesses in the park, including facilities for major corporations such as BAE and Comcast, medium and small manufacturers, high-tech companies, and office uses. The business park is mostly built-out, as the rear portion of the Friary property that had long been available for development, is now under construction for the headquarters of operations for the Life Is Good apparel company. Currently, Sagamore contains 56 parcels totaling 288 acres with over 2,500,000 square feet of building area. The combined property assessment for the area exceeds \$168,000,000, generating over \$3,320,000 in annual tax revenue (2017). The park generates an estimated 8,133 average daily vehicle trips.

North Hudson – NH 102 Vicinity

Located along NH 102 in between Londonderry and Litchfield, this area is characterized by a diverse mix of land uses including retail, office, and industrial uses such as paving operations. Consistent with its diversity of uses, the area falls into three zoning districts: Business, Industrial and General. Its location in a heavily travelled corridor in close proximity to Londonderry and Litchfield are strengths, however, future development potential is limited by land availability and natural constraints such as wetlands.



Currently the area includes 64 parcels totaling just over 400 acres which support a total of 583,749 square feet of building area. The district has a combined property value of \$67,311,651 and generated \$1,327,386 in tax revenues in 2017. The area supports approximately 800 jobs and generates an estimated 2,626 average vehicle trips per day. As noted above, future development potential in the area is limited to an estimated additional building area of just under 122,000 sq. ft. which would result in an addition of \$7,500,000 to the tax base generating just under \$148,605 in additional tax revenue and 170 new jobs. Additional traffic is estimated at a modest 400 average daily vehicle trips which would have little impact to traffic in the Derry Road corridor.

Brox Industries Property



Brox Industries, Inc. currently owns eight parcels totaling 633 acres in the north-central Hudson with 6 being contiguous, making it the largest contiguous site under common ownership in the town. The Brox site includes a quarry which processes hot mix asphalt and aggregate, though large areas are entirely undeveloped. The property was assessed at \$8,572,493 in 2017 and generated \$169,050 in tax revenue. The site is zoned General which permits a wide range of commercial and industrial uses; however, the property has no frontage on a state highway or arterial road. Though close to 3 million square feet of commercial or industrial building area could be supported on the site theoretically, access is provided solely by local, heavily residential streets which limits future commercial or industrial development potential. Should current operations on the site cease at some point, the cleared portions of the site would be ideal for a commercial-scale solar array. Such a use could generate significant green energy while generating no measurable increase in traffic and little land use impact to surrounding residential areas. It is worth noting that a 20-megawatt solar array has been proposed on approximately 120 acres of the former Brox industrial property in Milford which would generate enough clean electricity to power about 5,000 homes. Remaining forested areas of the site in the future should be retained as open space or developed for low to moderate density residential uses consistent with surrounding neighborhoods.

Clement Industrial Park



Located along NH Route 111 near the Windham border, the Clement Industrial Park is one of Hudson's designated Economic Revitalization Zones. Though zoned Industrial, there are several differing uses within the park including contractor yards and job shops which feed into larger construction and automobile-focused industries, municipal services, and several single-family residences. The Clement Industrial Park encompasses 64 parcels totaling 281 acres in area with a total building square footage of just over 1 million square feet. The park's combined property assessment is close to \$68,000,000 generating over \$1.3 million in tax revenues for the town in 2017 while providing an estimated 1,000 jobs. Though not much undeveloped land remains, the park could support approximately 182,765 square feet of building area which could generate \$228,000 in additional tax revenue and another 170 jobs. Some lots, however, may be challenging to develop for industrial purposes due to topography.

BAE Campus



BAE Systems is the largest manufacturing employer in New Hampshire and one of the largest overall employers in the region. The company has two principal facilities in Nashua, one in Merrimack and one in Hudson. With approximately 678 (relatively high-paying) jobs, BAE is also Hudson's largest private employer. BAE is a British multinational defense, security, and aerospace company. The Hudson campus focuses on research and development. The facility is located on a 170-acre site on Lowell Road near the Massachusetts border that supports 559,778 square feet of building area. The property is assessed at \$31,971,100 and generated \$630,470 in tax revenue in 2017. Though considered a developed site, there is room for expansion and additional building area has been approved by the Planning Board.

Retail Commercial Districts



Hudson plays an important role as a commercial hub that draws both local and regional customers. Major retailers include Walmart, pictured above, and Sam's Club on Lowell Road which bring in customers from northern Massachusetts, Nashua, and other nearby communities. Other large retailers include the Hannaford supermarket in the Hudson Mall on Derry Road and Market Basket on Lowell Road. Most of Hudson's commercial areas, however, are characterized by strip developments with small businesses such as auto service and repair shops, restaurants, gas stations, pharmacies and other businesses that serve Hudson residents and people in surrounding communities.

Hudson's business districts contain approximately 450 parcels totaling about 1,100 acres. Large retail establishments such as Hudson Mall and Walmart have among the highest per square foot values of any properties in Hudson. The town's business districts have a combined assessed value of \$428,030,989, generating \$8,440,772 in tax revenues (2017) making them critical to the town's tax base. In addition to generating substantial tax revenues and providing Hudson residents with needed goods and services, these commercial uses employ over 3,000 people.

Hudson's principal retail areas are located on Lowell Rd, Derry Road and Central Street (NH 111). Few development sites remain available within existing business zoned districts. Though there is potential for expansion into General zones, particularly in south Hudson along Lowell Road, capacity limitations on Lowell Road together with potential conflicts with existing residential uses are likely to limit commercial expansion. Further, the results of the Master Plan survey and public input sessions indicate a desire to keep commercial development within existing commercial districts. As such, future retail development will consist mainly of redevelopment of existing commercial sites. Though opportunities for expansion of Hudson's business districts are limited, redevelopment of existing commercial sites over time offers the

opportunity to implement enhanced design standards, improved landscaping, and better access management such as limiting curb cuts to reduce congestion.

Recommendations

Hudson is well situated for continued economic growth because of its proximity to centers of commerce in the Merrimack Valley and northern Massachusetts, its convenient access to existing and planned highway, rail and air transportation infrastructure and continued interest in non-residential real estate. Challenges to economic growth include limited amounts of undeveloped land zoned exclusively for commercial and industrial development, limited road capacity (especially on Lowell Road), limited public water and sewer facilities and the need to preserve the tax base while planning for residential growth. Based on the existing economic conditions in Hudson, there are several strategies that the Town can pursue to sustain and enhance economic growth for the foreseeable future.

1. Protect limited industrially zoned land from non-industrial encroachment. Hudson's existing industrial parks and industrially zoned land have limited growth potential with sufficient land to accommodate approximately 300,000 square feet of additional building area capable of supporting between 350 and 400 additional jobs. The manufacturing, R&D and office related jobs located in Hudson's existing industrial districts, especially in the Sagamore Industrial Park and BAE's Lowell Road campus, are generally high-paying and important both to Hudson's economy and that of the region. These areas also contribute mightily to Hudson's tax base, while demanding less in services than residential or retail commercial uses. Given limited expansion potential, it is imperative that the town resist attempts to develop land within its industrially zoned areas for residential uses unless the land is unsuitable for industrial development or for commercial uses that do not directly support industrial uses.
2. The Town should seek assistance in identifying economic development strategies to attract high-tech, "clean" industrial businesses that create high-paying jobs, are compatible with a variety of land uses and increase Hudson's profile as a place for employment and innovation.
3. Since opportunities to expand existing Business Districts are limited, future commercial development will largely take the form of redevelopment. To encourage growth of future tax revenues and to meet the needs of a growing population, it will be important to maximize redevelopment potential within existing Business Districts. The town should review existing land use regulations, including setback, building height and parking requirements, to ensure that maximum supportable commercial development and mixed-use development densities can be accommodated within existing commercial areas. At the same time, it is important to adopt design standards, improved landscaping requirements, access management regulations and improved pedestrian/bicycle accommodations to enhance the aesthetic appeal of Hudson's business districts and minimize vehicular congestion. Further, since most visitors experience Hudson by travelling through major commercial corridors like Lowell Road, Derry Road and Central Street, improving the aesthetic appeal of these areas will enhance the general perception of Hudson, thereby helping to support higher property values.
4. Explore the potential for zoning tools such as Village Districts as either an overlay or a base district, and/or Form-Based Code that incorporates principles of New Urbanism to enhance existing Business areas through redevelopment.
5. Identify opportunities in which a zoning district change can more clearly define residential, business, and industrial areas to sustainably create additional space for industrial and business corridors.

6. Changes in regulation regarding the location and size of businesses near or within residential areas to relax and encourage development of more mixed use zones within village centers and adjacent residential areas of Hudson.
7. Review of current zoning regulations regarding setback, building height, and minimum parking requirements to adjust for modern best practice and avoid mono-form design.
8. Improvements to multi-modal transportation within village centers and primary business corridors to both reduce automotive traffic and improve aesthetic appeal.
9. Review any current design guidelines and reform into consistent, town-wide guideline set for improved aesthetic appeal.