

CHAPTER IV

ECONOMIC DEVELOPMENT

A. INTRODUCTION

Economic indicators suggest that the Town of Hudson continues to exhibit a relatively healthy economy and is in a position to continue to sustain and enhance economic growth. 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.

Hudson continues to exhibit an unemployment rate lower than that of the United States as a whole. However, the unemployment rate is somewhat higher than the average for the region and the state, likely caused by a significant loss in manufacturing jobs. The tax base is supported by one of the highest non-residential equalized assessments in the region due to a high quantity of developed commercial and industrial property. A challenge facing the Town includes providing opportunities for diverse, high wage jobs to meet local employment needs and reducing exposure to fluctuations in the national or state economy. In addition, it is essential that the Town maintain and enhance its tax base by attracting commercial, industrial and mixed-use development with a high assessed value per land area. This chapter provides a discussion of: 1) the existing state and local economic environment; 2) existing employment indicators; 3) commercial and industrial land use; and 4) recommendations.

B. THE EXISTING STATE & LOCAL ECONOMIC ENVIRONMENT

The New Hampshire economy grew significantly between 1993 and 2000, representing the state's second longest recorded period of economic growth. One of the driving forces behind the state's economy is the economic expansion in southern New Hampshire throughout the financial, construction, transportation, manufacturing, research and development and service sectors. The unemployment rate in New Hampshire reached a low of 2.7% in 1999 but had increased to 4.5% by June 2002. Similarly, Hudson's unemployment rate reached a low of 3.1% in 1998 but increased to 5.9% by June 2002. The increase in unemployment can be attributed to a statewide reduction of more than 13,800 jobs from 1st quarter 2001 to 1st quarter 2002. Manufacturing employment fell by 16,109 jobs during this time frame, driving the year's total job decline.¹

1. New Hampshire's Economic Environment

Characteristics of New Hampshire's economy include the following:²

- The New Hampshire population grew 11.4% between 1990 and 2000. New Hampshire was the fastest growing state in New England during this period;³
- New Hampshire had the lowest tax burden in the nation in 2000;⁴
- New Hampshire had a median household income of \$49,467 in 1999. This was \$7,500 higher than the national median household income.

¹ Source: NH Employment Security, *Economic Conditions in New Hampshire, October 2002*, Volume 102, No. 10.

² Original Source: Public Service of New Hampshire, *2001 New Hampshire Economic Review*, 2001 and Business NH Magazine, *2001 New Hampshire Business Resource Directory*, 2001.

³ Source: US Census 1990 and 2000.

⁴ Source: US Census and US Bureau of Economic Analysis. Includes state and local government own source revenue as a percentage of personal income, 1999.

- New Hampshire's manufacturing Gross State Product (GSP) comprised 22.1% of the total state GSP in 2000. This was the highest percentage in New England and the tenth highest in the nation;⁵
- New Hampshire has enjoyed unemployment rates below national levels for the last nine years; and
- 29% of New Hampshire's population over the age of 25 had a bachelor's degree or higher in 2000. 87% had a high school diploma or higher.

2. Hudson's Economic Environment

Characteristics of Hudson's local economy include the following:

- Hudson had a median household income of \$64,169 in 1999. This was \$22,175 higher than the national median household income;
- 11,466 people were employed in Hudson in 2000. Hudson has the opportunity to further increase employment through continued development and redevelopment of commercial and industrial property;
- The average weekly wage in Hudson was \$726.58 for all employment types in 2000. This is \$109 higher than the average for the State of New Hampshire. Hudson has the opportunity to further increase average weekly wages by attracting and retaining employment in the high paying Finance, Insurance and Real Estate, and manufacturing sectors;
- Hudson's location is close to centers of commerce in the Merrimack Valley and Northern Massachusetts;
- 10% of the land area of Hudson is zoned exclusively for industrial and commercial uses;
- 26% of Hudson's population over the age of 25 had a bachelor's degree or higher in 2000. 90% had a high school diploma or higher; and
- The following long-term transportation improvements, included in the NH Department of Transportation, Ten Year Improvement Plan, will help to facilitate continued economic growth in Hudson: 1) the northern segment of the Circumferential Highway, including an interchange on NH Route 3 near the Nashua city line and an additional Merrimack River crossing; 2) expansion of Manchester Airport, including the Airport Access Road; and 3) extension of the Commuter Rail line from Lowell to South Nashua, with possible extension to Manchester. These projects are discussed in more detail in Chapter V, Transportation.

However, Hudson faces certain challenges to continued economic development:

- There are only a few major undeveloped parcels zoned exclusively for industrial or commercial uses left in the community, and those zoned for both residential and non-residential uses (the General and G-1 Zoning Districts) are mostly developing as residential due to challenging topography, a lack of public sewer facilities and the cost of improving roadways to accommodate greatly increased traffic counts;
- Hudson does not have a traditional, mixed-use Town Center, thereby excluding certain types of businesses;
- The quality of life will need to be maintained or enhanced in the face of increased development; and

⁵ Source: U.S. Department of Commerce, Survey of Current Business.

- Potential expansion of the public water and sewer systems is limited. Limitations are discussed in more detail in Chapter VIII, Community Facilities.

C. EMPLOYMENT

1. Unemployment

Table IV-1 shows unemployment figures for Hudson and other geographic areas. Hudson maintained an unemployment rate above the rate of the Nashua Primary Metropolitan Statistical Area (PMSA)⁶ throughout the 1990's. Hudson, the PMSA and the state experienced high rates of unemployment during the recession of the early 1990's and significant employment growth during the economic expansion of the late 1990's. Hudson, the Nashua PMSA, and New Hampshire have maintained unemployment rates significantly lower than the national average since 1993.

Table IV-1: Unemployment Rates, 1990- 2003

Year	Hudson	Nashua PMSA	NH	New England	US
1990	6.1%	6.1%	5.6%	5.7%	5.5%
1991	7.6%	7.3%	7.2%	8.0%	6.7%
1992	8.3%	7.1%	7.5%	8.0%	7.4%
1993	7.4%	6.7%	6.6%	6.8%	6.8%
1994	6.2%	5.3%	4.6%	5.9%	6.1%
1995	5.3%	4.4%	4.0%	5.4%	5.6%
1996	4.7%	4.2%	4.2%	4.8%	5.4%
1997	3.4%	2.8%	3.1%	4.4%	5.2%
1998	3.1%	2.8%	2.9%	3.5%	4.5%
1999	3.4%	2.9%	2.7%	3.3%	4.2%
2000	3.2%	2.8%	2.8%	2.8%	4.0%
2001	4.8%	4.2%	3.5%	3.7%	4.8%
2002	6.6%	6.2%	4.7%	4.8%	6.0%
2003	5.9%	5.4%	4.3%	5.4%	6.0%

Source: U.S. Bureau of Labor Statistics and NH Employment Security, March 2004.

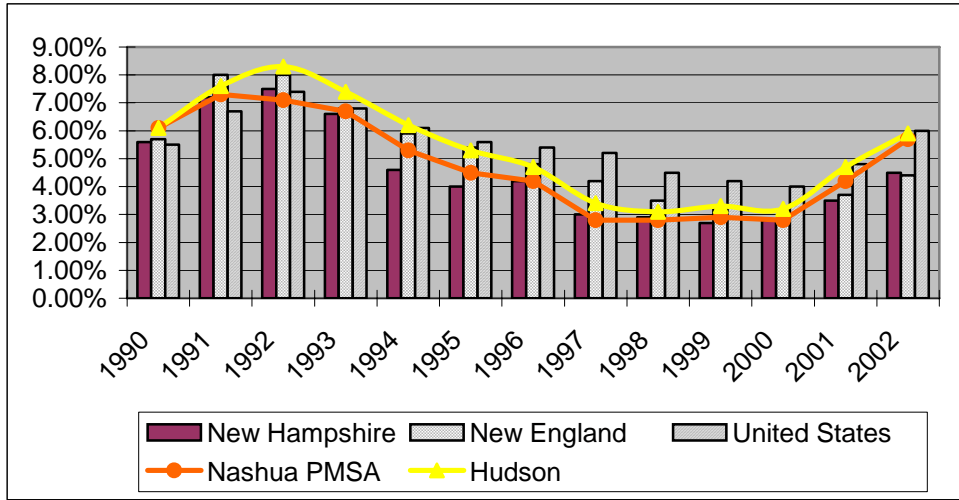
There have been several major layoffs in the region and in Hudson since 2000, primarily in the manufacturing and high-tech sectors. From February 2003 to February 2004, over 200 jobs in the Nashua PMSA were lost, mostly in the trade, transportation and utilities and the manufacturing sectors⁷. These layoffs have led to an increase in unemployment in Hudson. In just two years, the unemployment rate in Hudson doubled from 3.2% in 2000 to 6.6% in 2002.⁸ Figure IV-1 illustrates that Hudson's unemployment rate in June 2002 was similar to that for the Nashua PMSA, higher than for the entire United States, and significantly higher than for New Hampshire and New England.

⁶ In New England, a Primary Metropolitan Statistical Area (PMSA) is an area defined by the US Census, Office of Management and Budget, as a Federal statistical standard, comprised of one or more county subdivisions within a metropolitan area, having a population of 1,000,000 or more. The Nashua PMSA is within the Boston Metropolitan Statistical Area and includes the City of Nashua and the Towns of Hudson, Merrimack and Milford.

⁷ Source: NH Employment Security, *Economic Conditions in New Hampshire, April 2004*, Volume 102, No. 10.

⁸ Source: U.S. Bureau of Labor Statistics, April 2004. See: <http://www.bls.gov/data/home.htm>

Figure IV-1. Unemployment Rates, 1990 - 2002



Note: 2002 unemployment figure is for the month of June, 2002 and Hudson estimates for 1997-2002 are awaiting final review by the U.S. Bureau of Labor Statistics.

2. Local Employers

Table IV-2 shows employers and employees by employment sector in Hudson in 2000. Hudson had 609 operating businesses with a total of 11,467 employees in 2000. Forty-five percent (45%) of all employment in Hudson was in the manufacturing sector, accounting for 5,212 jobs. Employment in services (hotels, health care, vehicle services) accounted for 15% or 1,667 jobs in 2000. This was followed by the retail trade sector, which made up 12% of all jobs in Hudson in 2000. Major employers in Hudson now include Benchmark Electronics, Inc., BAE Systems, the Hudson School District, Electro Mechanisms, Wal-Mart, Hadco Corporation, the Nashua Telegraph, Market Basket, Teradyne Connection Systems, Lowell Shoe Inc., Presstek, Inc., Save-on-Wall Co., Inc., and Sam's Club. The majority of employers in Hudson, however, are small businesses.

Table IV-2. Employers and Employment by Employment Sector, Hudson, 2000

Employment Sector	Employers		Employees	
	#	%	#	%
Agriculture, Forestry and Fishing	N/A	N/A	N/A	N/A
Mining	N/A	N/A	N/A	N/A
Construction	63	10.3%	385	3.4%
Manufacturing	86	14.1%	5,212	45.5%
Transportation and Public Utilities	19	3.1%	309	2.7%
Wholesale Trade	77	12.6%	791	6.9%
Retail Trade	88	14.4%	1,377	12.0%
Finance, Insurance and Real Estate (FIRE)	13	2.1%	57	0.5%
Services	191	31.4%	1,667	14.5%
Government	N/A	N/A	N/A	N/A
Total	609	100%	11,466	100%

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

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

3. Income

Table IV-3 shows the average annual employment (number of employees) and average weekly wages in Hudson, Nashua and New Hampshire for the manufacturing, non-manufacturing and government sectors in 2000. The table indicates that 51% of Hudson's industry was in the manufacturing sector in 2000. The table also indicates that manufacturing jobs pay considerably higher average wages than non-manufacturing or government jobs; however, the average wage for manufacturing jobs in Hudson appears to be lower than average wages for similar jobs in Nashua and throughout New Hampshire. In addition, the average wage for non-manufacturing and government jobs in Hudson appears to be lower than average wages for similar jobs in the City of Nashua. This trend is likely due to the large number of high paying jobs with Nashua employers such as BAE Systems and various medical facilities; however, the average wage for all jobs in Hudson was considerably higher than that for the state as a whole.

Table IV-3. Manufacturing and Non-Manufacturing Employment and Wages, 2000

Employment Type	Measurement	Hudson	Nashua	NH
Manufacturing	Average Annual Employment	5,855	12,773	106,337
	Average Weekly Wage	\$864.41	\$1,098.48	\$893.43
Non-Manufacturing	Average Annual Employment	4,886	37,666	423,397
	Average Weekly Wage	\$576.68	\$668.16	\$705.55
Government	Average Annual Employment	711	3,954	76,870
	Average Weekly Wage	\$621.7	\$800.25	\$600.11
Total	Average Annual Employment	11,466	54,336	591,200
	Average Weekly Wage	\$726.58	\$782.30	\$617.88

Source: NH Department of Employment Security, 2000 County Profile - New Hampshire's Counties, Cities, Towns, and Unincorporated Places, March 2002.

Table IV-4 shows per-capita income and the median household and family incomes in Hudson, the Nashua PMSA, and the state for 1989 and 1999. Hudson had a higher median household and family income in 1999 than the Nashua PMSA and the state. Therefore, on average, Hudson's employees have slightly more buying power than do those in some of the surrounding communities as well as the average employee in the state. Hudson's per-capita income in 1999 was slightly lower than that for the Nashua PMSA but higher than that for the state. This may be a result of the relatively higher percentage of family households (i.e., more persons per household) in Hudson than in the Nashua PMSA.

Table IV-4. Median Household Income, 2000

Community	Median Household Income		Median Family Income		Per-Capita Income	
	1989	1999	1989	1999	1989	1999
Amherst	\$62,568	\$89,384	\$66,491	\$97,913	\$25,778	\$35,531
Brookline	\$55,858	\$77,075	\$57,372	\$80,214	\$19,564	\$29,272
Hollis	\$64,351	\$92,847	\$68,096	\$104,737	\$26,005	\$44,936
Hudson	\$47,859	\$64,169	\$50,714	\$71,313	\$17,678	\$25,696
Litchfield	\$49,946	\$73,702	\$52,438	\$76,931	\$16,592	\$25,203
Lyndeborough	\$42,208	\$59,688	\$46,250	\$70,223	\$16,690	\$27,169
Merrimack	\$52,798	\$68,817	\$55,844	\$72,011	\$19,129	\$27,748
Milford	\$38,792	\$52,343	\$43,628	\$61,682	\$16,547	\$24,425
Mont Vernon	\$49,650	\$71,250	\$52,740	\$77,869	\$19,273	\$30,772
Nashua	\$40,505	\$51,969	\$46,614	\$61,102	\$18,010	\$25,209
Pelham	\$50,187	\$68,608	\$51,147	\$73,365	\$17,715	\$25,158
Wilton	\$36,098	\$54,276	\$39,402	\$61,311	\$16,935	\$26,618
Nashua PMSA	\$45,789	\$60,082	\$50,899	\$67,624	\$18,725	\$26,851
State	\$36,329	\$49,467	\$41,628	\$57,575	\$15,959	\$23,844

Source: US Census Bureau, 2000.

Table IV-5 shows the average weekly wage and wage growth for each employment sector in New Hampshire and the Nashua PMSA from 1995-2000. The fastest wage growth in the Nashua PMSA during this period was in the finance, insurance and real estate (FIRE) sector, followed by services and wholesale trade sectors. The highest average weekly wage in the Nashua PMSA for 2000 was in the FIRE sector, followed by wholesale trade and manufacturing sectors. The lowest average weekly wage in the Nashua PMSA for 2000 was in the retail trade sector. Growth in the FIRE, wholesale trade and manufacturing sectors in Hudson could therefore increase the average wage of Hudson's workers. In contrast, growth in the retail sector is likely to attract low paying jobs and could therefore decrease average wages.

Table IV-5. Average Weekly Wage Growth by Employment Sector, 1995-2000

Employment Sector	NH 1995	NH 2000	% Change 1995-2000	Nashua PMSA 1995	Nashua PMSA 2000	% Change 1995-2000
Agriculture, Forestry and Fishing	\$340	\$441	29.71%	\$358	\$495	38.27%
Mining	\$618	\$775	25.40%	\$852	\$886	4.00%
Construction	\$548	\$736	34.31%	\$582	\$830	42.61%
Manufacturing	\$665	\$893	34.29%	\$830	\$1,045	25.90%
Transportation and Public Utilities	\$637	\$786	23.39%	\$531	\$649	22.22%
Wholesale Trade	\$761	\$1,044	37.19%	\$799	\$1,154	44.43%
Retail Trade	\$289	\$371	28.37%	\$304	\$421	38.49%
Finance, Insurance and Real Estate (FIRE)	\$646	\$957	48.14%	\$572	\$1,470	156.99%
Services	\$478	\$640	33.88%	\$522	\$751	43.87%
Government	\$527	\$600	13.85%	\$613	\$703	14.68%
Total	\$551	\$724	31.14%	\$597	\$840	40.70%

Source: NH Employment Security, 1995 and 2000.

D. LAND USE

1. Regional Comparison of Commercial and Industrial Land



Table IV-6 shows the amount of land zoned *exclusively* for commercial and industrial use in the NRPC Region. Map IV-1 illustrates the location of these zoning districts. Zoning districts in Hudson correspond with the Business District and the Industrial District as enumerated in the Zoning Ordinance. Hudson has 1,185 acres of land zoned exclusively for industrial uses, or about one-third the amount as Merrimack or Nashua. Approximately 6% of the Town's land is zoned exclusively for industrial uses, which is about average for the NRPC Region as a whole but is significantly less than Merrimack or Nashua. Hudson has 740 acres of land zoned exclusively for commercial uses, or about two-thirds the amount in Milford or

Nashua, and about half that of Litchfield. About 4% of the Town's land is zoned exclusively for commercial uses, which is slightly higher than average for the NRPC Region as a whole, but significantly lower than Litchfield.

It should be noted, however, that almost all commercial and industrial uses with the exception of heavy manufacturing are permitted uses within the G-1 and General Zoning Districts in Hudson. These districts make up much of the remaining undeveloped land within the Town; however, with some exceptions, these zoning districts appear to be developing with residential uses, likely due to challenging topography, a lack of public sewer facilities and the cost of improving roadways to accommodate greatly increased traffic counts. Public sewer facilities are discussed in detail in Chapter VIII, *Community Facilities*. Roadway limitations are discussed in Chapter V, *Transportation*.

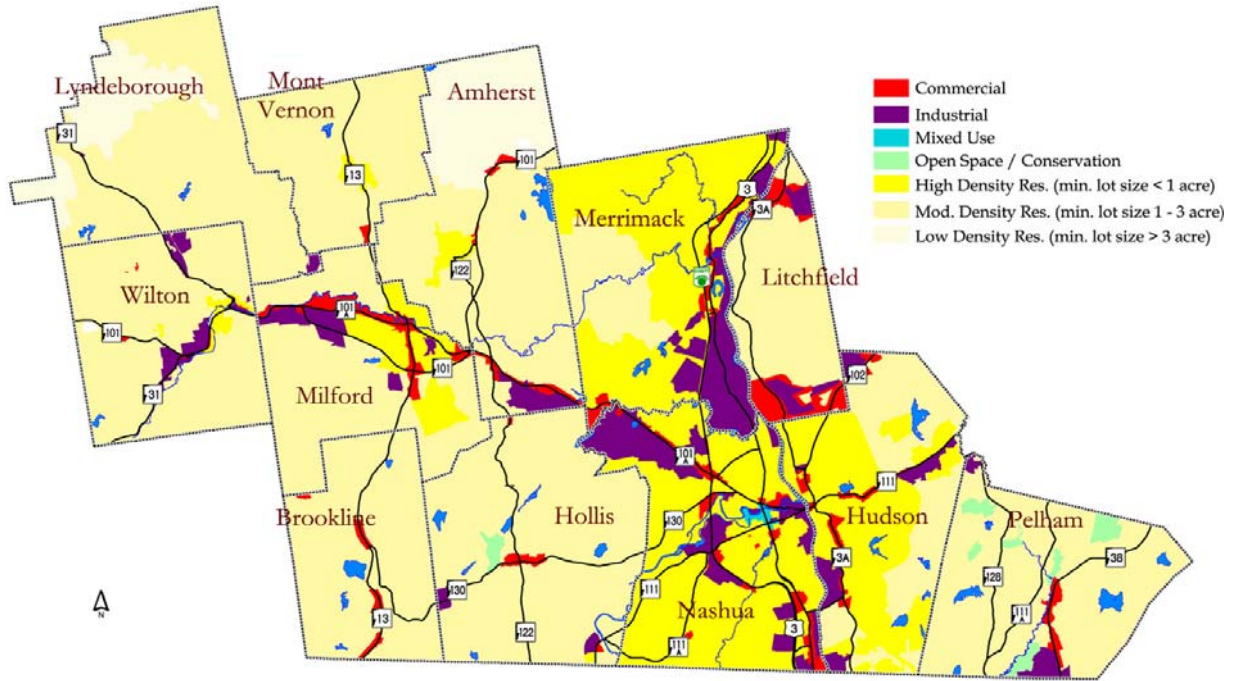
Table IV-6. Generalized Commercial and Industrial Zoning, NRPC Region, 2002

Community	Total Area (acres)	Commercial Zoning (acres)	Commercial Zoning (percent)	Industrial Zoning (acres)	Industrial Zoning (percent)
Amherst	21,962	272	1%	603	3%
Brookline	12,714	396	3%	0	0%
Hollis	20,304	22	0%	0	0%
Hudson	18,773	740	4%	1,185	6%
Litchfield	9,538	1,503	16%	673	7%
Lyndeborough	19,261	0	0%	112	1%
Merrimack	20,995	561	3%	3,415	16%
Milford	16,256	1,144	7%	953	6%
Mont Vernon	10,752	59	1%	0	0%
Nashua	19,797	1,003	5%	3,771	19%*
Pelham	16,737	337	2%	518	3%
Wilton	16,375	60	1%	862	5%
NRPC Region	203,464	6,065	3%	12,078	6%

Source: NRPC GIS database, 2001.

* Includes all land designated "Northwest Conservation Land" not to be developed for industrial uses.

Map IV-1. Generalized Zoning, NRPC Region, 2002



Data collected and assembled by NRPC during an ongoing update process. This database is current to 2001 including zoning changes adopted during March town meetings.

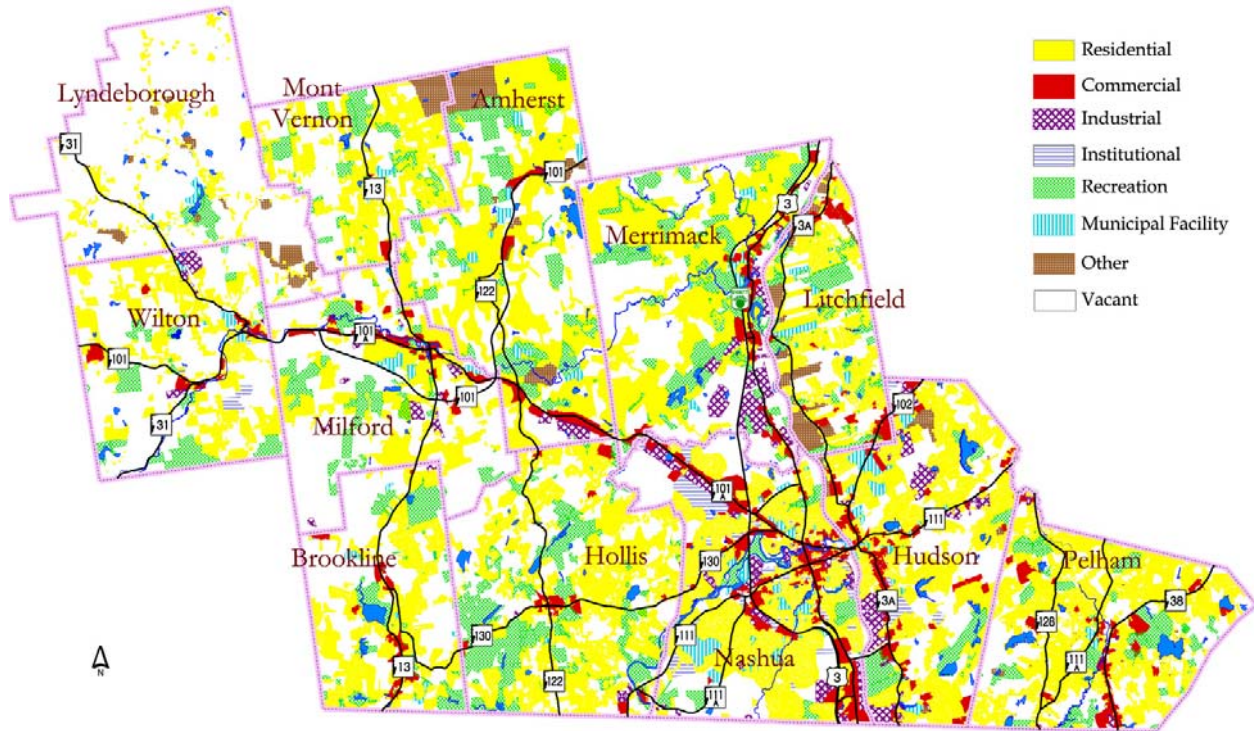
Table IV-7 shows the amount of developed commercial and industrial uses in Hudson in 2000. Map IV-2 illustrates the location of the uses. Most of the land zoned exclusively for industrial uses in Hudson is developed to some extent. In addition, approximately 73% of the land zoned exclusively for commercial use in Hudson is already developed. This means that much of the new commercial and industrial development in Hudson will likely occur through redevelopment of existing sites, unless commercial ventures are developed in the G-1 and General Zoning Districts.

Table IV-7. Developed Commercial and Industrial Uses, NRPC Region, 2000

Community	Total Area (acres)	Commercial Use (acres)	Commercial Use (percent)	Industrial Use (acres)	Industrial Use (percent)
Amherst	21,962	370	2%	192	1%
Brookline	12,714	222	2%	30	0%
Hollis	20,304	212	1%	61	0%
Hudson	18,773	516	3%	1,140	6%
Litchfield	9,538	304	3%	0	0%
Lyndeborough	19,261	1	0%	0	0%
Merrimack	20,995	403	2%	1,129	5%
Milford	16,256	291	2%	353	2%
Mont Vernon	10,752	42	0%	0	0%
Nashua	19,797	1,192	6%	1,128	6%
Pelham	16,737	457	3%	85	1%
Wilton	16,375	143	1%	278	2%
NRPC Region	203,464	4,153	2%	4,396	2%

Source: NRPC GIS Database, 2001.

Map IV-2. Generalized Land Use, NRPC Region, 2000



Data collected and assembled by NRPC during and ongoing update process. Where possible, landuses are parcel specific according to local assessment records.

2 0 2 4 Miles

2. Regional Comparison of Tax Base

Table IV-8 shows the total equalized assessed value of all property in the NRPC Region. The table also shows the total equalized assessed value of commercial and industrial property in the NRPC Region. Given the amount of developed industrial and commercially zoned land in Hudson, it is not surprising that the town has one of the highest *non-residential* equalized assessments in the region, both in terms of dollar value and percentage. The Town also has the third highest *overall* assessment in the region. Commercial and industrial property make up 27.6% of the total assessed valuation in Hudson, which is slightly higher than the regional and state average.

Table IV-8. Non-Residential Equalized Assessments in the NRPC Region, 2000

Rank	Community	Total Equalized Value of Commercial and Industrial Property	Total Equalized Assessed Value	Percent Commercial and Industrial
1	Nashua	\$2,042,010,051	\$5,578,503,984	36.6%
2	Hudson	\$437,325,000	\$1,585,848,845	27.6%
3	Merrimack	\$419,922,122	\$1,765,633,898	23.8%
4	Milford	\$255,327,849	\$785,899,958	32.5%
5	Amherst	\$113,348,500	\$997,380,772	11.4%
6	Pelham	\$86,023,785	\$776,598,501	11.1%
7	Hollis	\$52,051,758	\$761,428,703	6.8%
8	Litchfield	\$31,292,521	\$408,738,442	7.7%
9	Wilton	\$30,845,704	\$226,312,943	13.6%
10	Brookline	\$11,823,906	\$253,617,400	4.7%
11	Lyndeborough	\$1,968,955	\$104,048,079	1.9%
12	Mont Vernon	\$1,523,080	\$146,107,478	1.0%
	NRPC Region	\$3,483,463,232	\$13,390,119,003	26.0%
	State	\$21,958,560,588	\$86,703,541,057	26.0%

Source: NH Department of Revenue Administration, Annual Report for FY2001, Appendix II at: <http://webster.state.nh.us/revenue/publications/index.htm>.

Note: "Commercial and Industrial" also includes value associated with property owned by utilities; the total assessed value is the total equalized valuation including utilities and railroads; non-residential portion of total assessed value derived by NRPC based on industrial and commercial land and building valuation and utility valuation.

Table IV-9 shows the equalized assessed valuation *per capita* for the NRPC Region. The table shows how much each member of the community contributes towards the tax base through property taxes. The higher the number, the greater amount each member of the community is contributing towards supporting community services through property taxes. The data in the table suggests that *residential* assessment has a strong effect on assessed valuation *per capita*. All five of the communities with higher assessed valuations per capita than Hudson have higher percentages of residential property in their assessments; however, average residential sales prices for four of them (Hollis, Amherst, Mont Vernon and Pelham) are significantly higher than that for Hudson (see Table II-27, Average Residential Sales Price, in Chapter II, *Population and Housing*). That is, although Hudson has a relatively high total assessed valuation, the contribution of each member of the community towards that valuation is no more than average. Therefore, Hudson relies more upon property taxes attributed to commercial and industrial property than other communities with significantly higher home prices.

Table IV-9. Equalized Assessed Valuation Per Capita in the NRPC Region, 2000

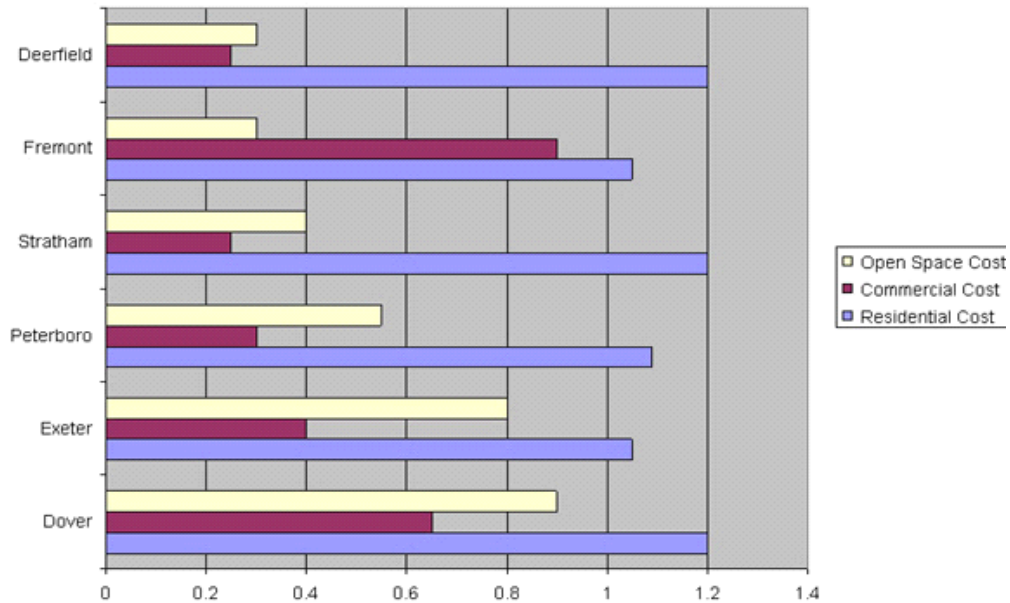
Rank 2000	Community	Total Equalized Assessed Valuation	Population	Equalized Assessed Valuation Per Capita	Rank 1990	Rank 1980
1	Hollis	\$761,428,703	7,015	\$108,543	1	4
2	Amherst	\$997,380,772	10,769	\$92,616	2	1
3	Mont Vernon	\$146,107,478	2,034	\$71,833	9	10
4	Pelham	\$776,598,501	10,914	\$71,156	11	11
5	Merrimack	\$1,765,633,898	25,119	\$70,291	3	3
6	Hudson	\$1,585,848,845	22,928	\$69,166	10	9
7	Lyndeborough	\$104,048,079	1,585	\$65,645	4	2
8	Nashua	\$5,578,503,984	86,605	\$64,413	6	7
9	Brookline	\$253,617,400	4,181	\$60,660	7	8
10	Wilton	\$226,312,943	3,743	\$60,463	5	5
11	Milford	\$785,899,958	13,535	\$58,064	8	6
12	Litchfield	\$408,738,442	7,360	\$55,535	12	12
	NRPC Region	\$13,390,119,003	195,788	\$68,391		
	State	\$86,703,541,057	1,235,786	\$70,161		

Source: Equalized Assessed Valuation from NH Department of Revenue Administration, *Annual Report for FY2001*, Appendix II; Population from 2000 US Census.

3. The Impact of Residential Development on the Tax Base

Residential development requires a much higher level of town supported services than other land uses. For example, school related expenditures typically represent over 60% of a town budget in New Hampshire. Commercial and industrial development and open space partially subsidize the services required by residents since residents require more town services such as schools, police and fire protection, libraries and recreational facilities. In addition to allowing for the development of non-residential uses in Hudson, the acquisition of open space is a cost-effective use of the land and can reduce the Town's overall tax burden. A study of six towns in southern New Hampshire (Deerfield, Dover, Exeter, Fremont, Peterborough and Stratham) concluded that open space and commercial development generated more revenue for the towns than it demanded in expenditures (see Figure IV-2). Conversely, residential development resulted in more expenditures than revenue. On average, for each tax dollar of revenue collected, towns spend \$1.11 for residential development, 49 cents for commercial development and 57 cents for open space. The report's findings indicate that the acquisition of open space, in addition to the development of nonresidential uses, can not only cover the cost of the services they demand but also contribute towards the cost of services demanded by residential uses.

Figure IV-2. Costs of Community Services by Land Use



Source: American Farmland Trust, Cost of Community Services Study of the Towns of Deerfield, Dover, Exeter, Fremont, Peterborough and Stratham, 1997.

4. Existing Commercial and Industrial Uses

Table IV-10 shows each commercial and industrial use in Hudson and the contribution of each use to the tax base (assessed value). 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-10 also 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.

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-10. Assessed Value for Commercial and Industrial Uses, 2003

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

Source: Data compiled by NRPC from Hudson Assessor's Office records, August 2003.

Note: Totals for commercial and industrial parcels and acreage may differ from other tables because land used for exempt uses, roads, and waterbodies is excluded or the source data is different.

5. Future Commercial and Industrial Development

Tables IV-11 and IV-12 list all of the undeveloped commercial and industrial property in Hudson, respectively. It is important to note that commercial and industrial uses are permitted in the G-1 and General zoning districts, but limited public water and sewer facilities, challenging topography and poor access limit the demand for non-residential uses in these districts. There were a total of 82 acres of undeveloped commercial property in September 2003. Of significance is that all of these parcels are less than eleven acres in size, with most of them being around one acre. There were a total of 216 acres of undeveloped property in the Industrial Zoning District. All except five parcels are less than thirteen acres in size, with most of them being around five acres. There was one remaining undeveloped 35-acre parcel on West Road.

Table IV-11. Undeveloped Commercial Property in Hudson, September 2003

Address	Acres	Assessed Value	Type
11 Alpine Ave	0.4	\$43,300	Commercial
19 Alpine Ave	0.2	\$23,200	Commercial
4 Atwood Ave	0.3	\$47,300	Commercial
14 Atwood Ave	1.1	\$5,000	Commercial
1 Candy Lane	1.2	\$150,400	Commercial
5 Candy Lane	1.3	\$159,300	Commercial
7 Candy Lane	1.7	\$213,900	Commercial
8 Candy Lane	5.7	\$256,600	Commercial
255 Central St	2.0	\$132,700	Commercial
226 Central St	0.4	\$133,600	Commercial
200 Central St	0.7	\$2,000	Commercial
197 Central St	1.5	\$52,400	Commercial
10 Christine Dr	1.8	\$137,100	Commercial
14 Christine Dr	1.4	\$128,900	Commercial
1 Cliff Ave	0.1	\$1,000	Commercial
345 Derry Rd	1.2	\$128,300	Commercial
148 Ferry St	0.1	\$8,700	Commercial
163 Ferry St	0.2	\$3,200	Commercial
133 Ferry St	0.7	\$12,600	Commercial
3 Flagstone Dr	0.8	\$123,200	Commercial
Gambia St	0.3	\$500	Commercial
Gambia St	0.3	\$500	Commercial
13 Hill St	0.2	\$55,400	Commercial
2 Iris Path	0.1	\$4,300	Commercial
Lakeside St	0.1	\$4,700	Commercial
Lakeside St	0.1	\$3,500	Commercial
Lakeside St	0.0	\$2,900	Commercial
Lakeside St	0.0	\$2,000	Commercial
Lakeside St	0.2	\$12,300	Commercial
Lakeside St	0.1	\$10,700	Commercial
Lakeside St	0.0	\$2,200	Commercial
Lakeside St	0.1	\$11,900	Commercial
68 Lowell Rd	0.2	\$115,000	Commercial
142 Lowell Rd	9.1	\$605,000	Commercial
256 Lowell Rd	6.4	\$1,932,500	Commercial
11 Melendy Rd	0.7	\$102,500	Commercial
1 Rebel Rd	1.4	\$127,900	Commercial
6 Ridge Ave	0.3	\$1,300	Commercial
206 Robinson Rd	6.7	\$197	Commercial
27 Roosevelt Ave	0.8	\$45,000	Commercial
5 State St	0.6	\$1,500	Commercial
5 Tracy Lane	0.1	\$87,200	Commercial
3 Tracy Lane	0.1	\$23,000	Commercial
1 Tracy Lane	0.8	\$22,800	Commercial
6 Tracy Lane	1.5	\$139,100	Commercial
8 Tracy Lane	1.2	\$115,000	Commercial
10 Tracy Lane	1.2	\$116,200	Commercial
4 Water Lily Path	0.1	\$2,800	Commercial
108 Webster St	0.1	\$7,600	Commercial
94 Webster St	0.2	\$2,800	Commercial

**Town of Hudson
2006 Master Plan
Chapter IV. Economic Development**

24 Webster St	0.6	\$3,500	Commercial
29 West Rd	9.0	\$307,400	Commercial
19 West Rd	10.7	\$295,200	Commercial
69 Windham Rd	1.4	\$300	Commercial
55 Windham Rd	4.1	\$2,800	Commercial
17 Windham Rd	0.5	\$71,400	Commercial
15 Windham Rd	0.1	\$9,600	Commercial
Total Commercial	82.0	\$6,011,197	

Source: Assessment and Land Use Classification information from Hudson Assessor's Office.
All data were collected during 2003.

Table IV-12. Undeveloped Industrial Property in Hudson, September 2003

Address	Acres	Assessed Value	Type
Flagstone Drive	0.4	\$148,700	Industrial
4 Executive Driver	5.2	\$7,700	Industrial
Friars Drive	12.3	\$189,864	Industrial
126 Derry Rd	5.9	\$454	Industrial
12 Constitution Drive	2.2	\$181,600	Industrial
16 Constitution Drive	2.2	\$180,900	Industrial
20 Constitution Drive	2.4	\$181,600	Industrial
24 Constitution Drive	2.3	\$183,800	Industrial
30 Constitution Drive	3.9	\$182,900	Industrial
33 Constitution Drive	3.6	\$181,900	Industrial
29 Constitution Drive	2.6	\$199,200	Industrial
25 Constitution Drive	4.4	\$228,500	Industrial
19 Constitution Drive	2.5	\$168,500	Industrial
15 Constitution Drive	2.1	\$193,100	Industrial
7 Clement Rd	2.7	\$203,700	Industrial
5 Clement Rd	6.9	\$85,900	Industrial
8 Wall St	4.4	\$430	Industrial
297 Central St	1.4	\$381,000	Industrial
7 Hudson Park Drive	6.2	\$2,700	Industrial
4 Hudson Park Drive	1.7	\$682,800	Industrial
1 Hudson Park Drive	4.5	\$110,400	Industrial
353 Central Street	1.1	\$171,100	Industrial
347 Central Street	14.0	\$196,900	Industrial
3 Sullivan Rd	35.4	\$12,700	Industrial
298 Derry Rd	33.7	\$198,958	Industrial
300 Derry Rd	15.6	\$750	Industrial
22 West Rd	36.1	\$12,877	Industrial
43 Sagamore Park Rd	0.4	\$164,500	Industrial
Total Industrial	216.1	\$4,453,433	

Source: Assessment and Land Use Classification information from Hudson Assessor's Office; collected during 2003.

Table IV-13 shows recent commercial and industrial transactions in Hudson. Several major transactions during 2002 and 2003 suggest that there is continued interest in commercial and industrial real estate in Hudson. That interest and the small amount of remaining developable commercial and industrial land in Hudson suggests that an examination of existing zoning districts may be necessary to determine if there is enough non-residential land to meet future growth demands. Options may be to rezone certain areas for commercial, industrial or mixed uses, or consider incentives to redevelopment of existing, developed non-residential property.

**Town of Hudson
2006 Master Plan
Chapter IV. Economic Development**

Table IV-13. Commercial and Industrial Transactions in Hudson, January 2001 - July 2003

Location	Sale Price	Assessed Value	Description
83 River Road	\$30,000	\$326,400	Conv Market
99 River Road	\$90,000	\$162,500	Store
257 Lowell Road	\$1,600,000	\$1,140,900	Bank
25 Sagamore Park Road	\$4,500,000	\$4,030,100	R & D
25 Sagamore Park Road	\$3,700,000	\$4,030,100	R & D
29 Flagstone Drive	\$4,937,000	\$2,300,300	Industrial
14 River Road	\$187,900	\$177,100	Repair Garage
193 Lowell Road	\$1,400,000	\$1,178,000	Auto Dealership
2 Wentworth Drive	\$1,200,000	\$1,139,100	Light Industrial
27 Executive Drive	\$1,000,000	\$1,088,600	Industrial
23 Executive Drive	\$250,000	\$314,800	Industrial
14 Flagstone Drive	\$1,225,000	\$1,006,700	Light Industrial
21 Flagstone Drive	\$1,150,000	\$1,477,100	Light Industrial
2 - 4 Hampshire Drive	\$285,000	\$1,016,000	Light Industrial
185 Lowell Road	\$565,000	\$573,300	Gar/Office/Shop
134 Lowell Road	\$465,000	\$501,800	
5 Pelham Road	\$1,100,000	\$495,300	Repair Garage
230 Central Street	\$900,000	\$1,186,200	Conv Market
230 Central Street	\$1,850,000	\$1,186,200	Conv Market
8 Kimball Hill Road	\$125,000	\$121,800	Store
2 Hudson Park Drive	\$159,000	\$159,500	Repair Garage
21 Park Avenue	\$650,000	\$753,500	Light Industrial
13 Park Avenue	\$850,000	\$966,600	Light Industrial
14 Clement Road	\$805,000	\$628,700	Warehouse
8 Christine Drive	\$180,000	\$177,800	Light Industrial
209 Robinson Road	\$275,000	\$255,200	Ranch
11 Tracy Lane	\$340,000	\$363,900	Shop/Ctr-Nbh
329 Derry Road	\$490,000	\$235,800	R/M Shop
327 Derry Road	\$510,000	\$560,400	Vet Clinic
11 Rebel Road	\$307,000	\$585,300	Gar/Office/Shop
11 Rebel Road	\$414,000	\$585,300	Gar/Office/Shop
99 Lowell Road Unit 2	\$335,000	\$73,200	Condo-Office
99 Lowell Road Unit 3	\$335,000	\$70,800	Condo-Office
99 Lowell Road Unit 4	\$335,000	\$100,400	Condo-Office
99 Lowell Road Unit 5	\$335,000	\$55,300	Condo-Office
99 Lowell Road Unit 6	\$335,000	\$63,100	Condo-Office
68 Lowell Road	\$32,000	\$152,200	
7 Lowell Road	\$110,000	\$25,700	
5 Lowell Road	\$110,000	\$86,500	Store
57 Lowell Road	\$85,000	\$176,200	Store
2 Winnhaven Drive	\$210,700	\$411,000	Office
42 Lowell Road	\$424,800	\$458,800	Auto Dealership
3 Winn Avenue	\$175,000	\$174,600	Light Industrial
6 Able Street	\$330,000	\$397,200	Warehouse
15 Derry Street	\$325,000	\$334,500	Store
38 Ferry Street	\$200,000	\$185,700	Repair Garage
Ferry Street	\$415,000	\$434,400	Car Wash
71 Ferry Street	\$448,000	\$340,200	Multi-Conver
7 George Street	\$114,000	\$155,000	Office
182 Central Street	\$250,000	\$277,600	Office
86 Derry Street	\$775,000	\$564,100	Fast Food

Source: Hudson Assessor's Office, September 2003.

E. 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 public water and sewer facilities and a need to preserve the tax base while planning for residential growth. Based on the existing economic conditions in Hudson, there are a number of strategies that the Town can pursue in order to sustain and enhance economic growth for the foreseeable future. The key to sustained economic growth in Hudson is to: 1) support proposed transportation infrastructure projects; 2) retain and attract a diverse, high wage employment base; 3) focus on non-residential development that contributes significantly to the tax base; and 4) pursue the acquisition of undeveloped residential land for open space in order to reduce the tax burden.

- One of Hudson's strengths is its location near major existing and proposed transportation infrastructure. This infrastructure allows for easy access to Hudson's industrial and commercial base, as well as access to surrounding industrial and commercial centers of Nashua, Manchester and the Boston metropolitan area. The Town should therefore support enhanced road and rail transportation links in the Boston-Nashua-Manchester corridor in order to ensure convenient access to jobs and business services in Hudson. These include the extension of commuter rail to Nashua and the construction of the Airport Access Road and the Circumferential Highway.
- It is important to guard against economic fluctuations that can cause job losses. While the Town cannot control general economic forces and trends, it should promote the development of a diverse economic base. A diverse business and industrial base can help prevent economic downturns affecting certain sectors of the economy from having a disproportionate impact on the Town's overall economic health. Therefore, the Town should focus on attracting and retaining a diversity of high wage jobs in the Finance, Insurance, Real Estate (FIRE), wholesale trade and manufacturing sectors.
- In order to maintain and improve Hudson's tax base, the Town should focus on attracting and maintaining those non-residential uses that tend to have the highest assessed value. These include commercial development such as nursing homes, lodging, hardware stores, restaurants/bars, offices and banks, most industrial uses and utilities. Development to be avoided except to serve community needs include discount stores and sand and gravel operations. Office and light industrial uses appear to have the highest combined value since they are the most likely to result in the creation of high paying jobs in the FIRE and manufacturing sector, tend to represent a diversity of businesses and industries and tend to have relatively low land use impacts. Other uses, such as lodging, retail and bar/restaurant uses also tend to have a high tax value and can support industry, but typically generate lower paying jobs.
- Another strategy for maintaining and improving Hudson's tax base is to keep undeveloped residentially zoned land as open space. Studies show that open land generates more revenue for towns than it demands in expenditures. Therefore the Town should continue to pursue the acquisition of open space, or the purchase of development rights on this open space, in areas under residential development pressure.; however, care should be taken to ensure that adequate land remains available for non-residential development and/or redevelopment.