

# 2018- the Year in Economic Development

## My roles

- Attraction and Retention
- Supporting Downtown retailers
- Enhancing /Shaping Hudson's image
- Grow Business Broadband
- Fill Phase II
- Spur Innovation

## Attraction Highlights

2018 was a strong year in Hudson. Interest remained high and in effect Hudson is a buyer's market.

- Two **CRA's (CEIA and Option Care)** totaling 207 new jobs and 14.6 million in payroll.
- Resulted in plans for **two new buildings** (250,000 square feet) on Hudson Crossing Parkway.
- We also extended a **Job Creation Grant** to a high value search firm – **On Partners**.
- Two dozen meaningful dialogues with significant businesses considering Hudson.
- A 36 month look back ended 12/31/18 indicated ***Hudson had added at least 1850 jobs over the 3-year time period from fewer than 20 firms.*** Hudson Crossing was 41% of this in addition to LeafFilter, Allstate, JoAnn, and AML Rightsource.
- The 2016 ACS for Hudson showed that 11,896 people worked in Hudson.
- Adding 1850 jobs since the end of 2015 to that base equates to a **16% uptick in new jobs!**
- **"Future Friendly"** businesses have embraced Hudson. Sectors such as Medical devices, Telemedicine, Polymer Science, Cybersecurity, Financial Forensics, Healthcare and Wellness, and Homeland Security are now here.
- **Income tax revenue was up sharply** (11%) in 2018 after a 9% gain in 2017.

## Retention

In **2018**, I had a total of **86 retention interactions**. Through April of **2019**, we have had **26**.

Excluding retail. which is effectively a zero-sum game in Hudson, only **one company of note announced plans to depart Hudson in 2018**. This was the result of a large new contract that required immediate additional space. This company is a buyer, not a tenant and we had nothing in the City that that matched. They had hoped that Phase II would have been an answer and were disappointed by the pace of progress.

## Enhancing Hudson's Value Proposition

Schools, History, and Charm have served us well. But today's businesses are looking for a newer narrative. Fresh elements like innovation, fiber, and social responsibility, support our high tax burden and help attract next generation employees. **In 2018 and again in 2019**, Hudson was selected as one of the Intelligent Community Forum's **Smart21 Intelligent Communities**. There were hundreds of nominees from nominations from 5 continents. On Monday February 11, we were chosen to move from the Smart21 to the **Top7 Intelligent Communities in the world for 2019**.

New age employers and their employees notice this kind of recognition.

## Hudson's Top 25 Payroll Tax Sources - 2018

JO-ANN STORES LLC
ALLSTATE INSURANCE COMPANY
HUDSON LOCAL SCHOOL DISTRICT
LITTLE TIKES COMPANY
LEAFFILTER NORTH LLC
PARKER HANNIFIN CORP
CITY OF HUDSON
WBC GROUP LLC
UNIVERSITY HOSPITALS HEALTH SY
WOLTERS KLUWER CLINICAL DRUG I
UNIVERSAL SCREEN ARTS INC
WESTERN RESERVE ACADEMY
AML RIGHTSOURCE LLC
LAUREL LAKE RETIREMENT COMMUNI
ALPHA TECHNOLOGIES SERVICES LLC
RAMCO SPECIALTIES INC
FORTEC MEDICAL INC
KOBELCO STEWART BOLLING
UBS FINANCIAL SERVICES INC
WINDSTREAM CORPORATION
FEDEX CORPORATE SERVICES
MORGAN STANLEY SMITH BARNEY LL
MILLENIUUM CAPITAL & RECOVERY
ROCK MEDICAL ORTHOPEDICS INC
WELLS FARGO CLEARING SERVICES

Red = Owner is not local

Blue= Civic/private entities with little growth

Green = Faster growing

## Development Queue – next 36 months

<u>Location</u>	<u>Comments</u> \$\$\$ = earliest taxes realized
<b>2019</b>	
<b>Hudson Crossing Parkway</b>	New building started - approximately 200k sq ft \$\$\$
<b>50 Executive Parkway</b>	May sell this Spring.
<b>City Lots on Boston Mills</b>	Generating a fair bit of interest
<b>Hudson Drive Parcel</b>	30-acre parcel- Serious due diligence underway
<b>2020</b>	
<b>Hudson Crossing Parkway</b>	New building start (delayed by force majeure) \$\$\$
<b>50 Executive Parkway</b>	Earliest occupancy \$\$\$
<b>City Lots on Boston Mills</b>	Earliest Occupancy \$\$\$
<b>Expansion</b>	Potential for large employer to expand \$\$\$
<b>2021</b>	
<b>Phase II</b>	Commercial space will begin construction at foot of Clinton Street - 70k sq ft
<b>First and Main</b>	Building 7 beginning to b realized?
<b>Hudson Crossing Parkway</b>	Office building flanking entrance 6-0-80k square feet. \$\$\$
<b>District 8/9</b>	Lots could sell -spurring development. Extending Georgetown to Hudson Drive will help
<b>Seasons Greene</b>	Initial lots developed. \$\$\$
<b>2022</b>	
<b>YDC underway</b>	Remediation/infrastructure done. Substation in. Boston Heights developed
<b>Phase II</b>	First commercial occupants \$\$\$
<b>Hudson Crossing Parkway</b>	Office building flanking entrance 60-80k square feet. This completes the park. \$\$\$

## **“Impact projects”**

**Downtown Phase II** - is a “must have”. We are a Class A town without any Vacant Class A space.

**New Hudson Schools campus**- the school district campus plan will underscore everything else in Hudson

**Velocity Broadband**- is beginning to pay heavy dividends in attraction and retention efforts.

**Boston Heights**- this area needs thoughtful, high value development. New hotels are needed. The YDC outcome is heavily dependent on development in Boston Heights.

**The Ohio Turnpike** – Exit 180 is overburdened. Expansion has begun.

## **Looming challenges**

**Flat and aging population**- (flat for 20 years), declining household size, could signal a tougher future. Japan is the oldest industrialized nation in the world with a median age of 46 years. Hudson’s median age is 45! We are older than the U.S. (37.8) and older than Ohio (38.8) and Columbus, OH (31). Affluence will only mask this issue for so long. Our advantages and our tax base will erode if this is not addressed.

**HIGH median housing cost**- is \$326,000. This is among the highest in the area and it prices out many of the younger people we need to refuel our economic engine. The “impact projects” mentioned above and the jobs expansion could drive the median housing cost even higher.

**LOW housing diversity**- With the exception of the Pulte developments, our homes are “old” and “older”. The youngest subdivisions are now 30+ years old. Our land code does not reflect what the next generation seeks. Most (70%+) parcels of any size that can be developed or split, are in District 2. The next generation is not seeking large lots or large homes. They also want to live near their work.

**On-line retail**- This continues to pressure our retailers. In addition, our aging population is beginning to put downward pressure on local retail margins as well. Lop-sided demographics will skew the types of retailers that we attract.

**Telemedicine** will impact our medical community/facilities as remote interactions are set to soar.

**Cable cutting and the decline of newspapers**- will change the way we interact with our constituents. Few under age 65 watch HCTV. Nationally, very few under age 35 subscribe to cable. Funding community TV will come under tremendous pressure. Young people do not read newspapers. Cities will be forced to adapt.

**New technology/Automation**- IT outsourcing and cloud storage could impact key employers such as data centers. Automation will eliminate some job categories while creating others.