

CHAPTER 7 ECONOMIC SITUATION

Introduction

Economic activity in the Village of North Hudson is influenced by many factors. The most significant factor is the Village's proximity to larger communities in St. Croix County and the Twin Cities Metropolitan Area. These areas provide a variety of opportunities for employment and to spend disposable income. The Economic Development element will evaluate labor and economic characteristics and determine what opportunities for economic growth exist.

Local Labor Characteristics

An analysis of the labor characteristics of the Village of North Hudson workforce can help illustrate the relationship between education, income, population, and employment opportunities. The labor characteristics can be used to help assess and plan future economic activities within the Village.

A number of labor characteristics were addressed in Residents of North Hudson Chapter. A summary of the 1990 and 2000 Census findings is listed below:

- Educational attainment of residents 25 and older has risen
- Over 44% of the population 25 and older has completed an Associate, Bachelor's, Graduate, or Professional Degree
- The median household income for Village residents was \$60,848 in 1999. This was a 36.5% increase over the 1989 figure
- Approximately 39% of the population 25 and older is employed in management, professional, and related occupations
- Approximately 24% of the population 25 and older is employed in sales and office related occupations
- Approximately 22% of the population 25 and older is employed in the manufacturing industry
- Approximately 19% of the population 25 and older is employed in the educational, health, and social services industry category
- Unemployment rates have been decreasing in St. Croix County since 2003
- The greatest demand for workers in St. Croix County is for first-time or temporary work
- The fastest growth occupations in St. Croix County are for computer software engineers, information systems managers, and computer support specialists. This trend is likely to continue

Place of Employment Characteristics

There are limited employment opportunities in the Village of North Hudson. This is due to the close proximity of the Village to the City of Hudson, St. Croix River Valley, and the Twin Cities Metropolitan Area. These areas provide more opportunities for work and are within a reasonable commuting distance. Employers range from multi-national companies to small independent businesses.

Table 7-1 shows less than 8% of working residents, 16 years of age and older, work in the Village of North Hudson.

Table 7-1 Place of Work - Age 16 Years and Over - Place Level
Village of North Hudson

	Number	Percent
Total	2,035	100.0%
Worked in place of residence	157	7.7%
Worked outside place of residence	1,878	92.3%

Source: 2000 U.S. Census

Table 7-2 reveals that 41% of workers, 16 years of age and older, are employed in St. Croix County. Over 57% of the workforce is employed outside of Wisconsin.

Table 7-2 Place of Work 16 Years and Over - State and County Level
Village of North Hudson

	Number	Percent
Total	2,035	100.0%
Worked in state of residence:	869	42.7%
Worked in county of residence	834	41.0%
Worked outside county of residence	35	1.7%
Worked outside state of residence	1,166	57.3%

Source: 2000 U.S. Census

It is likely the City of Hudson, St. Croix County, and the Twin Cities Metropolitan Area will continue to provide a majority of employment opportunities for Village residents.

Commuter Characteristics

Over 95% of workers, 16 years of age and older, in the Village of North Hudson commute to work by car, truck or van (see *Table 7-3*). Of those workers, 83% drove alone while 12.2% carpooled. Less than 5% of residents walked to work or worked at home.

These percentages are likely to change as more people are able to connect to their workplace from home through the internet (telecommute), gas prices continue to climb, and a new commuter bus service, based out of River Falls, gets established. The Wisconsin Department of Transportation is in the early planning stages of assessing the possibility of passenger rail service to the Twin Cities. This could provide area residents with the ability to commute to Minneapolis and St. Paul by rail in the future.

Table 7-3 Commuting to Work 16 Years and Older
Village of North Hudson

	Number	Percent
Total	2,035	100.0%
Car, truck, or van	1,937	95.2%
Walked	33	1.6%
Worked at home	65	3.2%

Source: 2000 U.S. Census

Travel time to work can indicate how far away from the Village employment opportunities are. Table 7-4 reveals less than 12% of workers, 16 years of age and older, commuted less than ten minutes. Over 60% of all commuters traveled less than 30 minutes. More than 33% of workers commuted over 30 minutes while over 4% traveled an hour or more. Commuting time does not indicate how much of that time was spent in traffic delays.

Table 7-4 Travel Time to Work– (Does not include residents working at home). Village of North Hudson

Travel Time	Number	Percent
	1,970	100.0%
Less than 10 minutes	225	11.4%
10 to 19 minutes	734	37.3%
20 to 29 minutes	273	13.9%
30 to 44 minutes	444	22.5%
45 to 59 minutes	207	10.5%
60 minutes or more	87	4.4%

Source: 2000 U.S. Census

Inventory of Local Businesses and Employers

There are approximately forty Village of North Hudson businesses in the Hudson Area Chamber of Commerce & Tourism Bureau, though other businesses also exist in the Village. These businesses are typically smaller in size and meet the basic needs of Village residents. Businesses are not required to belong to the Hudson Area Chamber of Commerce & Tourism Bureau. Most of these businesses are located along 6th Street / State Trunk Highway 35. Representative businesses in the Village are:

- Bars and eating establishments
- Convenience store
- Auto repair services
- Construction
- Dentistry
- Pet hospital
- Accounting
- Bank
- Elementary school
- Laundromat
- Landscaping

Larger businesses, such as retail chain stores, manufacturing, hotels, utilities, health care, and government centers, are found in the City of Hudson, St. Croix County River Valley, or the Twin Cities Metropolitan area.

Chamber of Commerce

Village of North Hudson businesses are served by the Hudson Area Chamber of Commerce & Tourism Bureau, which serves over 500 businesses in Hudson, North Hudson, River Falls, Roberts, Lakeland, Afton, the St. Croix Valley area and the Twin Cities. The Chamber provides networking and marketing opportunities, educational programming, leadership development, several committees, and task forces for members to get involved in.

Participation in the Chamber of Commerce is optional and based on a fee, which is determined for each business by the number of full-time employees at that business.

Possible Business Growth Scenarios

Before we can create a vision for economic growth, the Village of North Hudson must determine if growth is desirable. Below are four scenarios to consider:

1. The Village will not actively promote commercial and economic growth. Residents will continue to work and shop outside the Village.
2. The Village will encourage more commercial development along 6th Street North / State Highway 35. This development would continue northward if annexation would occur with guidelines to preserve the small town feel of the Village.
3. The Village will identify and protect areas for possible commercial or industrial growth. These areas could include any identified contaminated or remediated lands.
4. The Village will encourage redeveloping the Chicago, St. Paul, Minneapolis and Omaha Railroad Car Shop Historic District into an area that contains a public transportation option and mixed-use residential/commercial development.

Strengths and Weaknesses for the Retention and Attraction of Businesses

To determine, to what extent, the Village of North Hudson might grow economically, its strengths and weaknesses for retaining and attracting businesses must be evaluated.

Strengths

- Access to a large population base
- High household incomes
- Excellent area schools, technical colleges, and universities
- Strong community
- Educated workforce
- Community loyalty
- Chicago, St. Paul, Minneapolis and Omaha Railroad Car Shop Historic District
- Good area transportation network

Weaknesses

- No downtown
- Lack of available space for industrial or commercial expansion
- Proximity to the City of Hudson and Twin Cities Metropolitan Area
- Limited possibilities for the physical growth of the Village

Location is a major factor when businesses consider where to become established. Locations near major transportation infrastructure are more attractive to businesses because of the proximity to high traffic areas. As mentioned earlier in this chapter, the Village of North Hudson is located in close proximity to the City of Hudson and Twin Cities Metropolitan Area. The Village is also located within a short distance of Interstate 94. Interstate 94 is a major transportation route that carries a significant amount of traffic through the area.

The St. Croix River provides important recreational opportunities that draw people from the area. The main activities on the St. Croix River are boating, fishing, and swimming. The cities of Hudson, Wisconsin and Stillwater, Minnesota have become draws due to their restaurants, businesses, and emphasis on creating aesthetically pleasing and thriving downtown areas. It would be difficult for the Village to attract this river traffic because of a lack of a public marina or boat landing near existing businesses.

Desired Businesses

During the March 31, 2005, Citizen Advisory Board meeting, participants were asked what the Village of North Hudson should look like in the next 10-20 years. Having shopping areas that you can walk to, such as a small grocery store, was one of most popular responses.

Some participants suggested they would prefer a smaller style market with the aesthetic appeal of a “small town” store. Other businesses would be pedestrian friendly and easily accessible. Aesthetic standards could be drafted to make the businesses more appealing and contribute to the identity of the Village.

Survey Results

The Village of North Hudson 2006 Community Survey reveals the respondents were evenly split on whether the Village needed commercial development. When asked if the Village needed light industrial growth, 45.5% of respondents disagreed while 32.6% agreed. A majority of residents (65%) responding to the survey indicated they were not in favor of national chain stores.

Almost 71% of residents responding to the survey indicated they would like to see a market or grocery store in the Village of North Hudson, while 58% indicated the Village needs privately developed businesses.

Residents were asked if the Village needed a “Village Center”. Over 42% of respondents agreed with that statement, while over 27% disagreed. Survey results showed that almost 73% of residents indicated they would be in favor of setting aesthetic guidelines for any “Village Center”.

The survey results closely match what Citizen Advisory Board members indicated were desired businesses for the Village of North Hudson.

Tourism and Recreational Opportunities

The National Register of Historic Places recently added the Chicago-St. Paul / Minneapolis and Omaha Railroad Car Shop Historic District to the national registry because the railroads and their shops were an important contribution to the area's economy for over seventy-five years. Furthermore, the thirteen red brick railroad repair and construction buildings located here are architecturally representative of industrial structures at the turn of the 20th century. Built in 1890-1916, these buildings included: a wood machine shop, blacksmith and iron machine shop, freight car shop, passenger car shop, paint and tin shop, upholstery shop, dry kiln, and hand car repair shop. This district is located between Galahad Rd. N. and 4th St. N. in North Hudson. Drawing attention to this area and promoting the history could bring people into the Village and improve its economy.

Redevelopment Opportunities

The Chicago-St. Paul / Minneapolis and Omaha Railroad Car Shop Historic District is the most likely location for redevelopment within the Village (see *Map 7-1*). Architectural detail from the historic brick buildings could be used to establish aesthetic guidelines for new development in the area. Because of its size (approximately 26 acres), the Historic District could be transformed into a mixed-use "downtown" area containing retail and housing.

The Village of North Hudson 2006 Community Survey revealed residents would like to see privately developed businesses compared to national chain businesses. Businesses such as a market, coffee shop, café, computer shop, artist lofts, and other small businesses would be appropriate within the Historic District.

The Historic District is zoned Industrial and has several businesses located within the area. These businesses would have to be relocated or bought in order to pursue redevelopment of the area.

Adopted 12.05.2006

Reserved for Map 7-1

Economic Development Programs

Business owners and prospective business owners have a wealth of programs and assistance available to them to help develop their ideas and visions. Below is a comprehensive list of local, county, state, and federal agencies and incentives for economic development.

Industrial Revenue Bond

All Wisconsin municipalities—cities, villages, and towns—are authorized to issue Industrial Revenue Bonds (IRBs). IRBs are municipal bonds whose proceeds are loaned to private persons or to businesses to finance capital investment projects. The Industrial Revenue Bonds are exempt from federal tax and therefore, are at a low interest rate. The entire project including land, buildings and equipment can all be paid for via IRBs. Communities that issue these bonds, either to retain businesses or to encourage the expansion of new businesses, generally do so to build their economic base and add jobs.

Community Development Block Grant-for Economic Development (CDBG-ED) – Department of Commerce

Any city, village or town with a population of less than 50,000 and is located outside Milwaukee or Waukesha Counties, is eligible for this program. These grants are to be used to assist businesses that will invest private funds and create jobs as they expand or relocate into the state.

Revolving Loan Fund (RLF)

St. Croix County has a revolving loan fund where monies are obtained by a CDBG program and borrowed by local businesses at a low interest rate. As the loan is being paid back, the fund is built up again and other new or expanding businesses will be able to borrow from the fund.

Tax Incremental Financing (TIF)

Tax Increment Financing (TIF) districts are established to improve and revitalize blighted areas or extend new development for industrial purposes. Taxes on the improved value of the land because of redevelopment pay for the extension of the infrastructure and raise the Village's tax base on an area that would otherwise stay undeveloped.

Business Improvement District (BID)

A Business Improvement District (BID) allows business owners to create a BID, develop an operating plan, and assess fees to businesses within the district to implement this plan. At least 61% of the assessed businesses within the district must agree to be part of the BID. Operating plans can be the creation of promotional materials or making aesthetic improvements. The fees that are collected to implement the operating plan can be assessed per business or as a percentage of assessed value.

Economic Development Group

An Economic Development Group (EDG) assists new and existing businesses. It can be comprised of local business owners, bankers, and citizens that have expertise in an area valuable to the economic development of the community. An EDG is often the first point of contact within a community for a prospective business.

St. Croix County Economic Development Corporation

The St. Croix County Economic Development Corporation is a private non-profit organization which operates exclusively for the economic development of St. Croix County, Wisconsin and its respective cities, villages, and towns. SCEDC actively promotes and solicits the location of industry and business in St. Croix County. At the same time, the organization works to foster the expansion of existing companies and the successful start-up of newly formed ones.

UW-Extension Office

UW-Extension Offices provide educational tools in land use and economic matters for residents and businesses. They custom fit their knowledge and provide research to communities with whom they are assisting.

<http://www.uwex.edu/ces/cty/stcroix/>

West Central Wisconsin Regional Planning Commission

The Planning Commission is responsible for planning for the physical, social, and economic development of the region.

<http://www.wwrpc.org>

Wisconsin Small Business Centers

An organization dedicated to assisting businesses in education, training and other initiatives. <http://www.uwex.edu/sbdc>

Forward Wisconsin

The State of Wisconsin offers a wide array of financial resources available to businesses. <http://www.forwardwi.com/assist/>

Department of Workforce Development

The Wisconsin Department of Workforce Development (DWD) is the state agency responsible for building and strengthening Wisconsin's workforce.

<http://www.dwd.state.wi.us>

Wisconsin Department of Commerce

A number of grants and assistance are available through this state agency. <http://www.commerce.state.wi.us/MT/MT-COM-2000.html>

Wisconsin Department of Transportation

The Disadvantaged Business Enterprise (DBE) Program's goal is to increase participation of firms owned by disadvantaged individuals in all federal aid and state transportation facility contracts.

<http://www.dot.wisconsin.gov/business/engrserv/dbe-main.htm>

Interstate 94 Corridor Technology Zone Program

The State of Wisconsin has designated a tax credit zone along Interstate 94. The counties included in this zone are: Chippewa, Dunn, Eau Claire, Pierce, Polk, and St. Croix. Eligible businesses within the zone must have the ability to create new jobs and be a new or expanding technology firm.

The State has allowed \$5 million in tax cuts for these businesses.

Economic Situation Goals, Objectives and Implementation

Options

Goal 1: Support and guide future economic growth in the Village of North Hudson.

Objectives

1. Ensure economic growth and development is compatible with the Village's desire to retain its small town atmosphere.
2. Increase the Village's tax base.

Potential Options for Achieving Goal 1

1. Support small, locally owned businesses.
2. Encourage potential business owners to research available resources for financial and professional advice for creating new businesses.
3. Require new commercial and retail construction to fit into neighboring residential areas.

Goal 2: Develop aesthetic guidelines for new commercial/retail development that support the small town feel of the Village.

Objectives

1. Create and maintain a unique identity for the Village of North Hudson.
2. Preserve the aesthetic qualities of the Village and ensure they are applied to new development in the community.
3. Ensure a potential Village Center's appearance is consistent with the existing character of the community.

Potential Options for Achieving Goal 2

1. Create recommendations/guidelines for landscaping, parking, and architecture that would apply to a Village Center or other development in the Village.
2. Research the Chicago-St. Paul / Minneapolis and Omaha Railroad Car Shop Historic District to determine if there are unique architectural details that can be used to establish aesthetic guidelines.

Goal 3: Explore redevelopment possibilities for the Chicago-St. Paul / Minneapolis and Omaha Railroad Car Shop Historic District.

Objectives

1. Create a mixed use downtown area.
2. Preserve space to be used for public transportation.
3. Produce a space that creates an identity for the Village of North Hudson.

Potential Options for Achieving Goal 3

1. Contact the Wisconsin Historical Society to collect information on requirements and incentives for preserving historical Village properties.
2. Meet with existing business/industry owners located within the Historical District to discuss their long range plans and the possibilities for redevelopment.
3. Compare existing tax monies generated by businesses within the Historical District to compare with potential tax monies generated through redevelopment.