

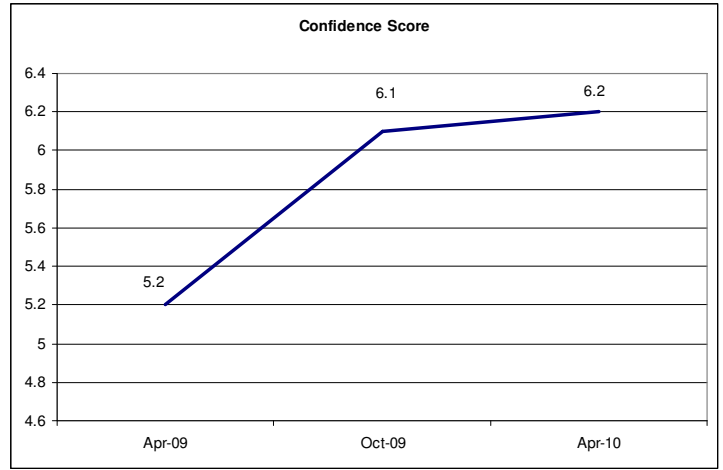
# April 2010 Middletown Business Climate Survey Responses

## FINAL RESULTS

April 2010 Score: **6.2** ↑ (+0.1)

October 2009 Score: **6.1**

(scale of 1 to 10 with 1 as a poor business climate and 10 as an excellent business climate)



Number of emails sent: 559

Number of replies: 97

Response rate: 17.4%

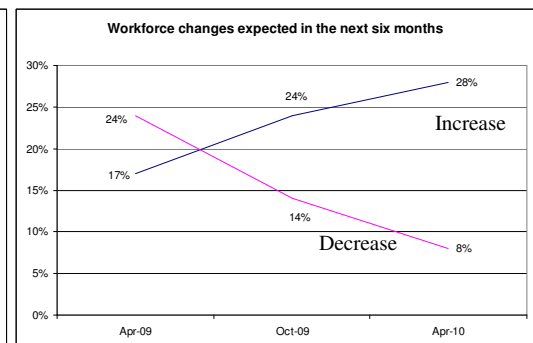
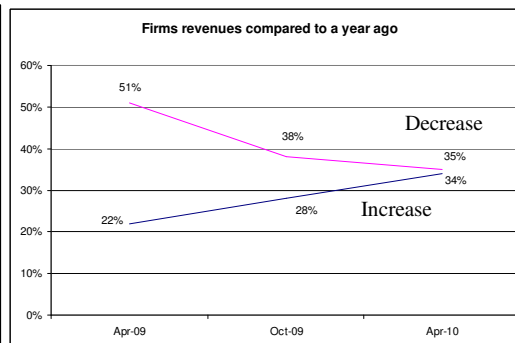
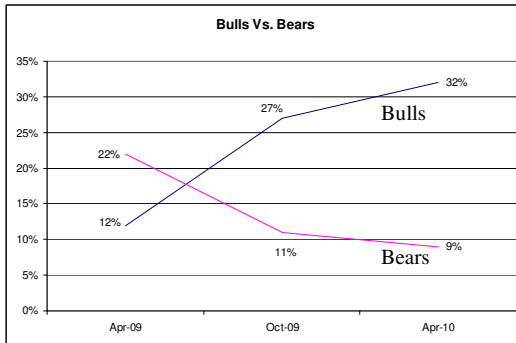
### Survey Summary

This is the third survey of confidence of Middletown business and the results are positive when compared to a year ago.

While the confidence score notched up only 0.1 of a point, those firms that are bullish about Middletown (scoring 8-10) greatly exceed those that are bearish about Middletown (scoring 1-3), with ratio of 32% to 9%.

One bright spot is the complete reversal in how businesses are managing their inventories. A year ago 32% of businesses were reducing inventories, while 0% are now reducing inventories and 13% are actually increasing them. Another bright spot is that 28% of firms are looking to increase their staffing levels in the next six months, up from 17% a year ago. And finally, firms with increasing revenues, 34%, are now almost on par with those that are experiencing decreasing revenues, 35%. A year ago only 17% saw increasing revenues compared to 51% seeing revenues decreasing.

Finally a new section has been added to the end of this report, updating efforts that have either come out of these survey results or activities that show we are works to address the same concerns that Middletown businesses have.



### Respondent Distribution

Respondents score Middletown's current business climate on a scale of 1 to 10.

	Score	Apr'10		Oct '09		Apr'09		Quintiles	Apr'10	Oct'09	Apr'09
		#	%	#	%	#	%		%	%	%
Excellent Bus. Climate	10	1	1%	1	1%	0	0%	Top Quin.	5%	5%	0%
	9	4	4%	3	4%	3	7%	Upper Middle Quin.	43%	38%	22%
	8	26	27%	16	22%	2	5%	Middle Quin.	33%	38%	39%
	7	15	16%	12	16%	7	17%	Lower Middle Quin.	15%	16%	17%
	6	18	19%	18	24%	7	17%	Bottom Quin.	4%	3%	15%
	5	14	15%	10	14%	9	22%				
	4	9	9%	6	8%	4	10%				
	3	5	5%	6	8%	3	7%				
	2	4	4%	2	3%	2	5%				
	1	0	0%	0	0%	4	10%				
Poor Bus. Climate											
									Apr'10	Oct'09	Apr'09
								<b>Bulls vs. Bears</b>	%	%	%
								Bulls (8 thru 10)	32%	27%	12%
								(4 thru 7)	58%	62%	66%
								Bears (1 thru 3)	9%	11%	22%

### **Revenue compared to last year**

	April 2010		October 2009		April 2009	
	#	%	#	%	#	%
Revenues are increasing	33	34%	21	28%	9	22%
Revenues are remaining the same	30	31%	25	34%	10	24%
Revenues are decreasing	34	35%	28	38%	21	51%

### **Workforce in the next six months**

	April 2010		October 2009		April 2009	
	#	%	#	%	#	%
Workforce increasing	27	28%	18	24%	7	17%
Workforce remaining the same	61	64%	46	62%	24	59%
Workforce decreasing	8	8%	10	14%	10	24%

### **Local Business Reactions to current Business Climate**

	April 2010		October 2009		April 2009	
	#	%	#	%	#	%
Making changes of some sort	76	78%	60	81%	32	78%
Nothing at the present time	21	22%	14	19%	9	22%

### **Actions Currently Being Taken By Local Businesses**

	April 2010		October 2009		April 2009	
	#	%	#	%	#	%
Increasing internet advertising	27	28%	29	39%	9	22%
Increasing staff training	19	20%	18	24%	7	17%
Reducing prices	17	18%	7	9%	9	22%
Increasing newspaper advertising	13	14%	7	9%	3	7%
Increasing Inventories	12	13%	0	0%	0	0%
Reducing advertising	11	11%	11	15%	8	20%
Reducing salaries	10	10%	5	7%	7	17%
Offering coupons	10	10%	4	5%	4	10%
Reducing inventories	9	9%	9	12%	13	32%
Other	22	23%	20	27%	13	32%

#### Other actions:

- Generate more sales.
- Investing in the look and quality of the business to make sure that people choose us!
- Ink Magazine and internal upgrades.
- Increasing prices.
- Increasing marketing efforts.

- Increasing other media advertising.
- Using social media.
- Looking at moving to different location.
- Improving our processes, cross training & increasing sales presence.
- Looking for grant dollars, state funding, and private funding.
- Will be offering memberships in near future, discounts through other businesses.
- Being pro-active in support of business.
- Just finished hiring 10 new positions to allow for growth.
- Increasing prices.
- Good customer service
- Continuing to offer service at a fair price - somewhat less than our competition.

## **Biggest Factor Preventing Revenue Growth**

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### General Market Conditions Responses- 31 (33%) (Down from 36% in October 2009)

- The economy
- Fewer customers in the market
- Contractors not working
- Buyer confidence. We sell real estate. Higher priced homes are not moving. Consumers are not certain of their jobs. Not confident that prices will hold.
- Overall economy
- Overall economy + macro trends.
- Economy/competition
- Decline of customers, businesses that have moved away
- Economy
- General economic concerns
- I think it's just the general economy.
- Real estate market conditions
- Consumer confidence
- Clients with sufficient budgets to keep pace with the demand for our services.
- Economic conditions
- Economy, dining out has become prohibitive because of restrictive spending by consumers.
- Volume of customers with money to spare
- Lack of more work.
- Economy's impact on customers' willingness and ability to engage and pay for services we offer
- The economy as a whole.
- Customer demand. We are job shop and as a result we have to wait for our customers to sell more before we can.
- Economy
- The economy
- General Economy, lack of trucking movement
- I think this year we will see a little growth. I also believe consumers are cautious about spending.
- Economy
- Downturn in the insurance industry
- Our client's are not spending \$ right now on marketing. If they do, it's very little and they want a lot more for their \$ than before.
- Soft market, nationwide
- Lack of jobs in the area
- Clients coming in less ....stretching appointments

Financing Responses- 11 (12%) *(Up from 9% in October 2009)*

- Client's ability to obtain funding for projects
- Available funding (we are a non profit organization)
- Money
- Lack of revenue. Staff overextended.
- Financing
- Revenue growth
- Funding.
- Funds to invest in sales and marketing activities
- Start up business grants for the Middletown river boat to pay staff to finish project
- Funding for manpower
- Tight credit/ extended receivables

Available Commercial Space Responses- 2 (2%) *(Down from 8% in October 2009)*

- Overhead from renting space that is more seen to the public
- Very high cost of business rentals in Middletown, in any central area near downtown

Regulations and Taxes Responses- 6 (6%) *(Up from 5% in October 2009)*

- State of CT Fee's are too high.
- CT government
- Cost of doing business such as Taxes, insurance etc
- Cost of doing business in Connecticut - can not compete on cost with S.E. U.S. Taxes, regulation & cost of health insurance are primary cost drivers.
- A lot of red tape from the city zoning dept.
- Government regulation

Parking Responses- 3 (3%) *(Down from 4% in October 2009)*

- Lack of adequate parking.
- More traffic and parking
- My surrounding Main Street environment, especially the bars located near my business and the toxic business environment they create, as well as my landlord's inaction on upkeep of the parking lot, especially lighting and signage.

Finding Employees and employee costs Responses- 3 (3%) *(Down from 4% in October 2009)*

- Qualified staff with a work ethic
- Ability to hire full time permanent staff.
- Unavailability of qualified information technology professionals

Other Responses- 9 (9%) *(Down from 24% in October 2009)*

- We work mainly in the public sector - we have two large contracts with the State of CT which they have not started spending money on.
- State funding reimbursement
- Retirement
- Lack of resources
- Diversification of contracts!
- Growth is our own responsibility
- Finding the right clients
- Not enough hours in the day to get work done. Also, clients have a harder time spending money than before.
- State Budget Issues

## Local Government Actions To Help Improve Business Climate

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### Public Service, Budget & Taxes Responses- 15 (16%) (Down from 20% in October 2009)

- Keep the tax base business friendly
- The same thing I am doing at my business - cross all the T's, clean up the edges, make sure that customer service is a top priority, and look closely at everything you are spending to make sure it actually affects whether customers choose you. People have a lot of choices in Central Connecticut, and we need to always show them that we are smarter, even if we are not bigger or richer!
- Less costs for taxes, licenses, permits going up ; faster than sales
- Tax breaks
- Manage government expenses - Minimize taxes
- Reduce taxes to make it appealing to new business. cut back on city spending like all of us small businesses have had to do. run the city like it was your own money you were spending
- Keep the City clean and property taxes low.
- Safer, Cleaner Downtown
- Keep the City clean and property taxes low.
- Hold taxes and steady. 2. Cut spending.
- Cut taxes.
- Continue providing quality services and quality education. Business climate suffers when governments make short sighted decisions which are difficult to reverse such as reducing public services in the name of "improving the business climate." Short term savings often result in long term damage.
- Lower taxes and regulations. The direct property taxes on the company are high but also if individuals see higher taxes they need higher incomes to pay them.
- Keep taxes low and regulations to only most important; use our services for mailing!
- Policing, health inspectors keeping the bars compliant and clean, the parking director helping landlord with incentives for parking lighting and signage, and active neighborhood policing. Also - how about a council for evening/nighttime businesses for their specific business concerns.
- Lower taxes on production equipment.

### Marketing, Programs, & Public Events Responses-13 (14%) (Down from 15% in October 2009)

- Help small business owners in cost n advertising and use local business for advertising n printing needs gives other businesses a chance to get there name out there and not so political
- Help to make public know that we exist and is the best bang for the buck re: long term care
- Buy locally. I have a baseball equipment business in town and no one from the city has even walked into my place. The schools all buy baseball equipment but I have never seen a coach or the Athletic Director in my shop. They all know that I am here but I have never even been asked to quote on anything.
- Remind people to Live Local and Give Local
- Encourage local businesses to buy locally
- Find more ways of getting the businesses in town noticed.
- Do a Middletown business publication. Like a directory mailed/given to all Middletown businesses of all other Middletown businesses, not just the shops, but home businesses as well. Seems to be a lack of support for home-based businesses.
- Not raise taxes or fees
- I believe for Middletown that we should not try to cut expenses. For example the Taste of Middletown which we didn't not have last year. Make sure we have the car and bike shows. Those activities help us. I also feel those should go back to Thursday instead of Wednesday. Try to get newspapers to write stories about business in town and activities we have going on. Build our town into a destination place. Have local business advertise together.

- Remove the red tape and share all info equally with all businesses.
- Fund Public Transportation to the extent possible
- Advocate for Wiser use of State revenues
- Maximize use of Federal Stimulus funds.

Grants & Financing Responses- 4 (4%) (Down from 14% in October 2009)

- Cash flow - access to line of credit
- The downturn in the economy. people are afraid to borrow due to layoffs, job loss, etc
- Support my request for some bonding
- Give the chamber more funding!

Parking & Public Infrastructure Responses- 9 (9%) (Same at 9% in October 2009)

- Bad economy, location. Parking and criminal is the big issue.
- Continue to make the area look and feel respectable for businesses
- Parking continues to be a major problem in the City. Retail stores should be encouraged to bring balance the increasing amount of restaurants.
- Better bus transportation signage. It's quite hard to figure out how to take the bus in Middletown. Signage would go a long way toward advertising what we have available for a reasonable cost.
- Improve parking downtown, especially by the Courthouse.
- Add more parking in the downtown.
- Get some retail downtown. It needs walk around traffic. Improved parking.
- Encourage downtown shopping, reduce taxes, solve parking, ---current parking proposals are ludicrous.
- Start the harbor improvement project for the boat launch, marina, close the sewer plant on river rd& better signage. Let's act and stop just talking about it.

Other Policies Responses- 23 (24%) (Same at 24% in October 2009)

- Offer programs that can help small business grow and reduce the fee's taxes placed on them. The cost of doing business in CT is insane.
- Increase the downtown friendly / smart growth planning.
- Stimulate growth in our local economy.
- More assistance to developers with maneuvering the committees, commissions and departments needed for approvals. Assigning to new businesses/developers a City liaison to assist with red tape/communication with the departments and/or committees. Banks need encouragement to lend to businesses and home improvement contractors to stimulate real estate improvement and keeping local contractors working
- Stop all the negative front page articles in the Middletown Press. It looks and sounds like the Middletown DE-pressed!! A lot of good news goes on besides all the BAD news that constantly gets top billing on the FRONT page.
- Get CT to be more business friendly and stop increasing fees for licensing and registrations.
- Support new and/or very small businesses in creative ways
- I am very concerned about the inability to rent/sell the former Bob's Stores building and the way it looks. Similarly, some of the stores on the opposite side of the street seem run-down. Maybe more of a game plan or more selectivity would help attract other higher-end merchants? Beyond restaurants, I think we need more folks like Pedal Power and fewer pawn shops and low-end liquor stores.
- Build/renovate/take advantage of current US Gov. Stimulus energy conservation, etc. programs for all public buildings including schools in the City.
- Continue to promote and encourage progressive attitude from City Hall.
- Stop allowing building of new industrial buildings until existing buildings are filled - way too many "For Lease" and "Space Available" signs around, make it look worse than it is; tax breaks would always be helpful, too
- Reinststitute the grant for purchasing homes in the city limits in designated census areas.

- It's not up to local government
- Offer more incentives for businesses to come to Middletown
- Support arts groups - they are a large part our entertainment district.
- Be responsive and practical to development proposals; protect the valuable downtown business climate, which has a strong positive image in the region; avoid political wrangling.
- Move towards less regulation and lower taxes
- Support legislative in this state to help business grow not make it more difficult.
- Keep on doing what you are doing - being pro business and a GREAT partner with Middlesex Chamber
- Lower CT Small Business Taxes, Help with healthcare costs and keep them from increasing so much each year - it has become extremely difficult to cover the cost for employees with the rate they increase each year. And, provide incentives to small companies that make them want to spend their \$ on marketing - for example: there is a program for manufacturing companies in New England, but there are no other programs out there for other industries. [www.netaac.org](http://www.netaac.org) is the manufacturing organization that offers incentives for marketing and other necessities for companies in this hard time.
- Encourage more people to choose careers in information technology.
- Consistency is the most important, pro-business posture. Be clear. Move with proper notice and public input. Business does not like reversals and surprises. Middletown does an outstanding job of supporting and recruiting business.
- Create an online database of local people's resumes that are looking for work.

### **Action Undertaken as a result of October 2009 Confidence Survey**

- 1) The City received an award of \$20,000 to study downtown housing. We believe that this is a key component of the downtown that needs to be strengthened in order to encourage new retail opportunities for existing business and for attracting new businesses. For a successful downtown that is lively, there are three components that are needed: Safe, clean attractive environment; strong housing market; and an interesting mix of arts, entertainment and restaurants. Each facet supports the other and the weakest component for the downtown is housing.  
The Study will consist of a downtown visual preference survey, a mini-charette, and follow-up workshops, hiring a consultant to perform a market research on the housing market, and hiring a consultant to evaluate engineering and architectural challenges for new construction and renovation of downtown housing.  
Status: Underway. The Study will likely be complete some time this fall.
- 2) The Department has developed a draft 5-year plan for the spending of federal entitlement funds, known as Community Development Block Grants (CDBG), and propose significant funding to three key job creation and business assistance programs. They are:
  - a. Middletown Job Launch Grants- Businesses that need to hire, especially for positions that require training, can receive a grant of up to \$2,000 per new position. The grant can be used at approved service providers that would design a recruitment and training program to fit their needs.
  - b. Career Services Job Placement and Job Coaching Programs- This strategy would seek to provide services to meet the needs unemployed and underemployed residents through a comprehensive program to help prepare clients for work, find employment and stay employed. Services that would be included would be, but not limited to; helping clients create effective resumes, preparing for job interviews, job coaching, employment retention training and on the job monitoring.
  - c. Small Business Grants. Small businesses start-ups or small, operating for less than 12 months, would be eligible for up to \$2,000 in grants. The majority of the grant, up to \$1,500, can be used for program eligible expenses, such as business license fees rent/lease payment; telephone/utility hook-up charges; and inventory purchases. Small businesses operating for more than 12 months are eligible for a grant of up to \$1,500 to assist in the costs of new hires. For both start-up and expanding businesses, there is also an optional \$500 "carrot" (grant) that is offered as an incentive to participate in approved business development training programs.

Status: Pending Review. These programs are in committee for a recommendation. We expect that it will be forwarded to the Council in May with programs beginning in September 2010.

- 3) The Design Review and Preservation Board and the Department have made an effort to reduce the regulatory burden on businesses with the creation of a new expedited signage permit policy. This new policy allows staff to issue a signage permit if it meets the guidelines of the policy. This change would eliminate the need to attend a monthly meeting of the Design Review and Preservation Board if their proposed sign meets the standard set out by the policy.  
Status: Completed, the new policy is in effect.
- 4) The City funded two programs that have been helping unemployed Middletown residents find work. The first is the Middlesex's Chamber of Commerce Worker Prep program. This program utilizes the network of member businesses of the chamber to find available positions, helps in the screening of these applicants to find the position that best suits their needs, and provides follow-up support for the client and business. The Worker Prep program to date has assisted 34 unemployed Middletown residents, securing new employment for 16 and referring 8 others to take advantage of free or low-cost professional training programs.  
The second program is the Middletown Russell Library's Career and Job Services center that provides a variety of programs and resources to those out of work. This program has seen 355 residents take advantage of the center  
Status: Completed. Programs have been underway since September 2009.
- 5) The City and the Downtown Business District are working together to secure a grant to make Main Street more attractive. The grant would help extend the planters that exist on Main Street south of Main Street, to the north of Main Street.  
Status: Pending Review. We expect to know the outcome of the grant request in May 2010.
- 6) The Department has recently received its 2010 Community and Business Guide, with the printing paid for entirely through advertising and not tax-payer funds. This 16 page full-color, glossy photo guide describes everything that we know is good about Middletown. These guides are frequently included in our responses to business inquiries about Middletown or provided to new Middletown residents who need to familiarize themselves with their new community.  
Status: Completed, available at the Planning Department
- 7) The Department has undertaken a review of the downtown retail market, inventory, available space, evaluation of hurdles to downtown retail, and what if any incentives or programs are needed.  
Status: Underway. The future direction of this effort is being evaluated.
- 8) While this was a result of a specific request from a local developer, the recent approval of allowing tax abatements on commercial properties to be passed on to future tenants in condo style developments, is a policy change that reflects the comments about keeping taxes and programs business friendly.  
Status: Completed.
- 9) The City and the Downtown Business District was unsuccessful in securing a grant from the Connecticut Main Street Center to develop and run a table tent promotional marketing campaign. The Downtown Business District has been looking to improve the promotion of all that the Downtown has to offer and keep customers coming back, especially now given the downturn in the economy. The goal was to allow for the various arts and public events to better market to the 1000 dining tables that host roughly 9,500 patrons each week. Each week a new full color, visually attractive table tent would have been produced with updated retail, arts and entertainment events. The promoted events would help bring these customers back to Main Street, special events and the various performances and exhibits at our historic venues.  
Status: Unfunded. The City and the DBD are looking to other possible methods to fund this project.



10) Other projects worth listing as works in progress:

- a. Brownfield Development Database- Status: Underway
- b. Remington Rand Business Incubator Window Replacement Project- Status: Pending Review
- c. North End Security Cameras- Status: Underway