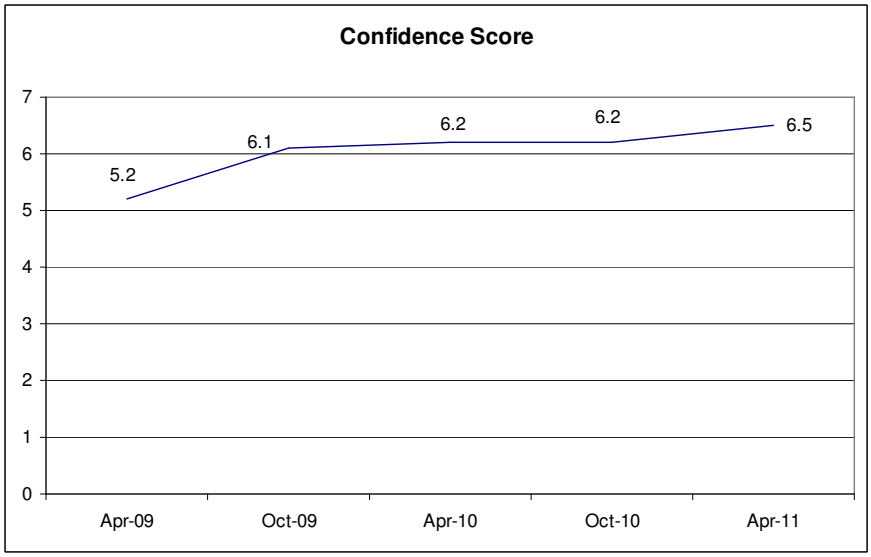
April 2011 Middletown Business Climate Survey Responses

FINAL RESULTS

April 2011 Score: 6.5

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



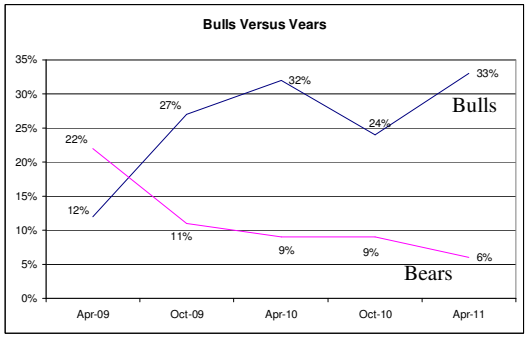
Number of emails sent: 750 Number of replies: 64 Response rate: 9%

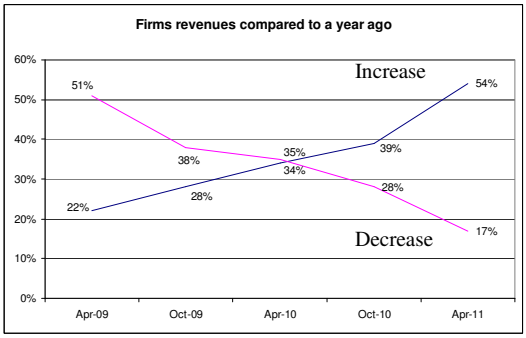
Survey Summary

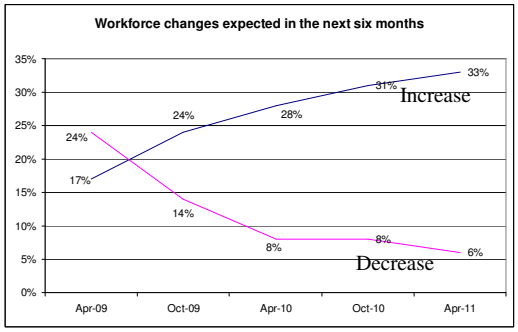
Middletown's recovery from the recession is well underway. For the first time since this survey was begun, more than 50% of firms are seeing increased revenues. A third of firms are now expecting to take on new employees over the next six months. All this activity has raised the confidence score by three-tenths to a new high of 6.5.

44% firms have significantly increased their online marketing efforts, up from 32%

The slow recovery nationwide is still the biggest factor preventing business growth, followed by regulation and tax concerns with financing coming in third. 30% of businesses expect government to keep taxes low to encourage new economic activity. 16% have concerns about parking and public infrastructure improvements, specifically with the new parking pricing and Melilli lot improvements.







Respondent Distribution

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

	Score	Apr' 11 #	Apr' 11 %	Oct'10 #	Oct'10 %	Apr '10 #	Apr '10 %
Excellent Bus. Climate	10	2	3%	1	1%	1	1%
	9	4	6%	6	8%	4	4%
	8	15	23%	11	14%	26	27%
	7	17	27%	17	22%	12	16%
	6	7	11%	14	18%	18	19%
	5	8	13%	14	18%	10	15%
	4	7	11%	6	8%	6	9%
	3	3	5%	5	7%	6	5%
	2	0	0%	2	3%	4	4%
Poor Bus. Climate	1	1	2%	0	0%	0	0%

Quintiles	Ap'11 %	Oct'10 %	Apr'10 %
Top Quin.	9%	9%	5%
Upper Middle Quin.	50%	37%	43%
Middle Quin.	23%	37%	33%
Lower Middle Quin.	16%	14%	15%
Bottom Quin.	2%	3%	4%

Bulls vs. Bears	Apr'11 %	Oct'10 %	Apr'10 %
Bulls (8 thru 10)	33%	24%	32%
(4 thru 7)	61%	67%	58%
Bears (1 thru 3)	6%	9%	9%

Revenue compared to last year

	April 2011		October 2010		April 2010	
	#	%	#	%	#	%
Revenues are increasing	34	54%	29	39%	33	34%
Revenues are remaining the same	18	29%	25	33%	30	31%
Revenues are decreasing	11	18%	21	28%	34	35%

Workforce in the next six months

	April 2011		October 2010		April 2010	
	#	%	#	%	#	%
Workforce increasing	21	33%	23	31%	27	28%
Workforce remaining the same	39	61%	46	61%	61	64%
Workforce decreasing	4	6%	6	8%	8	8%

Local Business Reactions to current Business Climate

	April 2011		October 2010		April 2010	
	#	%	#	%	#	%
Making changes of some sort	54	84%	52	75%	76	78%
Nothing at the present time	10	16%	19	25%	21	22%

Actions Currently Being Taken By Local Businesses

	April 2011		October 2010		April 2010	
	#	%	#	%	#	%
Increasing internet advertising	28	44%	24	32%	27	28%
Increasing staff training	13	21%	22	29%	19	20%
Reducing prices	8	13%	10	13%	17	18%
Offering coupons	7	11%	9	12%	10	10%
Increasing newspaper advertising	7	11%	9	12%	13	14%
Reducing salaries	5	8%	6	8%	10	10%
Increasing Inventories	5	8%	5	7%	12	13%
Reducing advertising	3	5%	7	9%	11	11%
Reducing inventories	3	5%	10	13%	9	9%
Other	9	14%	13	17%	22	23%

Other actions:

- Praying
- Increase in marketing
- General increasing marketing efforts
- Increasing marketing efforts
- We have created free event activities to bring people to our business.
- Providing sales incentives
- Increasing enrollment of our after-school program designed for teens with special needs
- Relocating
- Trying to give more services

Biggest Factor Preventing Revenue Growth

General Market Conditions Responses- 15 (24%) *(Up from 18% in October 2011)*

- Economy
- Undercut pricing by internet businesses
- Reduced demand
- High cost state.
- Economic conditions and the stabilization of housing prices
- The poor economy has affected business.
- Poor consumer confidence
- I believe that it is a fact that customers are cautious about spending right now given the gloom and doom that meets them everyday via the media.
- Economy
- Poor Economy and high overhead.
- Economy
- Too much competition
- Poor economy. Less disposable income
- Economy
- Economy, Funds, Winter weather,

Financing Responses- 5 (8%) *(Down from 10% in April 2010)*

- Money
- The stalled economy; availability of $$ from lending institutions.
- capital/money
- cash flow
- economy, Funds, winter weather,

Available Commercial Space Responses- 1 (2%) *(Down from 3% in October 2011)*

- Access to affordable, appropriate, ADA approved space.

Regulations and Taxes Responses- 6 (10%) *(Up from 7% in October 2011)*

- Property taxes on production equipment, unemployment and workmen's' comp expenses, energy costs and the taxes on energy.
- Property tax hikes in order to raise revenue for a local government that overspends.
- Property taxes
- Taxes
- Increased taxation from state in the form of increased fees, etc.
- TAXES. LOCAL AND STATE.

Parking and Public Infrastructure Responses- 6 (10%) (*Up from 9% in October 2011)*

- The parking lot construction last summer/fall decreased revenue by 25%. poor scheduling and oversight of various construction projects downtown was a problem since customers would not fight through the traffic mess to shop downtown.
- Construction
- New parking system is the worst thing for my business. Customers tell me that they are not coming as often because of the complex parking payment systems, the higher rate for parking, and the very high penalties if the meter/ticket runs out. I am especially distressed about the new system at Kidscity lot. It is very cumbersome, and makes people decide before they go anywhere how long they will be.
- Street signs on Melilli Plaza so that people know where the Plaza is from the Washington Street entrance would help so that people can locate our business.

- Free customer parking!!!!!!!!!!!!(currently we have free parking at night...but not during the day....there should be 1hour free parking in all areas of the downtown all of the time, and paid parking in all areas all the rest of the time...including at night! Lack of other retail. Restaurants fill empty storefronts, but do not help the retail business climate, retail needs other retail to survive.
- Parking. The parking lot next to the courthouse is a nightmare. The new automated gates create problems constantly. I have heard people say that they "hate" coming to Middletown for business due to the parking situation. This is unacceptable. Why can't we bring back the parking booths?

Finding Employees and employee costs Responses- 4 (6%) *(Down from 7% in October 2011)*

- Finding good help!
- Finding qualified candidates to fill our open hiring requisitions (currently 9 open positions)
- a good salesperson
- funds to pay additional staff

Other Responses- 18 (28%) *(Up from 20% in October 2011)*

- Time
- Main St. is beautiful but the North End still needs a lot of work. It looks run down and basically not safe.
- Location
- NOTHING REALLY. WE ARE DEVELOPING SALES PEOPLE TO GROW OUR BUSINESS.
- Reimbursement rates from gov't and private insurers.
- Me
- New business starts.
- It is growing
- Internal focus on operating rather than marketing
- Confidence in the current municipal administration.
- I am in the learning curve -1st year.
- Healthcare costs
- Politics stemming from some of the organizations that could be helpful.
- This winter it was bad weather - Middletown did a pretty good job of snow plowing - but a better job of enforcing sidewalk shoveling is needed.
- As a non profit agency our main problem continues to be lack of available funding
- Competition with time.
- Jobs, jobs, jobs. And, changing the stagnant state funding.
- Economy, Funds, Winter weather,

Local Government Actions To Help Improve Business Climate

Public Service, Budget & Taxes Responses- 19 (30%) *(Up from 26% in October 2011)*

- Reduce Taxes
- Tax our profits, not our expenses!!!!!
- Keep the streets safe and clean.
- Use funds wisely and efficiently
- Keep property taxes low, allowing business to expand and hire more people.
- Lower taxes
- Lower taxes
- Cut spending/reduce taxes
- Create efficiencies within government itself through training and technology. Eliminate duplication of services and waste. This will reduce the cost of government to business and inevitably improve the business climate. It is not my belief that government can create jobs. Boards and commissions must also continually strive to see the good in business applications when balancing against what is best for the public

- Give us a property tax break
- Free workforce training; reduce taxes; reduce government spending.
- Run like a business, keep people accountable, hire only when absolutely necessary, look at every line item for reducing spending - then look again.
- Present a more fiscal responsible administration
- Dramatically reduce taxes, offer significant incentives for hiring people who are currently unemployed and/or for those companies who increase their staff
- Tax incentives
- Reduce taxes
- Do not tax furnishings and equipment of very small businesses.
- Cut out some of the taxes that really small business have to pay. Like sole proprietorship or businesses with one to five employees. Lower the llc tax property tax and give businesses with 5 employees or less a an income credit of $2000 to $3000.
- Cut taxes

Marketing, Programs, & Public Events Responses-2 (3%) *(Down from 17% in October 2011)*

- Promote "buy local"
- Only allow Main Street closing activities...such as car shows and athletic events to be held on Sundays so as not to disrupt weekday business but to add to weekend business. Increase foot police presence....there is none currently.

Grants & Financing Responses- 7 (11%) *(Up from 7% in October 2011)*

- Offer incentives for small employers and businesses to locate/relocate in Middletown
- Give incentives to CT Companies to do business in Connecticut
- Have local banks increase small business loans.
- Make it easier for small businesses to receive funding
- More business incentives
- Increase funding to the Arts
- GIVE BUSINESSES INCENTIVE to flourish and expand.

Parking & Public Infrastructure Responses- 10 (16%) *(Down from 17% in October 2011)*

- Give established businesses the ability to validate parking tickets so that business will not keep going down. OR have more free parking, or take out those absurd, cutting butter-with-a-chain-saw systems, especially at Kidscity.
- Fix the parking situation and make it more affordable. Instead of 1 hour free and $0.75 an hour after that, why can't it be 2 hours free and $1.00 an hour after that. Isn't that easier for people?
- Improve the parking situation. It is absolutely terrible. The biggest complaint we receive from customers is the cost of pricing and the issuing of tickets if you are a second late to your car. I have had many customers ask for change, leave to put more in meters and found someone writing a ticket as they returned to put more money in the meters.
- Realize that the parking dept should be viewed as a city service department, not a revenue generator and should always consider customers in it's new programs and policies.
- Keep a better handle on concurrent construction projects that affect traffic. Have the work done at night if possible. At least do not allow simultaneous projects on same block roads.
- Help beautify the downtown with more planters, don't rely on the extra tax paying business district to do it all. Main street is Middletown's face...it should look vibrant at all times to attract other business to the city.
- Improve road and public facility after Randolph road in the Middletown south area
- Improve the parking situation
- Bring back the 2 hours free parking

- I believe that the City is doing an excellent job by attracting up-scale and diverse restaurants to the area - the main problem I see continues to be lack of parking.

Other Policies Responses- 23 (37%) *(Up from 23% in October 2011)*

- Changing the North End to replicate the rest of Main St. Relocating the Soup Kitchen and Project Apartments off of Main St. Increasing police enforcement will not help because it will only make that area look more dangerous.
- Offer incentives to prospective RETAIL businesses to rent in the downtown. Offer assistance to building owners to spruce up buildings to be used for retail or those that are retail.
- THE CITY OF MIDDLETOWN HAS BEEN GREAT TO OUR BUSINESS. HELPED US WITH ZONING CHANGES AND THIS OFFERED US THE OPPORTUNITY TO BUY OUR BUILDING.
- Encourage more retail to locate downtown.
- Run a shuttle to Wesleyan on weekends when parents are in town.
- Remove Adult ed and fill space with retail.
- Advocate on behalf of the hospital regarding the reductions targeted for hospitals.
- I don't have any firm suggestions as most of the things that give customers pause are totally outside of the local arena.
- Get the drunks and crackheads off main St.
- Middletown enjoys a good reputation for supporting and promoting business. The various departments are as public-focused as in any community I know. Keep up the good work.
- Try to stop the transient people from begging the people in Melilli parking lot for money, it turns them off from coming downtown.
- Limit the amount of identical businesses in an area.
- Our question to you. Does the current local administration have a long term plan? It appears that the recent court fights draw monies into unproductive activities.
- .Remove the soup kitchen and the community health center from Main street. Remove low end housing from the north end and make it retail space. Get rid of drug rehab and half way houses from downtown area. Add business links to the city website.
- Increase awareness of Complementary Alternative Medicine practitioners in the Chamber
- Keep supporting main street and surrounding neighborhood improvements and crime reduction
- I feel my business is doing well, but so many businesses seem to be suffering. The general economy is the biggest issue. Not sure how local government can ease that without taking a hit to its own bottom line to provide services.
- Enable / encourage organizations to be able to do business with downtown (space, for us!) incentives/ price breaks. Create and foster bridges in resource sharing within the Middletown business and nonprofit community. Access to affordable, high visibility local advertising. Someone in local government who is personally aware of our organizations larger needs, and keeps an eye out for possibilities; ex. Knowing that a business is seeking space with a certain kind of zoning and having and having a liaison who communicates directly with us when potential opportunities arise.
- Monitor who gets funding and why. There seems to be poignant favoritism to some groups over others. This is unfair.
- Tell the legislators to get their act together.
- Better transportation - bus system in Middletown is hard to figure out how to take
- Increase the awareness of companies in the community. Improve parking access. Reduce parking meter costs.
- Locally I think we are fine. State and Federal are the ones who really need to step up. Do its best to keep real estate and personal property taxes down while still providing quality services. Do not cave in to union pressure!

Action Undertaken as a result of October 2010 Confidence Survey

1) Grant Programs
    a. 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 feels 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. The program has $50,000 for 2010, and the five year plan for CDBG funds, envision $50,000 available each year.
    b. Employment Training and Placement Programs- 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 second program is the Middletown Russell Library's Career and Job Services center that provides a variety programs and resources to those out of work. Together, in 2009 these programs helped 329 residents.

Status: All programs are underway as of October 15, 2010.

2) Main Street and Downtown Infrastructure Improvements- The City and the Downtown Business District are working on a number of initiatives to make Main Street and the downtown more attractive, safety and competitive.
    a. Main Street Planters- CDBG Grant for extending planters north of Washington Street on Main Street. The Downtown Business District will install at least 12 new sidewalk planters this fall to improve the asthetics and make the North End match the South End. The flowers will be changed seasonally: Fall, Winter, Spring and Summer.
    b. Expansion of free WiFi- In 2003 Middletown was the first community in Connecticut to provide free Wifi on Main Street. That system has become antiquated, slow and coverage was limited to a few areas of Main Street. The City and the Downtown Business District are funding an upgrade and expansion of the system to allow free access the length of Main Street from Church to Church.
    c. Downtown Signage- The Downtown Business District has been tirelessly working on a new signage and wayfinding system for the Downtown, to provide better directional signs for visitors to find parking and destinations in the downtown.
    d. North End Security Camera- Two years ago the City through a Community Development Block (CDBG) Grant funded the installation of two security cameras, one near the fire station on Main Street and another at the corner of St. John Street and Portland Street. This year the City has install an additional security camera, also funded with CDBG funds, at the intersection to Pearl Street and Liberty Street. The security cameras are utilized by the Middletown Police Department and can be monitor actively or passively depending on their needs for public safety.
    e. Lighting of the Arrigoni Bridge- The City is working install LED lighting to the Arrigoni Bridge. The lighting will allow for different colors to be deplayed to coincide with holidays or events. Similar bridge lighting improvements around the country have been noted as contributing to revitalization of local communities as a visible symbol of progress. We expect the lighting

Status: Underway, most of these projects will be completed this fall.

3) Marketing Programs
    a. Middletown Commercial Property Finder- The City of Middletown has teamed up with the Connecticut Economic Resource Center's CERC Sitefinder-an online commercial property listing service. CERC Sitefinder is an online searchable database that allows users to view properties and how a property fits the needs of a business including:
        1. What buildings and land are available in the community?

2. What are the market characteristics (demographics, workforce, spending)?
3. What are the business synergies and opportunities in specific locations?
4. What are the unique geographic advantages

The GIS Planning, Inc, database allows users to analyze available locations using demographics and competitive business information within any drive time or radius. CERC has incorporated qualitative and quantitative community demographics into the sites and buildings database.

The online searchable property database can be searched by map interface, address or by choosing property parameters.

Selected properties can be saved, compared and exported to PDF, Word or Excel. Users can create customized demographic distance radius reports and drive time analysis. The program offers dynamic user controlled mapping with Google maps and satellite views.

To search commercially available properties, go to:
http://cercwidget.zoomprospector.com/ed.asp?search15=0947290&s=900

4) Other Initiatives
   a. Brownfield Development Database- The City through a federal brownfields grant has developed a database of all the likely brownfields to provide transparent information to property owners and developers. Using this database businesses can make informed investment decision, as well as have access to federal loans or grants to assist in further study of the property or clean-up of the property.
   b. South Cove Waterfront- The City though the Planning and Zoning Commission has started a new public discussion regarding the future of the South Cove project to ensure that what is ultimately done along the waterfront is in keeping with the public's interest.
   c. Aetna- The City is working with Aetna, who has hired a broker to pursue a high value reuse of this property..
   d. Remington Rand Business Incubator Window Replacement Project- The City received a $300,000 stimulus grant for energy improvements to the City's business incubator. The City will use the funds to replace the existing windows with energy efficient windows to reduce energy use. The City has also applied to $100,000 in Community Development Block Grant funding to create a five office incubator spaces. Remington Rand is a 184,000 square foot facility with 15 businesses that employ 65 people.