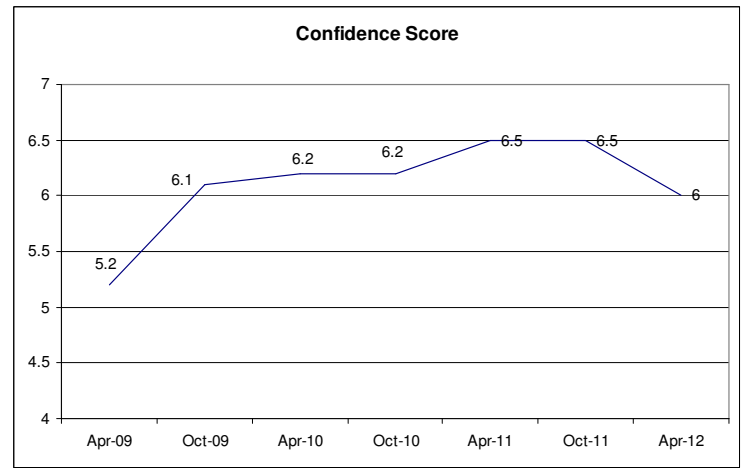


# April 2012 Middletown Business Climate Survey Responses

## FINAL RESULTS

April 2012 Score: **6.0**

(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: 56

Response rate: 9%

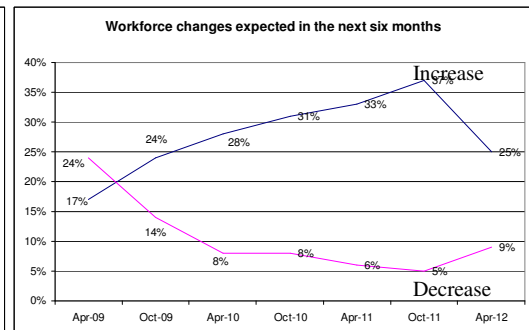
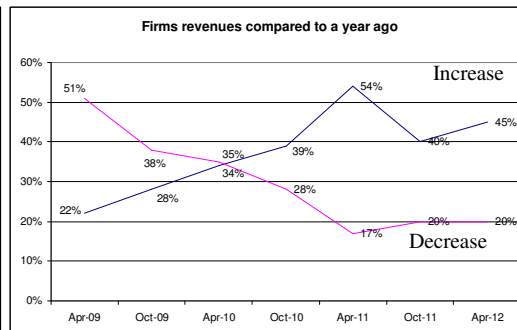
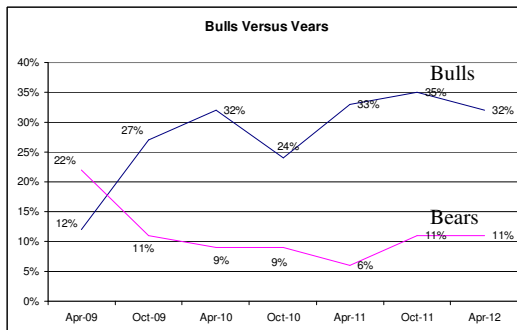
### Survey Summary

Business confidence score has retreated since the last survey in October 2011. April 2012 score is 6.0 out of a scale of 10. A perfect 10 would mean all businesses in Middletown believe the economic climate to be excellent. A score of 6.0 means that most businesses find the economic climate to be fair to good in Middletown.

Respondents that reported a business confidence score of 8 or greater decreased slightly from October, from to 35% from 32%. However, respondents that reported a business confidence of 3 or less also stayed at 11%.

Revenues for 45% of businesses are increase compared to 20% that are decreasing. This is stronger than in October 2011. Business looking to hire in the next six months decreased to 25% from 37% in October 2011. The number of businesses expecting to layoff workers has inched upward to 9%.

The top actions businesses are taking to improve the bottom line is to increasing internet advertising, offering coupons and increasing staff training.



### Respondent Distribution

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

Score	Apr' 12		Oct'11		Apr '11		Quintiles	Apr'12	Oct'11	Apr'11	
	#	%	#	%	#	%		%	%	%	
Excellent Bus. Climate	10	0	0%	4	6%	2	3%	Top Quin.	5%	15%	9%
	9	3	5%	6	9%	4	6%	Upper Middle Quin.	39%	40%	50%
	8	15	27%	13	20%	15	23%	Middle Quin.	34%	29%	23%
	7	7	13%	13	20%	17	27%	Lower Middle Quin.	18%	12%	16%
	6	8	14%	11	17%	7	11%	Bottom Quin.	4%	3%	2%
	5	11	20%	8	12%	8	13%				
	4	6	11%	3	5%	7	11%				
	3	4	7%	5	8%	3	5%	<b>Bulls vs. Bears</b>	<b>%</b>	<b>%</b>	<b>%</b>
	2	1	2%	1	2%	0	0%	Bulls (8 thru 10)	32%	35%	33%
	1	1	2%	1	2%	1	2%	(4 thru 7)	57%	54%	61%
Poor Bus. Climate	1	1	2%	1	2%	1	2%	Bears (1 thru 3)	11%	11%	6%

**Revenue compared to last year**

	April 2012		October 2011		April 2011	
	#	%	#	%	#	%
Revenues are increasing	25	45%	26	40%	34	54%
Revenues are remaining the same	19	35%	26	40%	18	29%
Revenues are decreasing	11	20%	13	20%	11	18%

**Workforce in the next six months**

	April 2012		October 2011		April 2011	
	#	%	#	%	#	%
Workforce increasing	14	25%	24	37%	21	33%
Workforce remaining the same	36	65%	38	58%	39	61%
Workforce decreasing	5	9%	3	5%	4	6%

**Local Business Reactions to current Business Climate**

	April 2012		October 2011		April 2011	
	#	%	#	%	#	%
Making changes of some sort	44	79%	52	80%	54	84%
Nothing at the present time	12	21%	13	20%	10	16%

**Actions Currently Being Taken By Local Businesses**

	April 2012		October 2011		April 2011	
	#	%	#	%	#	%
Increasing internet advertising	18	32%	17	26%	28	44%
Offering coupons	13	23%	9	14%	7	11%
Increasing staff training	12	21%	22	34%	13	21%
Increasing Inventories	6	11%	5	8%	5	8%
Reducing prices	5	9%	8	12%	8	13%
Reducing inventories	4	7%	6	9%	3	5%
Increasing newspaper advertising	4	7%	4	6%	7	11%
Reducing salaries	4	7%	4	6%	5	8%
Reducing advertising	4	7%	4	6%	3	5%
Other	11	20%	13	20%	9	14%

**Other actions:**

Promo's to get folks in the door  
 Added other products to the mix.  
 Providing additional services  
 Capital improvements  
 Reducing benefits  
 Closing

Offering Special Promotions  
 Reducing costs where we can  
 Expanding hours to maintain sales  
 Increase door to door sales  
 Presenting at conferences

## **Biggest Factor Preventing Revenue Growth**

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### **General Market Conditions Responses-** 16 (29%) *(Down from 34% in October 2011)*

- The economy
- Not enough business office clientele during the day. Bigger cities obviously have more business offices which brings more employees and customers to the town. These people will go out to lunch and after work and bring more business to the local restaurants and shops. Too many small businesses, we need Corporate businesses in Middletown!
- The poor economy ... people not wanting to spend money.
- Too much competition. Way too many restaurants. No good retail business. You really should be promoting more retail businesses to open. This would attract much more people into town. You get the right stores and you'll attract the rich people that go to West Hartford instead, where the ambiance is much better.
- Probably the general state of the economy and consumer confidence. But our own practices and policies play a role as well.
- Lack of work due to climate change, warm weather, weak economy
- Economic pressure
- Printing Business is weak and declining. Manufacturing sector is still sluggish
- Construction Industry is underperforming which has hurt our business and the whole economy.
- The economy
- Economy
- General state of economy
- There is still hesitancy to move or put any cash investment into the economy. People are still on hold so to speak
- Lack of sales due to companies work slowdown and also inability to pay on time !
- Decrease in municipal spending and funding available for infrastructure projects
- General public needs more expendable income

### **Financing Responses-** 9 (16%) *(Up from 12% in October 2011)*

- Federal, State & Local funding.
- Funding
- Credit markets
- Business grants
- Not receiving the grant from the town of Middletown ,CT. Start up having one person in the Middletown, CT. Town hall holding the grant from a start up .
- Cash flow
- Lack of financing
- Working capital
- Money

### **Available Commercial Space Responses-** 1 (2%) *(Down from 6% in October 2011)*

- Space

### **Regulations and Taxes Responses-** 4 (7%) *(Down from 9% in October 2011)*

- Taxes(city, state & federal), state license fees, rising insurance costs
- Property Taxes
- State policy
- Possible raise in minimum wage.

### **Parking and Public Infrastructure Responses-** 4 (7%) *(Up from 6% in October 2011)*

- Parking
- The cost of employee parking. The adverse attitude of the parking policeman is also maddening!
- Parking is horrendous. The Mellili lot is a nightmare; it often malfunctions.
- Parking, traffic.

Finding Employees and employee costs Responses- 2 (9%) (Up from 3% in October 2011)

- Sufficient funding for staff salary
- I can't afford to pay a office manager to work fulltime so that advertising and customers calls an emails can be done properly.
- Lack of skilled workforce & pipeline of students entering manufacturing programs; Also cost of electric and benefits
- Can't afford appropriate sized work force
- Good workers

Other Responses- 10 (18%) (Down from 21% in October 2011)

- Nothing, Plan to take the business to the street.
- Perception of workers
- My business issues are based on state and federal reform with healthcare.
- Community Support
- Increasing supply and resource costs; Decreasing reimbursements from payers
- The FMV of services has gone down.
- Support from local businesses within a 10 mile radius of the property.
- We have experienced considerable growth during the past 12 months
- Real estate company... we are adding real estate listings...dropping prices. Listings are sitting on the market longer. Basic of supply and demand. More inventory, fewer buyers. Prices go down. Consumer confidence. We are selling first time buyers...or seller's with a sincere need, i.e., divorce, death, old age downsizing... NO mid range move up buyers.
- Internet

**Local Government Actions To Help Improve Business Climate**

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Public Service, Budget & Taxes Responses- 9 (16%) (Up from 14% in October 2011)

- Stop taxing office equipment, lower property taxes
- We need government financials to be put in line.
- No loitering allowed on Main St.
- Stop taxing us so much
- Reduce property taxes
- Keep taxes low. Streets safe and maximize parking.
- Lower taxes
- Obviously lower taxes
- Control government spending & costs

Marketing, Programs, & Public Events Responses-6 (11%) (Up from 9% in October 2011)

- Offer incentives for people to come downtown
- Create a fun atmosphere downtown - street musicians and performers, art exhibits, temporary displays in empty storefronts. - I do not mean closing Main St.
- Advertize more to the general public that Middletown is the place to do business.
- Promote buying local
- Support local businesses and engage the green economy.
- Push the shop/support local businesses

Grants & Financing Responses- 5 (9%) (Down at 11% in October 2011)

- Put out more grants to improve start up small home business in Middletown, CT.
- New business grants
- Provide grants to those with business gear towards religion
- Offer generous cash/tax incentives to small companies willing to increase their workforce
- Give local tax incentives to new home owners to stimulate future development

Parking & Public Infrastructure Responses- 11 (20%) (Down from 21% in October 2011)

- Free parking on Saturday afternoons?
- We as retailers have been asking for the free parking on Saturdays for the public lots. Parking is suspended in the evenings during the week to help the restaurants on Main Street, the retailers need a little help on Saturdays. We are not asking for free parking on Main Street, just the lots. In speaking with other retailers, business has been very slow. A little help to give people an incentive to shop locally would help. We will keep asking, maybe one day someone will hear us.
- Free lot parking on Saturdays, and advertise it.
- Clean up the Court St. parking garage
- Keep Main Street cleaner.
- Reduce the monthly parking fee through a quantity discount or something of that nature.
- Parking is frustrating for customers, keeps them away. This is not and never will be West Hartford or North Hampton, don't use them as example for parking
- Make parking free as much as possible. I sent these remarks last time you asked.
- Make sure the streets stay safe and clean and maintain your municipal infrastructure.
- Keep downtown CLEAN
- Offer free municipal parking for the first year of the lease of new office tenants moving into downtown properties that do not have private parking.

Other Policies Responses- 17 (30%) (Down from 31% in October 2011)

- Bring in jobs
- The local government needs to allow more Corporate offices to come in to Middletown to bring in more people to the local businesses. Too many small businesses. Although, having them in town makes Middletown unique it does not mean that we should not welcome any one else.
- Keep providing the community support you are providing.
- Find out what the people are looking for.
- Bring lots of trendy and classy stores to town . Not just mediocre restaurants.
- Our local government is doing a great job, as is our Chamber of Commerce.
- Promote the use of temporary workers and or placement of workers
- Control fuel & healthcare costs.
- Make it harder for employees to scam employers, take information. Work with vendors such as myself to work on insurance laws to prevent larger insurers from delaying payments so long, banks from causing additional delays by being endorsed on payments which cause more delays.
- Middletown is the best City with a small town flavor and needs more retail specialty shops like Madison and Guilford have and maybe a small chain store
- Invest in Vinyl Tech & Middlesex Community College Manufacturing programs & continue to work with the State to drive down cost of energy
- Help keep state mandates under control. keep state spending under control.
- Decreasing reimbursements from payers
- Attract more diverse retail businesses on Main Street
- Continue to portray the good in our local publications. Good mortgage rates... great mortgage products with little money down available. Put positive articles in Middletown Press and The Patch. We are seeing

CASH buyers! This is usually an indication that the market prices have bottomed ...if CASH investors are willing to put their money in real estate, that is a trend pointing in the right direction. The local Board of ED can try to combat negative information about the school system, therefore giving a better image of our town.

- Only GOD knows for sure - my answers are purely a guess.
- Keep pressure on the state to maintain community services funding

## Action Undertaken as a result of October 2010 Confidence Survey

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### 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 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. 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 of 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 aesthetics 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 deployed 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 through 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.