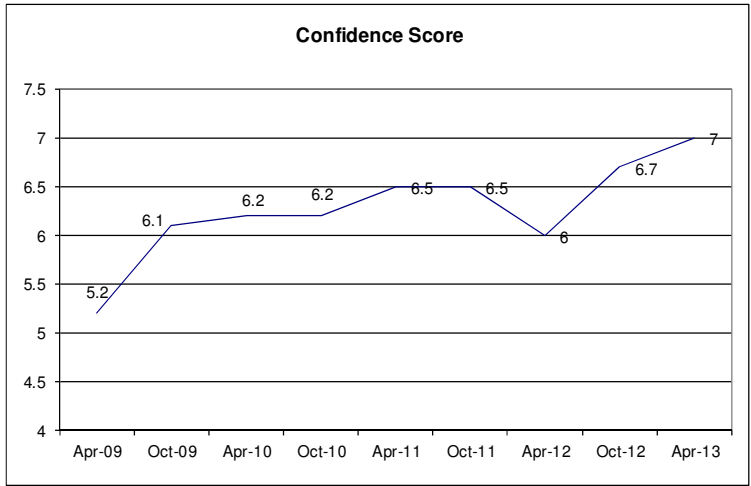


# April 2013 Middletown Business Climate Survey Responses

## FINAL RESULTS

**April 2013 Score: 7.0**

(scale of 1 to 100 with 1 as a poor business climate and 100 as an excellent business climate)



Number of emails sent: 750

Number of replies: 60

Response rate: 8%

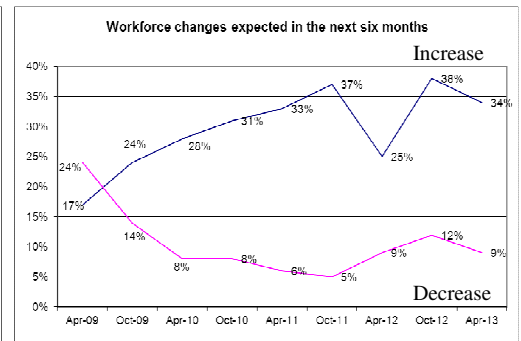
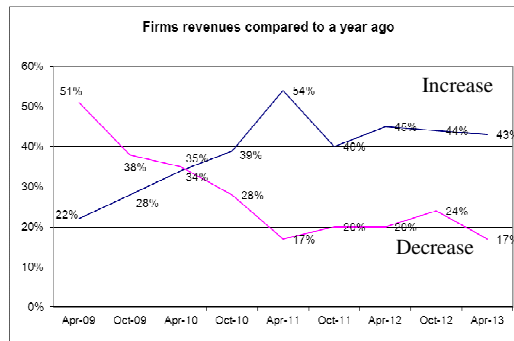
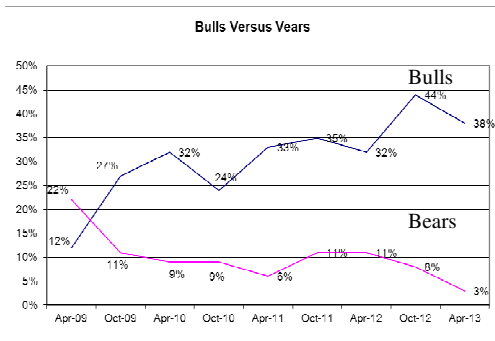
### Survey Summary

Business confidence score has reached a new high since April 2009. The April 2013 confidence score stands at 7.0. The number of businesses that are “bullish” about Middletown retreated slightly to 38%, but those that are pessimistic about Middletown reached a new low at only 3%. A perfect 10 would mean all businesses in Middletown believe the economic climate to be excellent. A score of 7 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 from to 44% six months ago to 38%. Respondents that reported a business confidence of 3 or less decreased from 8% to 3%.

Firms reporting higher revenues and expecting to increase number of employees posted a positive response of 43% and 34% respectively.

The top three actions businesses are taking to improve the bottom line were increasing internet advertising, increasing staff training and increasing newspaper advertising.



### Respondent Distribution

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

Score	#	Apr' 13		Oct' 12		Apr '12		Bulls vs. Bears	Apr' 13 %	Oct' 12 %	Apr' 12 %
		#	%	#	%	#	%				
Excellent Bus. Climate	10	4	7%	2	3%	0	0%	Bulls (8 thru 10)	38%	44%	32%
	9	6	10%	7	11%	3	5%				
	8	13	22%	20	30%	15	27%				
	7	17	28%	10	15%	7	13%	(4 thru 7)	58%	48%	57%
	6	8	13%	10	15%	8	14%				
	5	9	15%	10	15%	11	20%				
	4	1	2%	2	3%	6	11%	Bears (1 thru 3)	3%	8%	11%
	3	2	3%	2	3%	4	7%				
	2	0	0%	2	3%	1	2%				
Poor Bus. Climate	1	0	0%	1	2%	1	2%				

## **Revenue compared to last year**

	April 2013		October 2012		April 2012	
	#	%	#	%	#	%
Revenues are increasing	26	43%	29	44%	25	45%
Revenues are remaining the same	24	40%	21	32%	19	35%
Revenues are decreasing	10	17%	16	24%	11	20%

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

	April 2013		October 2012		April 2012	
	#	%	#	%	#	%
Workforce increasing	20	34%	25	38%	14	25%
Workforce remaining the same	33	57%	33	50%	36	65%
Workforce decreasing	5	9%	8	12%	5	9%

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

	October 2012		April 2012		October 2011	
	#	%	#	%	#	%
Making changes of some sort	41	78%	49	80%	44	79%
Nothing at the present time	13	22%	13	20%	12	21%

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

	October 2012		April 2012		October 2011	
	#	%	#	%	#	%
Increasing internet advertising	25	42%	29	44%	18	32%
Increasing staff training	17	28%	18	27%	12	21%
Increasing newspaper advertising	8	13%	13	20%	4	7%
Offering coupons	7	12%	11	17%	13	23%
Reducing prices	6	10%	7	11%	5	9%
Increasing inventories	5	8%	5	8%	6	11%
Reducing inventories	3	5%	6	10%	4	7%
Reducing advertising	2	3%	4	6%	4	7%
Reducing salaries	2	3%	3	5%	4	7%
Other	6	10%	10	15%	11	20%

- Other actions:
- new construction
- Changing personnel
- we recently dropped the size of our workforce
- Moving to a larger location
- Area wide marketing
- Increasing advertising by leave flyer at doors

## **Biggest Factor Preventing Revenue Growth**

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### General Market Conditions Responses- 11 (20%) *(Down from 28% in October 2012)*

- Economy
- Economy and changes in the way certain clients are offering services to their customers, which impacts the services we render.
- Economy
- Economy
- Economy
- The economy is slow so people are not spending like they might if thing were better
- The economy
- The economy - our revenue is all driven by loan demand and investment income
- Housing slump
- General economic conditions
- The economy and the reduced traffic in Middletown

### Financing Responses- 4 (7%) *(Down from 13% in October 2012)*

- Reduced payment from state and federal gov't
- Cash Flow
- Credit conditions imposed by banks. It is almost impossible to secure a small loan ( of any amount ).
- Money

### Available Commercial Space Responses- 2 (4%) *(Up from 2% in October 2012)*

- The size of my store and the location.
- Office space. We have outgrown our space and are looking for something moderately bigger.

### Regulations and Taxes Responses- 6 (11%) *(Up from 2% in October 2012)*

- Taxes, health care cost and finding qualified people
- Ever increasing price of fuel causing increases to grains and commodities needed for agriculture; we are continually assessed higher and higher taxes for our farm buildings and animals/horses and local officials are deaf to the realities of the industry
- State & Federal Government policies on taxes and defense spending
- The latest income tax increase has caused customers to have to cut back on expenses.
- Health Care laws changing people's coverage
- Cost to do business

### Parking and Public Infrastructure Responses- 4 (7%) *(Up from 6% in October 2012)*

- Pay Parking. It is already expensive, and I was very troubled to hear that the city is considering raising parking fees. PLEASE do not raise parking fees. Have you ever visited Northampton, MA? That bustling business district charges 25 cents per hour.
- Better Signage on Main Street for the public parking available. People don't seem to ever know there is ample parking behind the buildings. I know there are signs on Main Street, but more signage would be very helpful.
- Parking
- Infrastructure project funding

### Finding Employees and employee costs Responses- 1 (2%) *(Down from 8% in October 2012)*

- Can't find good help

Other Responses- 16 (29%) (*Up from 20% in October 2012*)

- Lack of selling effort on our part
- Good work
- New Clients
- Lack of projects
- Work harder
- Stubborn people.
- Not enough understanding.
- Insurance companies manipulating labor rates for auto body repairs
- Local business owners unwilling to help put us in their establishments.
- Advertising
- Uncertainty within the business community
- Decreasing profit margin.
- Internet competition
- Military spending
- No projects available
- Knowing that it will grow in time.

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

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Public Service, Budget & Taxes Responses- 8 (15%) (*Down from 22% in October 2012*)

- Less taxes and allow business to have larger signage
- Sales tax on internet sales
- Lower taxes on small businesses
- Lower taxes on small businesses
- Lower taxes; better understanding of agriculture by local officials so that they can make realistic and meaningful decisions
- Reduce taxes in general.. Get rid of the State income tax. States like Tenn. where there is no State income tax are more attractive for business and consumers to live and operate.
- Decrease government spending and get out of the way
- Keep local property taxes stable or declining

Marketing, Programs, & Public Events Responses- 5 (9%) (*Up from 6% in October 2012*)

- The City of Middletown does a terrific job with the recruitment of new business to the area and encouraging economic development. Developing the workforce is important as well. This must continue!
- Promote the current available public transportation and work toward getting public transportation to the airports from Middletown.
- Keep supporting large events that pull people into town
- Get personnel help- have a real conversation that connects local businesses that serve products from out of the area and could be convinced to serve local products that are higher in quality from inside the Middletown hub.
- Be more proactive - be more visible - Marie Kalita Leary is missed. Need someone downtown who is known, mature and can create a buzz

Grants & Financing Responses- 2 (4%) (*Down at 9% in October 2012*)

- Give grants to open up stores without having your own money
- Create tax incentives for business to want to be in CT..

Parking & Public Infrastructure Responses- 12 (22%) (*Up from 19% in October 2012*)

- Do not raise parking costs.
- Also, cigarette butts litter Main Street. Can they be cleaned up?
- The state and towns need to release more public work.
- Help fix parking
- Dial back on the parking meters - there's not an unmetered space within 1 mile of main st. It's ridiculous.
- It would be helpful for the public to be well informed about the importance and costs associated with maintaining infrastructure, like water and sewer systems. We take them for granted, but they are essential to our daily lives. Certainly, businesses need sustainable infrastructure to work. and We need people to understand that in order to continue to work ourselves.
- Create more projects
- We need to relax on the meters until there is a better parking solution in Middletown. Like fix and expand the garage behind the court.
- Keep improving the downtown; make people feel safe when they are here; don't overdo it with parking fees; and create new parking, especially if you want to encourage downtown landlords and want people to live in the center district. Parking rules should accommodate downtown residents who do not always have offstreet parking available to them.
- Parking remains an issue; many of our clients still complain regarding the difficulty of use of the automated systems in the garages. Increasing parking fees is also a deterrent.
- Support downtown and don't Increase parking costs and don't take parking revenue away from downtown
- promote Middletown as a great place to live and work

Other Policies Responses- 14 (25%) (Down from 47% in October 2012)

- I think many businesses are often entrenched in doing their craft - their true passion for why they got into business, whether it be commodities like clothing, food, or gifts, or services like accounting, legal, or marketing.
- Eliminate red tape, useless rules and regulations
- Local is not the problem. It is Hartford that is causing a decline in the business environment. Jobs are the driver of the economy State government is not helping
- nothing
- Keep the governor from imposing costly mandates on business
- Middletown does a good job of streamlining the building permit process. All directors are easy to communicate with.
- Local government needs to have better planning and also take the time to hear from the business community. Many times decisions are made that may be good for the city, but greatly impact the business community in a negative way, especially the downtown business community.
- Nothing ... {Government is] useless
- Convince State & Federal Government to make positive business decisions
- Support growth thru expediting permitting.
- Please get rid of the traffic lights on Route 9! People avoid traveling to Middletown when the traffic is backed up to the Cromwell exit (which happens all the time).
- Get more department stores back in town, to drive consumers interest in Middletown for reasons other than a nice place to have dinner?
- Buy Aetna property develop it into a new industrial area small parcels easy to purchase it will generate a new tax area needed for Middletown all the facilities are there easy to develop if you build it they will come.!
- Support the economy

## 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.