

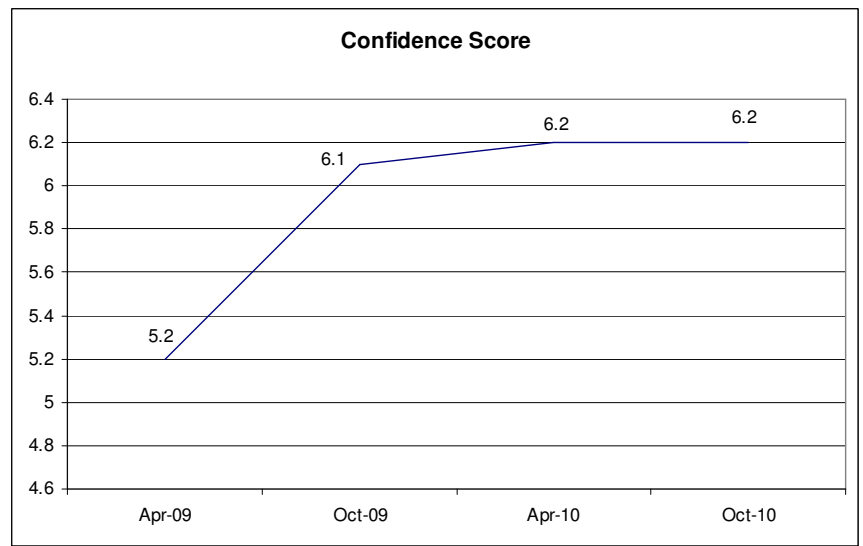
October 2010 Middletown Business Climate Survey Responses

FINAL RESULTS

October 2010 Score: **6.2**

April 2010 Score: **6.2**

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



Number of emails sent: 692

Number of replies: 76

Response rate: 11%

Survey Summary

This is the fourth survey of confidence within the Middletown business community and the confidence rating on a 10 point scale remained unchanged. The rating has increased or remained flat since the April 2009.

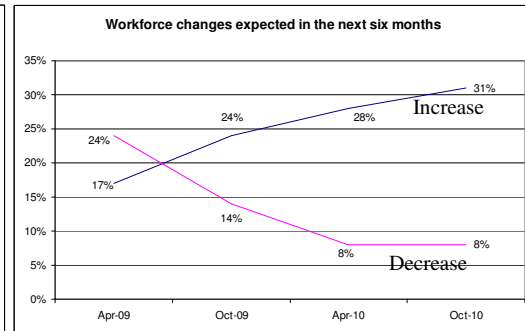
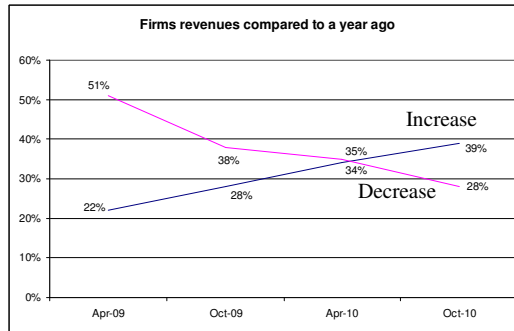
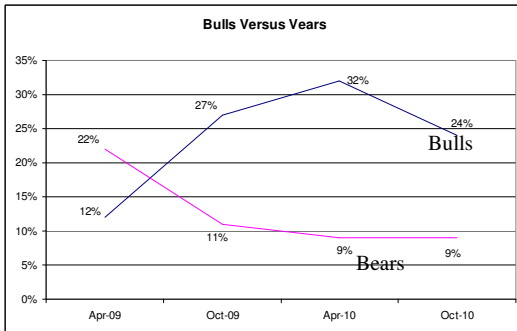
Those that rate Middletown's business environment an 8 or higher (Bulls) out number those that rate Middletown a 3 or less (Bears) by more than two to one.

The number of firms seeing increased revenues is up to 39% and those experience decreased revenues dropped to 28%. In April 2009, 51 percent of businesses were seeing decreased revenues.

The number of business layoff workers has remained flat at 8%, while business that are hiring increase to 31%.

Business increased internet advertising, staff training, offering coupons, however investing in inventories has decreased.

18% of businesses feel that the general economic sentiment is still seen as the biggest obstacle to business succeeding, however, this is down from 33%. Issues that tend to indicate willingness to invest all increased, such as availability of commercial space, ability to attract talented workers, concerns over regulations and taxes.



Respondent Distribution

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

	Score	Oct'10		Apr '10		Oct'09		Quintiles	Oct'10	Apr'10	Oct'09
		#	%	#	%	#	%		%	%	%
Excellent Bus. Climate	10	1	1%	1	1%	1	1%	Top Quin.	9%	5%	5%
	9	6	8%	4	4%	3	4%	Upper Middle Quin.	37%	43%	38%
	8	11	14%	26	27%	16	22%	Middle Quin.	37%	33%	38%
	7	17	22%	12	16%	12	16%	Lower Middle Quin.	14%	15%	16%
	6	14	18%	18	19%	18	24%	Bottom Quin.	3%	4%	3%
	5	14	18%	10	15%	10	14%				
	4	6	8%	6	9%	6	8%	Bulls vs. Bears			
	3	5	7%	6	5%	6	8%	Bulls (8 thru 10)	24%	32%	27%
	2	2	3%	4	4%	2	3%	(4 thru 7)	67%	58%	62%
Poor Bus. Climate	1	0	0%	0	0%	0	0%	Bears (1 thru 3)	9%	9%	11%

Revenue compared to last year

	October 2010		April 2010		October 2009	
	#	%	#	%	#	%
Revenues are increasing	29	39%	33	34%	21	28%
Revenues are remaining the same	25	33%	30	31%	25	34%
Revenues are decreasing	21	28%	34	35%	28	38%

Workforce in the next six months

	October 2010		April 2010		October 2009	
	#	%	#	%	#	%
Workforce increasing	23	31%	27	28%	18	24%
Workforce remaining the same	46	61%	61	64%	46	62%
Workforce decreasing	6	8%	8	8%	10	14%

Local Business Reactions to current Business Climate

	October 2010		April 2010		October 2009	
	#	%	#	%	#	%
Making changes of some sort	52	75%	76	78%	60	81%
Nothing at the present time	19	25%	21	22%	14	19%

Actions Currently Being Taken By Local Businesses

	October 2010		April 2010		October 2009	
	#	%	#	%	#	%
Increasing internet advertising	24	32%	27	28%	29	39%
Increasing staff training	22	29%	19	20%	18	24%
Reducing prices	10	13%	17	18%	7	9%
Reducing inventories	10	13%	9	9%	9	12%
Offering coupons	9	12%	10	10%	4	5%
Increasing newspaper advertising	9	12%	13	14%	7	9%
Reducing advertising	7	9%	11	11%	11	15%
Reducing salaries	6	8%	10	10%	5	7%
Increasing Inventories	5	7%	12	13%	0	0%
Other	13	17%	22	23%	20	27%

Other actions:

- Raising Prices
- Retirement as of 3/15.
- Purchasing equipment, increasing salaries
- Merging with out-of-state colleagues
- As a non profit agency, we are holding more fund raisers

- Increasing radio advertising
- New web site presence
- Working harder
- Capital improvements to the facility
- Increasing outside advisory assistance for growth needs
- Networking with other businesses
- Improving customer service as much as possible
- Not filling positions or reducing hours worked

Biggest Factor Preventing Revenue Growth

General Market Conditions Responses- 14 (18%) (Down from 33% in April 2010)

- Economy and cutbacks.
- Economic Climate
- Poor overall economy
- Economy in general
- Negative sentiment
- I think the general economy has reduced cash flows which, if greater, could be used for marketing and advertising.
- Cut-throat pricing - people nickel and diming for the cheapest price
- General uncertainty about the economy
- Problems are national in scope, not local
- In general, our customers are concerned that the recession is not really over, and that a recovery will continue to be slow. Therefore, they are cautious on making large scale purchases
- current economy
- CONSUMER CONFIDENCE... CONSUMER ability to spend money.
- Slow markets and un- and under-employed potential customers reluctant to spend
- Lack of disposable income in the general population.
- Economy
- The economy.
- people's lack of confidence in our economy
- Economy
- Overall economy
- The State of the economy. We need customers that are willing to spend.
- Client's inability to pay invoices.
- The economy...and everything that covers - lending, reduced credit, job losses, etc
- The general trend of fear and uncertainty with jobs, salaries, and stability of the economy in general.
- ECONOMIC FEAR

Financing Responses- 7 (10%) (Down from 12% in April 2010)

- Obtaining bank financing
- Credit
- Funding
- Credit lines and cash flow
- Credit markets
- We find lack of money from foundations puts limitations on us and reduced money from the state when we have already reduced funds as far as they can go.
- Access to lending

Available Commercial Space Responses- 2 (3%) (Up from 2% in April 2010)

- Finding reasonable rent space. Right now I am home based.
- Space and economic climate.

Regulations and Taxes Responses- 5 (7%) (Up from 6% in April 2010)

- Unknown re: health care, taxes and consumer confidence in the economy
- Taxes
- Cost of doing business, such as Taxes and water/sewer.
- Cost of doing business overhead (taxes, insurance, health insurance) & finding qualified skilled employees
- Excessive regulation

Parking and Public Infrastructure Responses- 6 (9%) (Up from 3% in April 2009)

- Lack of adequate parking
- Parking
- Ample parking..
- Parking issues that have never been resolved
- Not enough Parking & all of the Construction on Main St. is a big inconvenience.
- Traffic flow

Finding Employees and employee costs Responses- 5 (7%) (Up from 3% in April 2010)

- Acquisition of local talent
- Good news is that we are busy beyond time to bring on new staff.
- Cost of doing business overhead (taxes, insurance, health insurance) & finding qualified skilled employees
- lack of funds to pay personnel
- Lack of good technical people in DL ranks. Fit of engineering skills that meet today's demands for quick response.

Other Responses- 14 (20%) (Up from 9% in April 2010)

- Government clients not committing funds to projects they have contracted for
- OBAMA ECONOMICS
- Changes in real estate and mortgage markets
- Not enough time to run it and competition
- Pricing/new business clients
- Cost of doing business in CT
- Obtaining new customers.
- Contractor market
- New Business
- Complex cultural factors that encourage frivolous, wasteful spending and debt.
- External pressures outside of local government control
- Reaching the Micro business community
- Middletown schools
- Should be the economy, but we are not feeling the pinch.
- Demographic- aging population-illness and lack of \$ (can not work during treatment) Traveling boomers- in state 6 months

Local Government Actions To Help Improve Business Climate

Public Service, Budget & Taxes Responses- 18 (26%) (Up from 16% in April 2010)

- Decrease taxes and spending!

- Reduce taxes
- Reduce property taxes
- 1. Reduce corporate taxes. 2. Eliminate the Business Entity Tax of \$250/year.
- Lower property taxes
- Lower property taxes for manufacturing equipment
- Try to keep a handle on property taxes. While it is understood that services etc have costs, any tax savings that a business can realize can result in more improvements, more potential to hire employees, and increase purchases.
- REDUCE TAXES
- Improve economy and less cutbacks, better allocating of funds.
- SUNSET the conveyance tax fees for real estate transactions.
- Not continue to increase taxes and fees. try to keep businesses in the area
- Give us a break in PROPERTY TAX
- Reduce taxes & costs; reimburse 100% of training required to hire non-skilled labor & provide them skills needed
- Keep our city CLEANER
- Lower taxes
- Don't raise taxes. Attract new businesses, but not to the detriment of current companies in Middletown. Have incentives to attract but "don't give away the store" based on prayer and a promise.
- Lower taxes
- Keep taxes at bare minimum. Support local business, stop buying your supplies from out of town companies when your local ones are just as competitive but aren't in the circle (buddy system). I don't think you would like it if I registered my trucks in another town?

Marketing, Programs, & Public Events Responses- 12 (17%) (Up from 14% in April 2010)

- Establish a quarterly business roundtable panel.
- Encourage everyone to buy local - like the Norwich chamber does
- Emphasize the positive
- Put positive articles on the front page of the local Middletown Press, instead of all the negative articles.
- Promote the benefits of Middletown being a great place to live and work!
- Insist on keeping POSITIVE news stories front and center.
- Work with Main Street nonprofit arts organizations to increase positive pedestrian/visitor flow 4
- Control taxes through control on public salaries and benefits.
- Continue to make Middletown an attractive and cost effective place to do business.
- Ask the Chamber to support more micro business programs.
- Improve the City's image, especially with regard to the increasingly partisan and acrimonious politics. Residents are tired of it and outsiders are, I believe, less inclined to do business here
- Keep doing what you're doing. Middletown does a great job of promoting business. The Chamber is instrumental in creating this climate.

Grants & Financing Responses- 5 (7%) (Up from 4% in April 2010)

- Grants for non-profit businesses.
- Increase the Tourism and increase the entertainment/events
- Have banks increase lending
- Increase available financing
- I feel that commerce in Middletown is growing due to a vibrant Main Street. As a non profit agency our biggest challenge is securing funds to support our services.

Parking & Public Infrastructure Responses- 13 (17%) (Up from 9% in April 2010)

- Do anything to relieve parking and tickets.
- Increase parking for customers and employees
- Parking! The municipal lots downtown are being worked on, I know, but in the meantime my clients can't find any parking! I hope the project will improve the parking situation overall.
- Get public works projects finished faster.
- Increase time on meters on main street to 3 hours so that guests can enjoy more than one business before they need to chase down the meters.. 2 hours is not enough time to take in lunch, maybe an ice cream, and a quick stop in to shop in the main street market before you need to run back to your car to feed the meters.
- Create a parking lot for businesses and staff to park and shuttle to Main Street allowing the limited parking to customers. This is the biggest issue the town can address from my view point.
- Change some of the ordinances. Since this survey is coming from a hotel on main street we have lost business due to city workers starting road work etc at 7am right in front of the hotel. In the past that might have been ok before a hotel was built but now there should be a change to protect the business.
- .PARKING (as you are addressing, thank you)
- Improved/additional parking. Push state and DOT to eliminate traffic lights from Rt 9, and make easier, more convenient on/off to downtown!!
- It is small but paying for parking in fear of a ticket and finding a parking spot influences me when I want to shop on Main Street.
- The road/sidewalk seems to be going on far too long. Disruptions/dust/. Not friendly for vehicular. in and out. Wish the work could be done 6/9 pm till 6am. Or just stating at NIGHT, this is input from our customers.....repeatedly
- Enhance the aesthetic appeal of the downtown area, improve air quality and reduce noise pollution, by reducing unnecessary idling of vehicles, improving safety for pedestrians and cyclists, and reverse the trend to further isolate Main St. from the CT River.
- It is far bigger than Middletown. But, finishing the improvements in parking, continuing to police problem areas in town, and encouraging retail businesses to come downtown versus only restaurants would be a great help to everyone.

Other Policies Responses- 17 (23%) (Down from 24% in April 2010)

- Allow local businesses to quote on products that the city purchases. I have been in business here for three-and-one-half years and have not had the opportunity to provide the city with a quote on merchandise that they are buying elsewhere.
- Provide a more cooperative image to the public. The episodic, public battles with the Board of Ed, Mayor and Police are a black eye for this city. We need a more positive, can-do attitude/image. All the petty political bickering is very negative.
- Stop the 100+ increase to inland/wetlands in residential building.
- No suggestions
- Lead a culture shift - our country only appreciates cheapness, rather than value and particularly community values
- The current situation is national/state. Little that the local government can do other than support rational public policies.
- Acquisition of local talent
- Stay out of business's way
- Maybe work with local landlords on Main Street. A lot of empty spaces. Maybe break up into smaller vignettes. I think that would help some of us entrepreneurs.
- I think that as with the general attitude about government everywhere there is very little cooperative spirit. Easy to see not so easy to change.
- I don't know.
- Stop penalizing businesses for slow times
- Mayor is very supportive

- Help impeach Obama, unseat Harry Reid, dethrone Queen Pelosi. Elect Linda, bury Blumenthal... You catch my drift...
- Continue to the great job you are doing with the chamber
- Bring diversity of culture restaurants in downtown area
- It is far bigger than Middletown. But, finishing the improvements in parking, continuing to police problem areas in town, and encouraging retail businesses to come downtown versus only restaurants would be a great help to everyone.
- Ensure availability of affordable business rental space, without parking meter aggravation
- work closely with the different businesses--have a Brainstorming session with businesses and the execs of the area---get a good strategy for more business.....
- Stop wasting my tax dollars trying to grow a marketplace that was not born 30 years ago. Do what business is doing- survive the demographic drop-off of volume for GenX, hone down administrative jobs which compete with business hiring and only succeeds in rewarding the Xers underperformance with great pay and benefits as business competes for limited labor population. The peak of the Echo boomers will graduate college over the next 3 years. ...Give On-site landlords(live or have business in building) incentives to fix the slums with high-end apartments(Flat-tax Fire tax -the central district is the highest therefore the most in need of repair) Additionally the Federal Alternative Minimum tax has lead to the decline of Commercial Real Estate because the "expenses" get added into the income equation (no longer deduction)- so instead of putting the \$ into improvements- the investor holds tax to just town increases, keep it empty(no income but also decreases the use of town business'). Middletown should offer onsite landlords incentives to not sell in the next high market and the state government may wake up to their capital gains greed(the money can be re-invested in CT instead of investors exodus)Middletown should offer onsite landlords lots of perks to not sell in the next "high" market... Middletown should be modeling West Hartford and Farmington- schools should be consolidated and private schools funding increased- "free" busing is a ridiculous appeasement to keep families in town attending private schools here. The private schools in this town increase access to Middletown business and so does Wesleyan University, Middlesex Community College including Mile . Middletown needs a senior center which offers a social network- dances, uses by other organizations and locate it at the Community college where bus access and parking available- Waterbury UCon campus has OLLI on Fridays. Colleges and Universities will offer as many classes to the Boomer seniors as they do to Echo Boomer 18 year olds. Middletown needs a transit bus and train system to connect to shoreline, Metro North and directly to Hartford. Middletown and Portland need bridge connection improved to a set of parallel bridges which can "feed" both of our Main Street access. The promenade idea that was proposed was an excellent example of offering a unique attachment to our waterfront with additional facility below to attract all age groups--think Disney marketing concept--not just for kids..think McDonalds- entertain the driver of family while they wait for their passengers activity.

Action Undertaken as a result of October 2010 Confidence Survey

1) Grant Programs

- a. Middletown Business Training and Hiring 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. The program has \$75,000 for 2010, and the five year plan for CDBG funds, envision \$75,000 available each year.
- b. 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.
- c. 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 will be 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. Main Street Paving- Main Street as most people are aware is in the process of being repaved. What many people may not be aware of is that the crosswalks will be receiving an upgrade. The crosswalks will receive a stamped treatment to make them look like brick pavers similar to what exists on the sidewalks near the curb.
- c. Mellili Lot Paving Lot Improvements- The Mellili Lot and the old employment parking lot are in the process of being merged in to one large parking lot to better utilize supply, upgrade infrastructure, such as pay kiosks, and provide more landscaping and security.
- d. 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.
- e. 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.
- f. 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.

- g. 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 is looking to begin 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 has been actively determining its options and opportunities as a result of the relocation of most operations to Hartford and the demolition of the building.
- 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. Remington Rand is a 184,000 square foot facility with 15 businesses that employ 65 people.