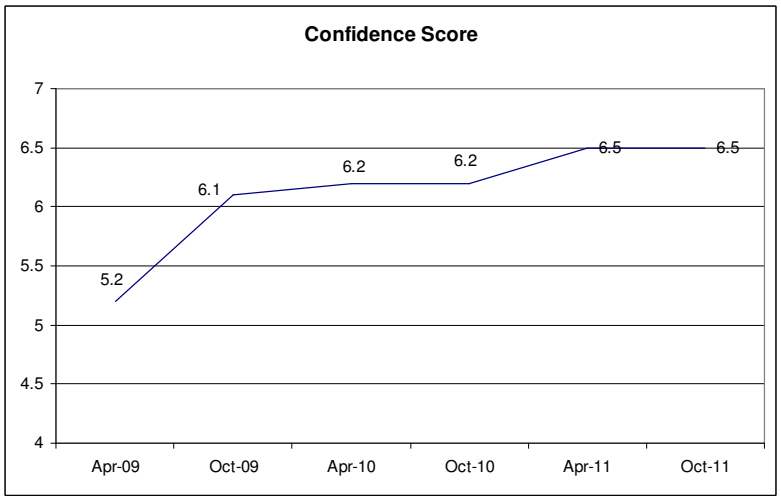
October 2011
Middletown Business Climate Survey Responses

FINAL RESULTS

October 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: 65 Response rate: 9%

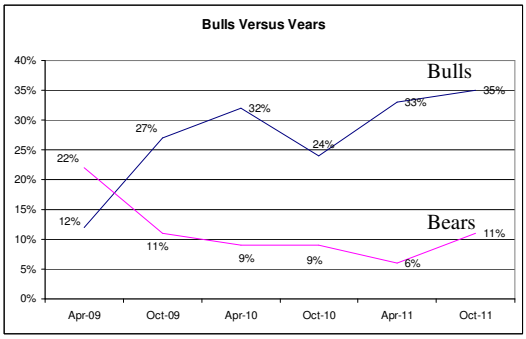
Survey Summary

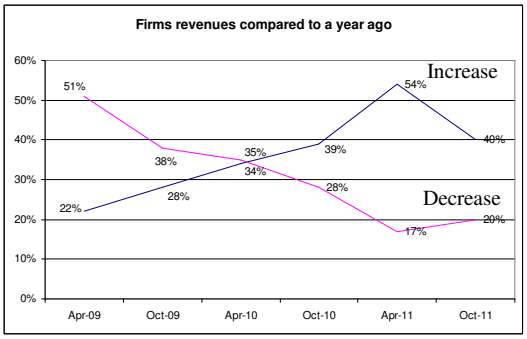
Business confidence score has held steady since the last survey in April 2011. October 2011 score is 6.5 out of a scale of 10. A perfect 10 would mean all businesses in Middletown believe the economic climate to be excellent. A score of 6.5 means that most businesses find the economic climate to be fair to good in Middletown.

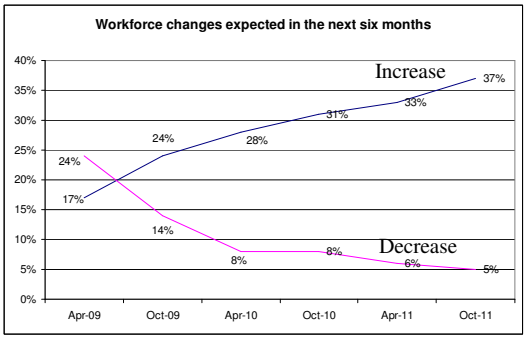
Respondents that reported a business confidence score of 8 or greater increased since April to 35% from 33%. However, respondents that reported a business confidence of 3 or less also increased from 6% to 11%.

Revenues for 40% of businesses are increase compared to 20% that are decreasing. This is weaker that in April 2011. On bright spot looking forward is that businesses 37% of business expect to hire in the next 6 months, up 4% from April 2011. The number of businesses expecting to layoff works has also reached a new low of 5%.

The top action businesses are taking to improve the bottom line is to invest staff training to increase productivity. Increasing internet advertising, offering coupons and reducing prices are the next three top actions being taking by Middletown businesses.







Respondent Distribution

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

		Oct' 11		Apr'11		Oct '10	
	Score	#	%	#	%	#	%
Excellent Bus. Climate	10	4	6%	2	3%	1	1%
	9	6	9%	4	6%	6	8%
	8	13	20%	15	23%	11	14%
	7	13	20%	17	27%	17	22%
	6	11	17%	7	11%	14	18%
	5	8	12%	8	13%	14	18%
	4	3	5%	7	11%	6	8%
	3	5	8%	3	5%	5	7%
	2	1	2%	0	0%	2	3%
Poor Bus. Climate	1	1	2%	1	2%	0	0%

Quintiles	Oct'11 %	Apr'11 %	Oct'10 %
Top Quin.	15%	9%	9%
Upper Middle Quin.	40%	50%	37%
Middle Quin.	29%	23%	37%
Lower Middle Quin.	12%	16%	14%
Bottom Quin.	3%	2%	3%

Bulls vs. Bears	Oct'11 %	Apr'11 %	Oct'10 %
Bulls (8 thru 10)	35%	33%	24%
(4 thru 7)	54%	61%	67%
Bears (1 thru 3)	11%	6%	9%

Revenue compared to last year

	October 2011		April 2011		October 2010	
	#	%	#	%	#	%
Revenues are increasing	26	40%	34	54%	29	39%
Revenues are remaining the same	26	40%	18	29%	25	33%
Revenues are decreasing	13	20%	11	18%	21	28%

Workforce in the next six months

	October 2011		April 2011		October 2010	
	#	%	#	%	#	%
Workforce increasing	24	37%	21	33%	23	31%
Workforce remaining the same	38	58%	39	61%	46	61%
Workforce decreasing	3	5%	4	6%	6	8%

Local Business Reactions to current Business Climate

	October 2011		April 2011		October 2010	
	#	%	#	%	#	%
Making changes of some sort	52	80%	54	84%	52	75%
Nothing at the present time	13	20%	10	16%	19	25%

Actions Currently Being Taken By Local Businesses

	October 2011		April 2011		October 2010	
	#	%	#	%	#	%
Increasing staff training	22	34%	13	21%	22	29%
Increasing internet advertising	17	26%	28	44%	24	32%
Offering coupons	9	14%	7	11%	9	12%
Reducing prices	8	12%	8	13%	10	13%
Reducing inventories	6	9%	3	5%	10	13%
Increasing Inventories	5	8%	5	8%	5	7%
Increasing newspaper advertising	4	6%	7	11%	9	12%
Reducing salaries	4	6%	5	8%	6	8%
Reducing advertising	4	6%	3	5%	7	9%
Other	13	20%	9	14%	13	17%

Other actions:

- Working longer hours
- Mortgage rates at a GREAT all time low!
- Salary freeze
- Upgrading/replacing equipment
- Increasing use of internet with clients
- Increase direct mail marketing
- Cutting paper and postage costs
- Trying to survive with zero help from the city. planning and zoning negatively helping the business climate.
- Repairing Equipment
- Reducing staff
- Varying prices more specifically to events
- Expanding our range of products
- Encouraging both repeat traffic and encourage customer loyalty
- Marketing other than print

Biggest Factor Preventing Revenue Growth

General Market Conditions Responses- 22 (34%) *(Down from 24% in April 2011)*

- Overall economy in Ct. is producing fewer new/growing companies
- The economic status
- Buyer confidence
- Clients are fearful of job loss or have loss their job
- Industry decline
- Decreasing discretionary income
- I think it's the general economy. We are going to continue a low profile until things start to change.
- Client available funds
- The economy dictates the business.
- Overall lack of confidence in the recovery
- Lack of confidence and uncertainty within the business community.
- Economic environment
- consumer confidence
- Economy
- Down turn in the economy.
- Our business is growing steadily. The economic situation isn't making it easy, but we are moving forward and growing.
- Our business is growing by expanding our market concentration and changing our marketing strategy.
- economic conditions
- Lack of support from most local businesses, though this could partly be due to a reduction in their spending on customer/client acquisition or retention gifts.
- The current economic climate. People are extremely uncertain of the future. Lack of employment.
- Economic uncertainty that impacts decision-making in real estate and commercial financing transactions
- People not spending at all or cutting back on expenses due to the economy.

Financing Responses- 8 (12%) *(Up from 8% in April 2011)*

- Capital
- Money is tied up. Nothing is moving.
- The state partially funds our programs and funds are not available for growth.
- Finances to hire people
- My biggest factor is finance, money
- Shrinking reimbursement for our services;
- Finances
- Being in Health Care it is referrals from State agencies, poor reimbursement rate.

Available Commercial Space Responses- 4 (6%) *(Up from 2% in April 2011)*

- Lack of appropriate facility
- Lack of space
- The income is not increasing enough for the company.
- Affordable business space rentals in downtown or easily accessible area

Regulations and Taxes Responses- 6 (9%) *(Down from 10% in April 2011)*

- Property Taxes impact capital equipment acquisition.
- Property Taxes, excessive gas & fuel taxes, cost of CT energy, mandates,
- The cost of doing business in CT

- Cost of doing business in CT
- New state tax on our industry\
- The associated costs with growing the company such as: state/federal fees, insurance, etc.

Parking and Public Infrastructure Responses- 4 (6%) (*Down from 10% in April 2011)*

- The parking in Middletown in a huge deterrent. It is too expensive, too punitive, and the new technology often falters making people reluctant to come into town. The technology is like "cutting butter with a chain saw."
- Expensive, inconvenient parking
- New parking fees in effect I believe chased away customers.
- Lack of parking on lower Main Street area because of hospital and hotel.

Finding Employees and employee costs Responses- 2 (3%) *(Down from 6% in April 2011)*

- Finding qualified candidates to fill our open positions
- Right personnel

Other Responses- 14 (21%) *(Down from 28% in April 2011)*

- N/A - we have experienced a significant growth in our services during 2011
- Getting the right people in the door
- Not looking to grow...need to maintain
- Our location.
- We are growing
- Planning and zoning commission lack of looking toward the future.
- Out doing the competition
- Equipment
- Main St. is dirty, full of loiterers, panhandlers. Nice people don't want to expose themselves (or their kids)to it. Does not feel safe to them.
- Work from local large business.
- Weather
- Hard to say - loiterers in front of our building? Visibility to street? Abundance of choices for patrons? Fear of economical state?
- Not taking advantage of the many opportunities
- Lack of customers downtown; lack of retail downtown; lack of excitement downtown during the day; rent's too high

Local Government Actions To Help Improve Business Climate

Public Service, Budget & Taxes Responses- 9 (14%) *(Down from 30% in April 2011)*

- Lower taxes
- Reduce taxes, offer low interest loans to new/expanding businesses
- Continue to work to keep local taxes and regulations as pro business as possible. Foster a safe and positive city environment. Continue to work at improving basic education and support trade education for businesses!
- Lower property taxes on production equipment.
- Reduce the costs of doing business and instead offer financial incentives to small business for growth. The business property tax is something which hurts every small business.
- Delete property tax on new equipment and machinery
- Local government must offer tax incentives to local businesses to help lower tax burdens thus freeing up needed capital to expand or improve their business.
- Continue to support growth, attract other businesses to keep Main Street full, and keep taxes low.

- Reduce downtown taxes so landlords can reduce rents.

Marketing, Programs, & Public Events Responses-6 (9%) *(Up from 3% in April 2011)*

- Positive press on the front page of Middletown Press....and the Middletown Patch
- Assisting in awareness of our business to general public
- Promote Middletown
- Advertise business in a magazine designed to show forth the business in Middletown to its residence, as well as visitors.
- Encourage sidewalk entertainers
- A "show your parking card" and get $1 toward any purchase program would both encourage people to park off street and give people an incentive to shop. The dollar it cost the city could be offset by the increase in parking revenue as the car stays put longer or by a starter grant. If after a trial period the program proved popular but revenue was negative chances are local businesses would by then know the program was worth underwriting.

Grants & Financing Responses- 7 (11%) *(Same at 11% in April 2011)*

- Reduce taxes, offer low interest loans to new/expanding businesses
- Give more grants to small businesses
- Help with grants
- Work with the banks to increase small business lending
- Grants
- Offer low interest loans for business to consolidate and expand.
- Be fair and equitable to all businesses when it comes to funding

Parking & Public Infrastructure Responses- 14 (21%) *(Up from 16% in April 2011)*

- Make parking easier, cheaper, free as much as possible.
- Improve traffic flow through city
- Make sure to allot money for infrastructure maintenance projects
- Get people to walk down the walkway where we and Coldstone are located. Put out benches, etc.
- Make Main Street a pedestrian/bicycling zone and connect it to the river.
- Free Saturday and Sunday parking.
- Improve pedestrian circulation and access. Provide more public parking
- Move forward with the Arcade Parking plan.
- CLEAN the downtown better!
- Free municipal lot parking all day on Saturday, not just in the evening for restaurant traffic
- Provide public restrooms
- Make sure sidewalk tables don't intrude more than one row into sidewalk
- Encourage safer bike riding - how about a marked or dedicated bike lane on sidewalk?
- It would help to have free parking on Saturdays.

Other Policies Responses- 20 (31%) *(Down from 37% in April 2011)*

- I really don't know!
- Not much!!
- I feel that this government is focused on the business climate and is constantly exploring ways to improve it.
- Stop suing itself and get on with doing what's best for the people. Steady, prudent actions will breed consumer confidence.
- Follow through on the promise of jobs
- Buy from our suppliers in town. Help create a better retail environment that doesn't include restaurants only.
- Don't regulate more. Support privatization.

- Continue to pursue sound economic policy to entice existing businesses and startups to Middletown.
- Improve their attitude with regard to future zone change applications. Think positively to bring more people to the south farms area.
- Provide safe, friendly atmosphere.
- Partner with & invest in the vocational high schools and community college to invest in manufacturing training via technology, marketing, scholarships, growth, etc.
- Reduce the constant increase in new regulations.
- Continue efforts to make Middletown the place for businesses to be...when we bring more businesses into the community, all businesses do better.
- No suggestions
- Get the drunks and loiterers off Main St.! Re-think parking charges, you want people to come in to town to spend their hard earned money? then fine them for parking?? bizarre...
- Provide training and education for laid off people so they can be trained upon hire
- The fastest and simplest thing it could do is let people who come to the courthouse know that there is a walkway and that it leads to Main Street and all sorts of great things. If we can net one out of ten people everyone prospers. There ought to be an inviting, clean entrance to the staircase and there should be a nice street map showing all the businesses within walking distance. Using the DBD map would be a good start, surrounded by photographs.
- Continue to maintain the positive and encouraging attitude that we always find when we deal with city agencies.
- Middletown government is very responsive and helpful
- Get and stay on the track that emphasizes Middletown's strengths and keep us out of the paper with the political issues that would cause others to see Middletown as being run by partisan groups that can't cooperate. We want to be proud of how our City functions, and that is not the case right now.