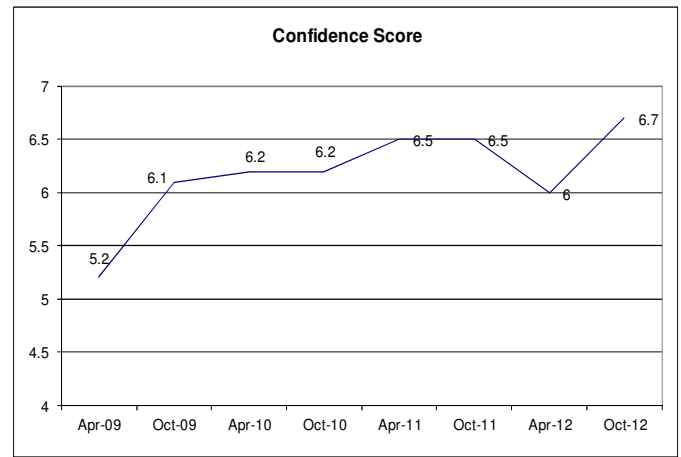


October 2012 Middletown Business Climate Survey Responses

FINAL RESULTS

October 2012 Score: **6.7**

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



Number of emails sent: 750

Number of replies: 68

Response rate: 9.1%

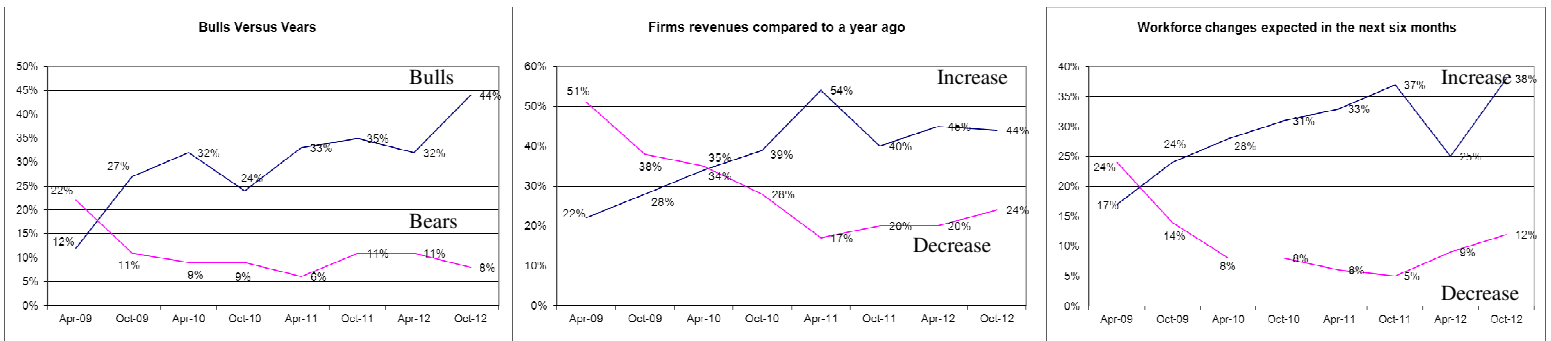
Survey Summary

Business confidence score has reached a new high since April 2009. The October confidence score stands at 6.7 and the number of business that are “bullish” about Middletown has also reached a new high at 44%. A perfect 10 would mean all businesses in Middletown believe the economic climate to be excellent. A score of 6.7 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 increased from to 32% six months ago to 44%. Respondents that reported a business confidence of 3 or less decreased from 11% to 8%.

Firms reporting higher revenues and expecting to increase number of employees posted a positive response of 44% and 38% respectively. However, the more firms are reporting decreased revenues and expect to decrease their workforces in the next months.

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	Oct' 12		Apr' 12		Oct '11		Bulls vs. Bears	Oct' 12	Apr' 12	Oct' 11	
	#	%	#	%	#	%		%	%	%	
Excellent Bus. Climate	10	2	3%	0	0%	4	6%	Bulls (8 thru 10)	44%	32%	35%
	9	7	11%	3	5%	6	9%				
	8	20	30%	15	27%	13	20%				
	7	10	15%	7	13%	13	20%				
	6	10	15%	8	14%	11	17%				
	5	10	15%	11	20%	8	12%	(4 thru 7)	48%	57%	54%
	4	2	3%	6	11%	3	5%	Bears (1 thru 3)	8%	11%	11%
	3	2	3%	4	7%	5	8%				
	2	2	3%	1	2%	1	2%				
Poor Bus. Climate	1	1	2%	1	2%	1	2%				

Revenue compared to last year

	October 2012		April 2012		October 2011	
	#	%	#	%	#	%
Revenues are increasing	29	44%	25	45%	26	40%
Revenues are remaining the same	21	32%	19	35%	26	40%
Revenues are decreasing	16	24%	11	20%	13	20%

Workforce in the next six months

	October 2012		April 2012		October 2011	
	#	%	#	%	#	%
Workforce increasing	25	38%	14	25%	24	37%
Workforce remaining the same	33	50%	36	65%	38	58%
Workforce decreasing	8	12%	5	9%	3	5%

Local Business Reactions to current Business Climate

	October 2012		April 2012		October 2011	
	#	%	#	%	#	%
Making changes of some sort	49	80%	44	79%	52	80%
Nothing at the present time	13	20%	12	21%	13	20%

Actions Currently Being Taken By Local Businesses

	October 2012		April 2012		October 2011	
	#	%	#	%	#	%
Increasing internet advertising	29	44%	18	32%	17	26%
Increasing staff training	18	27%	12	21%	22	34%
Increasing newspaper advertising	13	20%	4	7%	4	6%
Offering coupons	11	17%	13	23%	9	14%
Reducing prices	7	11%	5	9%	8	12%
Reducing inventories	6	10%	4	7%	6	9%
Increasing Inventories	5	8%	6	11%	5	8%
Reducing advertising	4	6%	4	7%	4	6%
Reducing salaries	3	5%	4	7%	4	6%
Other	10	15%	11	20%	13	20%

Other actions:

Looking to move out of state

Creating event based promotions

Radio ads

Membership Drive

Increasing advertising with local events/places

Looking for cost cutting measures and holding salaries at present levels

Expanding services

Ramping up for new contract

Reduced hours

Biggest Factor Preventing Revenue Growth

General Market Conditions Responses- 18 (28%) *(Down from 29% in April 2012)*

- Economy must turn around!!!!
- The Economy
- Uncertain economy resulting in stagnant business growth
- Customers are not spending as much money as they have less discretionary income.
- Clientele having enough money to spend on our services.
- Uncertainty in the economy d/t the election and the State budget process.
- The overall economy has not come back overall and the lack of any large corporations in the area IE Aetna
- The economy has hurt but we have compensated and are growing
- Market forces in Commercial real estate. Commercial rates have not increased in 15 years despite increased expense pressure
- People having expendable income to spend
- Sluggish economy
- Poor economy. Less disposable income.
- A Slow economy
- The economy, corporations are not spending any money on marketing or advertising. The election, a lot of places are waiting to see what the fallout from the election will be before making plans to spend or not.
- Economy
- current economic climate
- Uncertainty coming down from the federal government.
- The "feeling" of the economy - too many people out of work and people worried of what is yet to come (i.e. could it get worse)

Financing Responses- 8 (13%) *(Down from 16% in April 2012)*

- Lending environment
- Money
- Money and time!
- We need to revenues from diverse sources.
- Need more employees to make more money need more money to add more employees typical chicken and egg scenario
- Capital
- Funding continues to be a challenge (we are a nonprofit agency)
- Capital for renovations, advertising etc,

Available Commercial Space Responses- 1 (2%) *(Same from 2% in April 2012)*

- Appropriate space

Regulations and Taxes Responses- 5 (2%) *(Down from 7% in April 2012)*

- Adjusting to the new reality of internet retail competition and rising business costs, many of which are brought by our state gov't and hidden on small businesses,...such as sales taxes on services, heating oil, etc.
- Taxes, vandalism, consumer confidence
- Taxes and fees, Insurance
- Property taxes
- The dumb democrats and there taxation and welfare mentality

Parking and Public Infrastructure Responses- 4 (6%) *(Down from 7% in April 2012)*

- Parking

- Parking too expensive and complicated.
- Parking
- Parking is the issue in Middletown i think that is why our sale is Declining! Parking is the biggest issue in Middletown, I am sure that is why the reason why our sale is Declining. Quote from most our Customer "why should we shop on Main street Middletown we have to pay to park and most of the time we get to ticket" Others issue is we are the employers have to pay a lot for parking. A small business like mine not able to effort it, sometime we do not have a sale for the day!!

Finding Employees and employee costs Responses- 5 (8%) (Down from 9% in April 2012)

- Can't find good help
- Labor skills
- Need more employees to make more money need more money to add more employees typical chicken and egg scenario
- Finding qualified workers with manufacturing experience
- The cost of doing business in CT (labor costs, unemployment tax, health insurance) and

Other Responses- 13 (20%) (Up from 18% in April 2012)

- Hard work and determination
- It is way too expensive
- I sold my company 3/15/2010
- Competition
- Pressure from state and federal gov't to reduce payments for health services
- Nothing
- Being located in Middletown.
- Need more people working in Middletown
- Lack of foot traffic
- Getting the people who live in Middletown to buy in Middletown. People come to town from other towns, Middletown residents go elsewhere.
- Advertising
- Support from local restaurants and institutions (though starting to change)
- We sell nationally and the cost of operating a business in CT makes us uncompetitive with other US suppliers.

Local Government Actions To Help Improve Business Climate

Public Service, Budget & Taxes Responses- 14 (22%) (Up from 16% in April 2012)

- Reduce business taxes to spur growth
- Keep business taxes as low as possible.
- Lower property taxes
- Lower taxes
- Decrease city workers
- Reduce taxes and regulations were possible, including reducing unemployment taxes. Locally, offering property abatements would help.
- Keep taxes and regulations to a minimum.
- Lower taxes
- Lower taxer for small business.
- Do not give tax dollars to large corporations, help all small businesses. We are what built this city
- Reduce small business expenses (taxes, fees).
- Lower taxes and costs of being in business in CT

- Sales tax is a huge issue that our federal and state government has the ability to rectify. Products automatically are more expensive in Middletown CT than in Amazon.com world as we are legally bound to collect sales tax and they are not. Local government can also continue to work toward making Middletown a destination, by creating a long term public/private waterfront plan, that encourages, multi usage of the waterfront and links it with Main St...We need to think in broader, bolder terms than we currently are.
- Garbage tax continues to increase while service has shrunk from 2 days to 1 and pre-payment of bulky pick-up is laughable Promote 3 coordinated 55+ options in Middletown= Wesleyan, Mile and Senior Center

Marketing, Programs, & Public Events Responses- 4 (6%) (Down from 11% in April 2012)

- Local government should also promote buy local campaigns, and make it a very visible priority that it buys local.
- Keep pushing for programs that help small businesses.
- Make Middletown the place where businesses, and thus consumers, want to be!
- Support local professional arts

Grants & Financing Responses- 6 (9%) (Same at 9% in April 2012)

- Seriously consider abatements concerning new entities such as The River Road Housing proposed project.
- Offer incentives for us to grow, the cost of doing business is insane in CT.
- They can give pilot money to non-profit business organizations or take a larger role in government actions such as cleaning downtown.
- Offer incentives and tax credits to companies who hire new employees - especially those currently collecting unemployment
- Help get office space in Middletown leased. Incentives for businesses to relocate here?
- More programs targeting downtown businesses, with matching grants would be helpful to get building improvements done, not just in one area of the downtown, but open to all of the district. Funds to run advertising campaigns...Statewide TV, promoting Middletown as a great place to live, shop, dine, recreate would be beneficial to all, perhaps split 50/50 with local businesses highlighted in the advertising...The city spends a lot of money and energy promoting itself to the business world....some money and energy should be spent promoting the city to the general public. Middletown is a great place to live, work, shop, and dine, we should be singing it from the rooftops to the general public, not just corporate boardrooms...while important, the everyday person is who we need to live here, shop here, dine here and increase our tax base...one by one....we need to reach them as well as the companies that offer job opportunities.

Parking & Public Infrastructure Responses- 12 (19%) (Down from 20% in April 2012)

- Parking
- Control parking costs
- Improve the parking situation.
- Parking
- Get parking meters that work.
- Keep parking available.
- Make downtown parking much cheaper; more free hours.
- Adequate downtown parking continues to be a huge problem
- Move the bus station off Main Street
- The sidewalk on Main Street should be cleaned more. My business is in the central area, on the south side of Washington Street. Cigarette butts, food pieces, broken bottles are rarely cleaned up.
- Continue to invest in downtown capital improvement projects
- Keep sidewalks/streets clean.

Other Policies Responses- 30 (47%) (Up from 30% in April 2012)

- Don't be afraid to be a customer to local businesses

- Streamline the regulations
- As I am in a service based industry, I don't think there is much Middletown can do for my business.
- Keeping Main Street viable keeps working downtown enjoyable.
- I think improving police presence on Main Street and in the north end always helps.
- Hire local businesses
- Try to regain the confidence on people about the economy getting better.
- Nothing
- Stop awarding contracts to the same businesses due to inside contacts
- Support small business growth
- Attract Middle Boomers to Middletown through Wesleyan, Hospital, Arts +Theatre, Community College, Restaurants Improve the quality of the city services to taxpayers- SHRINK THE FIRE DEPARTMENT- more equitable Fire Tax- City district needs a vote, double-payers for the same service in same district 2 buildings.
- Promote Middletown's UNLEGISLATED Parent choice of education options n our area.
- Invite stronger, perhaps a bit larger businesses into the town.
- Keep pressure on Hartford to support Nonprofit businesses. We employ over 200 at this time.
- Buy locally, but I have been saying this for years and to no effect. I have been in business here for six years without anyone from the city or its schools even coming in or calling me or returning my calls. I sell sporting goods but the city isn't even interested in having me quote on anything. Fortunately, most of the other towns in the County are my customers. Foolishly, I have been purchasing a billboard at Palmer Field from the City for several years now but that will be coming to an end.
- Less regulation and government interference
- Pressure state and federal government players to work on efairness legislation to level the playing field for brick and mortar retail.
- Keep improving technical schools for building a flexible and talented labor pool.
- I can't imagine a better place to do business than Middletown
- Use whatever clout they have to make state and federal politicians to start acting as a TEAM for the people they represent. I hold little hope for that.
- Get rid of loitering.
- Encourage retail to move on to Main Street instead of just restaurants.
- Don't charge parking evenings and weekends - this in not, nor will it ever be west Hartford or Northampton - so please don't compare Middletown to those types of places.; Thank you for asking
- Keep state government from enacting policies that hurt small business, such as mandatory sick time for small business.
- Promote thing in town open to the public that will draw traffic to Middletown
- Figure out a way to make healthcare insurance affordable for small businesses.
- Create new ways to help local vendors sell each other's products
- Attract more business to region
- Continue to be an active partner with the business community and sell Middletown as a pro-business city where business is welcome.
- Promote job openings advertise the City in any possible (positive) initiatives (events, press releases, etc.) Keep Middletown's name in everyone's mind.

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 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.