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MIDDLETOWN'S ECONOMIC PROSPECTS

A BRIEF OVERVIEW

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A Brief Overview

Prepared for the
Hill Development Corporation
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FOREWORD

This report sets forth some findings and tentative conclusions based upon a brief and limited review of the economy of Middletown, Connecticut -- past trends, current status and future prospects. It was prepared as a sort of "background paper" for Hill Development Corporation to aid in establishing a general framework for more specific studies of investment projects and development potentials.

A dozen or more top business and civic leaders in the Midstate Region were interviewed. A great deal of existing material was studied including the economic forecasts of the Connecticut Bank and Trust Company, the regional economic study prepared by the Midstate Regional Planning Agency, the June 1965 Plan of Development prepared for the City Plan Commission, the economic profiles of the Hartford National Bank and Trust Company, the report on the city's industrial potential prepared by the Urban Land Institute Panel, the several reports prepared under the Community Renewal Program, and the many basic materials made available by the Connecticut Development Commission and the Middletown Chamber of Commerce.

The contributions of these persons and agencies -- and many others who helped get this quick economic overview -- are hereby gratefully acknowledged.

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MIDDLETOWN'S ECONOMIC PROSPECTS

Middletown faces a favorable economic future. It can realize greater growth than in the past and it can have a great deal more latitude in determining the nature and direction of the growth that can take place.

It is commonplace these days to talk about local communities being "at the crossroads". Physical changes are so fast paced that indeed most communities are continually forced to make new kinds of decisions in order to adapt to or anticipate new conditions. Middletown is no exception.

Past trends are no necessary guideline to Middletown's economic future. If they were, the city's prospects would not be particularly bright. Employment trends in recent years have been about stationary, with actual declines in some sectors. Over the entire post-war period, while the economy of Connecticut has been moving sharply upward, Middletown's economy has stayed close to dead center.

There are good reasons to believe that this situation can change, however:

1. The city has a particularly strategic location with respect to the horizontal "metropolitan economy" of Connecticut;
2. Several significant new development factors are being introduced that will affect Middletown's accessibility, attractiveness and program development potentials;
3. Changes are taking place in the income and skill components of the state's population that can affect Middletown's market support -- and hence its development patterns.

Each of these elements is discussed below. In the aggregate, they could add up to a potentially new "ballgame" for Middletown's leadership.

This is not to say that Middletown is about to take off on a new economic trajectory. Despite favorable elements, there are barriers to be removed and intense competition to be met. It is to say, however, that development prospects are pretty good and it would be unrealistic to accept past trends as accurate guides to future action.

Strategic Location in Connecticut

Prospects for economic growth in the State of Connecticut are decidedly favorable. It is conservatively estimated that the state's population will increase from a current level of about 2,800,000 persons to at least 3,700,000 and perhaps 4,000,000 by 1980. Supporting this population growth will be commensurate gains in employment and income.

Connecticut's good economic prospects are neither short-term nor accidental. There is a persistent upward trend in skill requirements in the nation's economy and Connecticut boasts one of the country's most highly skilled labor forces, with educational training facilities to match. Connecticut is the midpoint in the New York-Boston corridor which is the spine of the nation's heaviest accumulation of population and industry. The economy of New England, of which Connecticut is a part, has substantially emerged from the transitional period resulting from the heavy loss of textiles and related industries. A broad base of new industries with higher paid jobs and higher value products has been established.

There is no denying the fact that there has been a relative shift in economic activities to other regions, notably the Far West, the Southwest and the Southeast. Except for the large-scale textile movement to the Southeast, however, these other regional developments have not been heavily at the expense of New England. Each of the "newer" regional

economies has been building up its own support as it expands. With the equalization of costs among regions and the heavy premium put upon skills in the labor force, the position of New England within the national economy appears to be generally stabilized.

The new network of interstate highways tying the New York-Boston corridor together puts Connecticut in a highly effective location. The state is in an excellent position to take advantage of this locational asset. It has a productive labor force, well-developed service supports, a favorable labor-management climate, a reasonable tax structure and a high level of public services. It is not without disadvantages, of course -- it has limited natural resources, is hemmed in by competition and over time will lose some of the advantages of the head start it has had in advanced technology industries. On balance, however, the prospects are for solid continued growth.

(Some local concern has been expressed about the acute labor shortage that is current in the state, which has been interpreted as a potentially chronic problem that can hurt in the attraction of new industry in the future. It should be noted, however, that the labor squeeze in Connecticut is typical of the situation in metropolitan areas throughout the country. The interjection of heavy Vietnam expenditures into the nation's peacetime economy has caused profound labor shortages in the major urban centers. Over the long run, Connecticut will not be in a relatively unfavorable position on labor supply, assuming that continuous programs of training and retraining are maintained. It must be assumed, however, that Connecticut will continue to produce the jobs that will hold its labor force and indeed attract workers from other areas as in the past.)

Physical Development Patterns. As one of the smallest states and also the fastest growing state in New England, Connecticut is becoming

one large metropolitan region. Anchored along the coastline by Bridgeport and New Haven, a large development triangle is forming with the capital area of Hartford-New Britain at the apex. Major new industrial developments are taking place along the interconnected corridors formed by the interstate highway routes, the network of major state arterials, and the traditional river valleys. There is no longer such a thing as a "local economy" in Connecticut.

There has been an equally broad dispersal of people accompanying the dispersal of jobs. Connecticut has become a vast network of commuters. Easy accessibility has made it possible for new enterprises to draw their labor forces from considerable distances. There are few towns and counties from which large numbers of residents do not commute daily to places of employment elsewhere and into which there is also not a substantial flow of outside residents to work in local plants.

Paralleling this broad dispersal pattern is the incremental outward growth of the large urban centers -- Hartford, New Britain, New Haven, Bridgeport, Waterbury, Danbury and others. Dispersal and decentralization have not destroyed the central-work and service roles of these urban centers; many of the smaller towns in this state actually serve as suburbs to these major concentrations.

The implications of these trends for the relatively undeveloped areas within proximity to the "growth triangle" are obvious: there are clear options available as to the kind of development that a local community might achieve. In order to get the tax resources to support the service demands of growing residential populations, most local communities are looking for industry and commerce. Tax resources and public service needs do not always end up in the same community jurisdictions, of course, but that is exactly the point. In a growth situation, there are choices of development patterns if local leadership makes itself aware of them.

The Place of Middletown. Middletown would appear to be in an advantageous position in this fluid growth and development situation. Unlike earlier times, when its economy was either tied inflexibly to the river or bypassed by new developments that took place elsewhere in the state, the city faces a number of options for its future course of development.

Because of its immediate access from both the existing I-91 and the upcoming I-84 corridors, Middletown can participate to a reasonable extent in the state's industrial growth. Over the long run, it can be assumed that Middletown can get its "share" of the state's new industrial plants, probably a small share of the total but a share nonetheless.

In addition, Middletown can be assured of growth as a dormitory suburb of the Hartford-New Britain urban area. It is easily accessible to the major places of employment and major centers of activity in this urban complex, yet it can offer the full range of amenities available only in a detached outlying environment.

Moreover, Middletown can develop its own special combination of resources to be different from other communities in the state. It does not have to be dominated by industrialization nor must it exclusively play the role of a suburb. It can generate a unique complex of activities relating to the environment provided by Wesleyan University, its advantageous location on the Connecticut River, its rolling and protected landscape, and the qualities of a New England village that it has thus far preserved with fair success.

The point is that Middletown does not need to be dominated by any irresistible set of forces which it cannot control. Its relatively slow growth in recent years, resulting in part because it was off to one side of the mainstream of development, can turn out to be a major development advantage. Its future pattern is still to be formed.

The basis for this point rests in the growth characteristics of Connecticut as a whole. The projected overall expansion of the state's economy provides the forces of potential change which Middletown is well situated to take advantage of in the years ahead.

New Factors in Local Change

Beyond the overall forces of growth and expansion in the Connecticut economy, there are specific local factors that can affect the nature and direction of Middletown's future development patterns. Now is one of those points in history where "corners are turned" to open up new prospects.

New Access Gateways. The first and most obvious influence factor -- one that has already been mentioned -- is Middletown's new accessibility to and from the rest of Connecticut (and indeed the rest of New England). In its early history, Middletown's accessibility by water established it as the foremost urban area in the state. With the decline of the importance of water transportation, Middletown became relatively isolated from the growing economy geared to railroads and later to highways. Now the transportation cycle is turning back in Middletown's direction.

The Interstate 91 corridor between New Haven and Hartford flanks Middletown on the west, opening up the prospects of participation in new types of industrialization. Middletown is bound to feel the impact of such projects as the 800-acre industrial park put together by the Meriden Industrial Development Corporation between Meriden and Wallingford, where 200 sites are being developed for high-skill (primarily research and development) enterprises. The opening up of the Interstate 84 corridor running east-west through the state and passing between Middletown and Hartford will have similar implications for the city. In the long run, Interstate 84 may be the most important single factor in

Connecticut's development at the heart of the New York-Boston industrial belt, and Middletown is well located to participate in the activities that it generates.

No claim is made, of course, that Middletown has any unique relationship to these corridors that would guarantee future industrial growth. On the contrary, the heaviest industrialization will obviously take place on the immediate flanks of these arteries, where there are almost unlimited possibilities for this type of development. The point is, however, that these major highways are close enough to Middletown to open up possibilities that were substantially denied to the city in the past. Middletown is effectively put near the heart of the New York-Boston industrial belt, and this represents a "new" factor of great potential importance when combined with other special environmental advantages that the city has to offer.

Two other major highway improvements are imminent that could have even greater significance in the immediate Middletown area. Both provide immediate gateways into the city from the state's highway network. One is the projected construction of a new State Route 9 running north and south between Hartford and Old Saybrook and moving through the heart of Middletown. This highway will not only improve access to Hartford but also provide a high-speed run to the coast through the Connecticut River Valley.

The projected building of a new State Route 6-A immediately south of Middletown will add a major high-speed connector both east and west. The confluence of these two state routes in the Middletown area will greatly improve the city's capacity to play the economic roles it carves out for itself -- as an employment center, a residential area, a commercial and service point or a combination of these three functions.

River Improvement. There is no question now, after many years of talk and little action, that the waters of the Connecticut River will be cleaned up. A major anti-pollution program is underway involving controls at both the state and local level and the availability of adequate funds.

Middletown now faces the prospects of making full use of a major natural resource whose potentials have been only partly realized in the past. This is, in effect, a "new" force that can be harnessed for the enhancement of the local economy.

The main prospects for site development along the Connecticut River are to the north between Middletown and Hartford. In conjunction with new highway developments along this river corridor, there are possibilities for both industrial and residential investments utilizing the river environment.

Of equally great importance are the prospects for increased recreational activities utilizing the clean waters of the river. The most substantial prospects lie to the south between Middletown and the coast, but the activity center could well be at Middletown itself where basic services for recreational activities can be provided.

Wesleyan's "New Look". Although it has since its founding been a major factor in the life of Middletown, Wesleyan University is entering a new phase in which its role in local affairs -- and its impact upon the local economy -- can be immeasurably increased. The availability of expanded funds for local development purposes, the introduction of new leadership into the University organization, the readying of plans for expanding both the physical plant and the curriculum, and the initiation of new programs relating to community development -- all of these recent steps add up to an increasingly constructive and effective role for the University in the life of Middletown.

A major university can be a community's priceless asset. Indeed it is coming to be recognized that the contributions of educational institutions of higher learning are essential to the economic health of the nation's large metropolitan areas.

The very existence of Wesleyan, of course, provides educational, cultural and physical amenities which have a direct bearing upon the attractiveness of the area as a place to live. Equally important, the availability of opportunities for both undergraduate and graduate work can be a major factor in attracting some types of industrial enterprises, particularly those relying heavily upon highly trained and skilled personnel. There are also direct possibilities of utilizing the intellectual facilities of the University faculty and students in certain types of research and development activities.

The establishment of Hill Development Corporation is a particularly significant event linking the University to the community. It can be a key element in undertaking "leverage projects" -- that is, new physical developments that can stimulate other private and public investments. In a community the size of Middletown, the availability of this type of "private agency with a public interest" can be a decisive factor in realizing some of the most important economic potentials.

New Elements of Leadership. It is obvious to an outsider that a spirit of leadership is abroad that can prove to be the most important single force in the community's economic progress. This is not to say that effective leadership was lacking in the past but more that the community is apparently experiencing the happy coincidence of fresh new leadership at a time when conditions are ripe for change.

With new executive leadership in the mayor's office, a major urban renewal project is in the planning stage that can produce significant new private investments. The Hill Development Corporation, in addition

to its interest in investments within the urban renewal area, is considering important development projects in other parts of the community. The developmental efforts of the city are being effectively incorporated into regional planning activity through the Midstate Regional Planning Commission which is being most competently operated as part of the state system.

New executive leadership has been brought in to operate the local chamber of commerce. The local newspaper has come into young and vigorous hands. Wesleyan University has a new president and executive staff with many constructive new ideas for both this University and its relationship to the community.

It is undeniable that leadership is one of the community's most important economic assets. In the period ahead, when the economy of the State of Connecticut promises to steadily expand, it is apparent that Middletown will be able to rely upon an impressive stable leadership talent to participate in this expansion. In the absence of such leadership, it is not likely that Middletown would follow any future development trends substantially different from those in the past.

Other Factors of Change

The projected growth in Connecticut's economy will produce changes in the characteristics of the state's population and labor force that might increase the development options open to the leadership of Middletown. Other communities would also be in a position to take advantage of these factors, of course, but the point here is their relevance to Middletown.

Connecticut already has the highest per capita income of any state in the nation. It is forecast, however, that real personal income in the state will increase by another 50 percent over the next 20 years. Educational and skill levels will increase. While these trends are underway,

the average age of the labor force -- and of the household head -- will substantially drop.

This younger, more skilled and more affluent population will represent a different consumer market from that in Connecticut today. With more discretionary income to spend, they will seek and demand a much higher level of amenities -- in their housing, in their educational facilities, in their public services, and in their physical environments. They will have more leisure time and a greater capacity to enjoy recreational activities. They will have greater mobility and hence will be in a better position to be selective in their places of residence. Across the board, they will have a more sophisticated range of consumer demands.

This new profile of population characteristics could have important implications to Middletown. In the aggregate, the type of consumer demand represented by the state's future population would put a high premium upon the kinds of amenities that Middletown has to offer -- its proximity to major places of urban employment and activity, its University complex, its topographic and natural features, its river assets, and its "small town" atmosphere. Middletown clearly faces the alternative of casting its development patterns substantially in terms of this more sophisticated market, of "specializing" in the business of residential development. By proper planning and programming, Middletown could conceivably place itself beyond a position of competing with most other areas for this market.

It is possible that the increased income levels of the state population could go a long way toward the elimination of the deficit implications of residential development from the standpoint of public finance. Although a high level of public services would undoubtedly continue to be required, the increased income capacities of young families should be able to support tax programs capable of meeting these needs or coming

close to it. In short, overall income gains possibly could make residential development "pay" in the public sector, which would represent a change from experience in the past.

It is not suggested that Middletown should seek the status of "exclusiveness", catering only to the well-to-do. Nor is it suggested that Middletown or any other community should move in the direction of residential development to the exclusion of industrial or commercial enterprises. Under most circumstances a balanced development pattern would be necessary to achieve full fiscal viability. The point is, however, that residential development should become less of a deficit operation for local governments in the future, and Middletown -- with its numerous amenities -- should be in a position to take full advantage of this residential development potential.

Development Prospects: A Summary

Basically the foregoing discussion might be summarized as follows:

- Within the project expansion of the Connecticut economy, there will be a great deal of fluidity in physical development patterns, with growth opportunities over a large part of the statewide metropolitan region.
- Middletown is in a good position to participate in a range of new economic developments, both because of its location and because of special circumstances unique to the area.
- Middletown will have alternative directions in which it can develop and these can be substantially influenced by actions on the part of local leadership.

This is essentially an economic appraisal, although expressed in brief summary terms. It is saying that to assume the continuation of past

economic trends for the Middletown economy would be unrealistic. What changes actually will take place will in the future depend more on local action than has been true -- or even possible -- in the past.

Current Status of the Economy

In recent years, the economy of Middletown has not been doing well. While the economy of Connecticut has been reaching new peaks of peacetime activity, Middletown has been losing employment within its city limits. Although the rest of Middlesex County has shown employment gains and the Midstate Region as a whole has moved ahead, the effects of Middletown's stagnation have been to maintain the broader local economy at relatively restricted levels compared to those in other parts of the state.

Analysis shows, of course, that the basic cause for employment declines in Middletown proper has been the closing or withdrawal of several key industrial plants. These several large losses were augmented by the closing of a number of small plants. During the same period, Middletown gained new small plants and other non-industrial employment generators, but the gains were not large enough to offset the losses. Like other New England communities, the Middletown area has also felt the loss of textile employment. Except for one plant -- the Pratt and Whitney operation at the CANEL site -- the Middletown economy has not added major employers that have filled the textile gap.

Statistically speaking, the industrial sector of the entire Midstate economy has been about on dead center in the postwar years. Service employment has moved steadily upward as population has grown, however, and so has institutional and governmental employment.

A balanced view would indicate that past statistical trends provide no necessary guidelines to the local area's economic future. The war plant and textile losses have now been accommodated and no other negative

factors of a similar magnitude are in the picture. The area's most important plant, Pratt and Whitney, faces a substantial employment increase -- from its present level of about 2,500 to as high as 5,000 or 10,000 employees.

It can be said that the local economy is poised for a new thrust ahead. Care should be taken in making such a statement, however. A great deal depends upon what local leadership does to help the area reach its economic potential and there are some pertinent questions to be answered. If Pratt and Whitney expands, will related plants automatically come into the area? As the industrial park in Meriden attracts new plants along the I-91 corridor, will there be an automatic spillover of new plants into Middletown? Will the past trends of small new plants and expansions in the Midstate Region continue to offset some if not all of the losses incurred as other small plants disappear? In Middletown proper, will downtown retailing be able to meet the new regional competition that will develop elsewhere in the general area? Also in Middletown proper, will the growing population look to local facilities for consumer services or will it find them at points outside the city limits?

To answer these questions, it is necessary to go beyond past trends and, within the framework of overall change described earlier, to identify specific development potentials of the area. It will then be possible to indicate some of the specific steps that might be taken to make certain that the area's potential is realized.

Some Area Development Potentials

Previously studies of the development potentials of the Middletown and Midstate Region economies have been fairly optimistic. Their premise was that the overall factors are favorable to economic growth in the area. This contention would appear to be valid as already indicated in the brief overview presented in the present report.

On balance, however, it would appear that past studies have not fully anticipated either the nature or the dimensions of the changes that might take place. They have put relatively little emphasis upon the effects that might take place as a result of changes in some of the factors directly related to economic development at the local level, including those discussed above. In part because of this, their statistical forecasts appear to be on the conservative side. There is no reason to anticipate (as these forecasts assumed) that the Midstate regional economy will grow at a rate no faster than the average for the state as a whole. Indeed, compared with the large built-up urban areas that account for most of the state's population, the Midstate Region -- and Middletown as a part of it -- should be regarded as a "growth area" with expansion prospects considerably in excess of the state average.

In the following paragraphs the specific potentials will be briefly reviewed in light of the earlier discussion in this report. It should be emphasized this is only a quick overview and does not represent the results of any exhaustive analysis.

Local Industrial Potential

Taking into account the anticipated growth in the Connecticut economy as a whole and the clear assets available to the Middletown area, the local economy can undoubtedly attract its "share" of new industry, as already pointed out.

Several obvious categories of new growth prospects might be mentioned. One would be the type of plants related to the Pratt and Whitney's CANEL operation, highly specialized activities relating to research in latest technology. Another would be a spillover of the type of research and development operations for which the Meriden industrial district has been built. A third category -- and perhaps the largest of all -- would

be the type of small specialized industry that produces parts, components, and services for the larger plants in other parts of the state -- in transportation equipment, machinery, fabricated metals, chemicals and so on. A fourth category would be the type of operation that would basically be attracted by the area's amenities -- its university, its cultural facilities, its physical environment.

For each of these types of industries -- and most would be characterized by small size and a highly skilled labor force -- the Middletown area offers obvious advantages. There is excellent proximity to both industrial and consumer markets without the disadvantages of a congested environment. There are good industrial site possibilities within Middletown, an adequate ground water supply, a relatively low tax rate, and a clear superior living environment. For those industries seeking the visibility of an interstate highway location, of course, Middletown has little to offer. Other than the visibility factors, however, a Middletown site would have all of the advantages of most competitive sites in Central Connecticut, plus the added advantage of first-class residential and recreational facilities in the immediate neighborhood.

Middletown's basic industrial assets are shared by other parts of Middlesex County and the Midstate Region. Any industrial development programs should be undertaken on a regional basis to provide a maximum range of site possibilities for industrial prospects. It is also important not to overlook the expansion needs of: 1) existing industries who now form the backbone of Middletown's industrial economy; and 2) the new "incubator" operations, small enterprises in the early stages of development that need cheap space commensurate with the initial scale of their activity.

In short, there appear to be good prospects for industrial expansion in Middletown. The emphasis should be upon the small plant, highly diversified

and highly skilled. Despite the competitive nature of industrial development in the State of Connecticut, Middletown should have no difficulty in getting a respectable share of new industrial employment.

Future Residential Development

Middletown's assets for residential development have already been noted. The city has direct proximity to places of employment and to the Hartford-New Britain urban complex. The construction of State Route 9-A will enhance Middletown's position as a high-type suburb for the capital region. Its amenity factors are outstanding -- the positive influences of Wesleyan University, the Connecticut River Valley environment and the attractive layout of a small but self contained village.

It has also been noted that, with higher family incomes in the future, residential development may cease to be such a deficit operation from the standpoint of public finance. This could be a factor of great importance to the communities such as Middletown where residential expansion prospects are so favorable. It simply means that residential development is a reasonable option for public policy in the future, not an inevitably negative situation calling for desperate counter-measures in order to achieve fiscal stability.

The essential point here is that Middletown can afford to promote and merchandise itself as a first-class residential community and it can make this pattern pay off as part of a balanced development program. Middletown will be able to offer what the average American family will be looking for -- a first-class environment with good public services and facilities, protected and yet accessible to activity and employment centers. Few communities are in a better position to take advantage of this strong residential market.

The keys to the success of such an approach will be sound planning and zoning, competent government, and wide diversity in housing, neighborhood and institutional offerings. Although single-family housing will continue in the future to have heavy preference over apartments, there will be an increasing need for rental units, and any plan for Middletown should offer an opportunity for a range of such developments. By careful planning, programming and land use controls, tax revenues and public service demands can be balanced.

In short, there should be no great apprehension about Middletown's future "dormitory" function. The city can substantially control the kind of development patterns that will emerge and the overall demand should be such that these patterns can produce viable fiscal conditions. It is clearly not being suggested that Middletown become an all-residential community but the new prospects of profitable residential development should be emphasized.

Other Development Prospects

In addition to the two basic development potentials for industrial and residential uses, there are other types of economic development for which Middletown has good prospects. These other developments can not only produce economic returns in themselves but they can be contributing factors in the attractiveness of the area for the two prime activities.

Recreation. Middletown's recreational development potentials relate primarily to the use of the Connecticut River. From the standpoint of economics these recreational prospects have two implications: 1) they can generate new private investments and employment in facilities such as marinas, recreation supply houses and so on; and 2) they can attract large numbers of people from the outside who will spend money in the local area.

Apart from the direct economic benefits of recreational activity, the very existence of recreational opportunities can represent a major amenity to make Middletown particularly attractive for other uses. This could be an even more important factor than the direct flow of funds into the local economy. It can, for example, mean premium prices for residential developments, and can represent a unique amenity that would put Middletown in a non-competitive position with many other residential growth areas.

Retailing. There are also prospects for expanded commercial activities in Middletown. Certain difficulties must be overcome, however, before new potentials can be realized.

The heart of the city's commercial activities is in the central business district. This downtown district will face tremendous new competition in the future, not only from neighborhood and community shopping centers such as have already developed on South Main Street and West Washington Street but also from major regional facilities such as those projected for Meriden. Middletown's central business district cannot -- and indeed should not try to -- directly compete either for the convenience business of the small centers or the large-scale shoppers goods business of the regional centers. In addition, of course, the powerful magnetic draw of the big department store complexes of Hartford and New Haven will continue to attract a substantial share of the local consumer dollar in the future as at present.

The best prospects for Middletown's CBD would appear to be in the development of a highly specialized "village complex" that can be unique in both the quality and the range of its offerings, plus the particular attraction of its environment. The possibility exists of capitalizing upon the obvious assets that are already at hand -- a large number of small but good shops, a wide main street that can be redesigned for easy

access and pedestrian as well as vehicular convenience, the availability of service institutions such as banks, office buildings and governmental facilities along with retailing and the general flexibility of a grid street pattern affording the possibilities of penetrating close into retail spaces.

It will take a major redevelopment program to transform this downtown area into the kind of unique commercial area that can maintain itself in face of new competition. However, the prospects for success would appear to be favorable. Over time, the downtown district can take on a high quality tone as well as the characteristic of diversity. It can remain the main activity center for a large community, providing an environment that cannot be duplicated in new shopping center facilities.

Wesleyan. Another type of potential development would include activities relating to Wesleyan University. As a liberal arts institution, the University is not likely to expand rapidly in technical fields that might generate large related complexes of research and development activities of an industrial nature. However, the availability of top faculty brains and facilities for a variety of intellectual pursuits can be important factors in attracting certain types of white-collar enterprises. It may not be possible to duplicate facilities such as the American Educational Publications but there are comparable activities that rely upon proximity to intellectual resources for basic inputs.

As already noted, also, the University can be a major force in attracting some industries simply because of the availability of undergraduate and graduate training for employees.

Offices. One other major development potential lies up ahead for Middletown. This is the prospect for office development, which at present is a minor economic activity in the area but could expand substantially in the future.

Two kinds of office development would appear to hold promise. One involves the headquarters function of major industry. Middletown's particular advantages for this type of activity are obvious -- the amenities of the community itself, the availability of a wide range of labor resources drawn from a wide area, and the strategic location with respect to New York and Boston. Although it is difficult to make any specific forecasts of the possibility, Middletown can clearly be "merchandised" as an excellent site for central management operations.

A headquarters function located in Middletown could combine the amenities necessary for top personnel residences with the efficiency of a central location in the northeastern industrial belt. Of course, the competition for such functions is substantial, and there are some clear advantages to locating these types of activities closer to the heart of urban centers which the female work force usually find more acceptable. On the other hand, there are highly flexible commuting patterns in Central Connecticut, and there should be good prospects of developing specialized living facilities for an expanded white-collar office force within Middletown proper that would provide access to activity centers as well as a living environment that is clearly superior to most central city areas.

The other type of office potential would be for regional or branch operations serving the State of Connecticut and adjacent areas. For the most part, these types of activities are located in the large urban centers. There would be obvious advantages to decentralization -- greater convenience in serving the surrounding territories; savings of time in traffic congestion, and probable savings in operating costs.

The prospects for office development in Middletown are substantial and particular emphasis should be given to this land use in all local planning. It is recognized, of course, that there has been no established development of this type in the past and that forecasts of such activities are difficult to make.

In summary, Middletown is in a position to participate substantially in the economic growth that is up ahead for the State of Connecticut. The most important point to establish within the framework of that conclusion is that the city clearly has choices that can be made with respect to both the nature and direction of its future growth. The choices are not unlimited but they are substantial. Many communities do not have such alternatives.

Some Indicated Courses of Action

It is possible tentatively to suggest a number of steps that Middletown's leadership might take to bring about the kind of economic development that is indicated for the future.

Clearly some growth will take place even with only minimum effort on the part of local leadership. The question is: what kind of growth? Perhaps the most important step that local leadership can take is to establish clear goals as to the kind of community that Middletown wants to become -- or remain -- in the future. These goals should, of course, take into account both the limitations and the latitude available in the alternatives.

It should be noted that Middletown's leadership has already done a great deal of thinking about its future. Plans developed by the city, including those of the community renewal program, have established a framework for future action. What is suggested here would simply corroborate the process that is already underway, adding an additional overview based upon a new look at the economic prospects.

Following is a brief discussion of some actions that would appear to be indicated in light of this capsule discussion.

1. Industrial Land Development. The Middletown Industrial Development Corporation has been recently activated to press forward with plans

to develop new industrial sites within the city. It is suggested that this group be given vigorous support by local leadership, both public and private, in order to insure an adequate supply of industrial sites in the future.

There is no doubt that the head start of such districts as the Meriden development will limit the immediate prospects for industrial expansion in Middletown. In addition, of course, the superior location of the Meriden and similar developments along the interstate corridors will result in the major absorption of the potentials.

Nonetheless, Middletown's prospects are real and will require continuous attention. Indeed, the competitive situation and the relatively slow rate of industrialization in Middletown may well make it difficult to maintain interest in the local program. This will call for good planning and leadership.

2. Development Planning. One of the most important roles for Middletown's leadership is to give full support to comprehensive land use planning -- and to add some additional elements to the planning approach. If one fact has emerged from this brief overview of the city's development potentials, it is the strategic importance of adopting a "public posture" with respect to how the land within the city limits might be developed. There are different public policy alternatives available and each alternative can have different implications for public finance and indeed for private return.

Middletown is not unique in its need for systematic advance planning, but it is favored in the opportunities which such planning can provide. The timing is most favorable -- as noted earlier, a number of important "corners" are being turned at a time when development forces are fluid. In short, Middletown can take advantage of favorable factors to substantially direct its own future.

The support for planning and zoning might include, as an essential beginning, a reevaluation of development goals and objectives for the city. This simply means taking stock of existing plans, putting alternative development potentials into some perspective, making choices as to the general directions in which development should go (which means agreement upon certain general values) and then supporting the necessary planning efforts. As the key tool for implementing such plans, zoning ordinances would have to be reevaluated to provide maximum leverage for private investments to achieve the public goals in mind.

As an integral part of this effort, it is suggested that some form of "systems analysis" be applied to the problem of development planning in Middletown. In effect, this calls for the same type of approach utilized by successful corporations in their advance planning activities. In its simplest form, this approach calls for cost-benefit analysis that can be applied to different alternative patterns of development -- an analysis of each development alternative in terms of necessary capital improvements of a public nature and anticipated returns from taxes and other charges.

This business-like approach, even if applied on the most simplified basis, could be of immense value in the community's final decision-making. It does not imply that the dollar is the ultimate test; on the contrary, it emphasizes the importance of establishing overall goals and values for the community and then indicates the practical possibilities of achieving and maintaining patterns of development that are desired.

Regional Approaches. It is also possible that some new regional approaches might be utilized for those types of problems that extend beyond city boundaries. The major framework for implementation will clearly be a municipal framework utilizing the powers of the city government, but both physical and economic development will also require regional mechanisms. Municipal and regional efforts should be closely coordinated.

Middletown is in the happy situation of being a participant in an effective regional planning program as a part of the Midstate Regional Planning Commission operation. Any consideration of development goals for Middletown can be placed within the framework of the region. The various governmental jurisdictions within the region, instead of competing, can collaborate in optimizing the region's overall development.

Beyond the regional planning function, it is also suggested that consideration might be given to developing some basic regional arrangements of a governmental nature. The most important subject would appear to be finance -- optimum patterns of land-use development from a physical standpoint might well result in considerable inequities among jurisdictions, with tax resources distributed without relation to demands for public services. An exploration might be made of the possibilities of a regional financial mechanism that could provide a balance through a regional or metropolitan tax structure.

All over the nation, similar devices are being studied. There is in Connecticut a state Commission to Study the Necessity and Feasibility of Metropolitan Government. Local efforts might well tie into this state program. There is no question that the problems of intra-regional government will become increasingly intense in the days ahead, not just in the Midstate Region but in other urban regions of the state.

It is also suggested that there might be a regional approach to the utilization of the river resources. Some consideration might be given to the establishment of a river development authority which could provide a coordinated approach to anti-pollution enforcement in the area, development of riverfront uses, and joint sponsorship of river-related facilities. Such an authority could include both municipal and county governments on both sides of the Connecticut River for an appropriate distance upstream and downstream.

The river authority could act as a major promotional agency to stimulate recreational activities in the area. It could also undertake studies on the basis of which both state and Federal monies might be made available for open space and recreational development.

Downtown Development Plan. It would appear that another need is for a comprehensive plan for the Middletown central business district to provide a series of guidelines for the necessary public and private investments that the area must have if it is to maintain itself in face of intense new competition.

Downtown Middletown has the potential of becoming a unique and highly specialized activity center for a growing urban region. This will take a substantial redevelopment of the existing environment, however. A physical plan based upon sound business economics must first be prepared to indicate what type of potential new investments might be supported and where these investments should be made. An action program should then be undertaken that would provide a basis for public improvements that would underlie any major new private investments.

The need for this plan is heightened by the imminent redevelopment of the south end of the business district as a part of the second urban renewal project. What happens on the south end can well determine the potential health of the rest of the district; any improvements made under urban renewal should be related to subsequent improvements on adjacent properties. A preliminary evaluation of downtown potentials would indicate that downtown enterprises can remain healthy and vigorous but only if there is a concerted public and private effort to program improvements over the years.

A Note on Forecasts

This brief report does not, of course, summarize a comprehensive economic study of Middletown and the Midstate Region. It passes on the

results of what is called an "overview", which is basically a broad look to set a general perspective.

If numbers are important, it would not be difficult to produce some to represent revised "forecasts" of the area's future economic activity in terms of population and employment. The Connecticut Development Commission has projected a 1980 population for the Midstate Region of about 89,000 persons (the "high" forecast), which would give a 29 percent gain over the 1965 estimate of 69,000 persons. The City Plan Commission assumes a somewhat higher 1980 figure for the region (92,500) contending that the regional population should increase as a percent of the state. This would appear to be warranted -- clearly the Midstate Region could be one of the state's "growth areas". Based on its regional estimates, the Commission projected a 1980 figure of 42,500 persons for Middletown, a sharp gain from the 32,000 estimate for 1965. Again this would appear to be reasonable -- indeed it could turn out to be quite conservative. With respect to employment, no firm forecasts have been developed for either the city or the region.

The point about forecasts, of course, is that they depend heavily upon assumptions relating to development patterns -- the type of economy, the use of land, the characteristics of population. It has been contended in this brief overview that these patterns can be substantially influenced by local public policies. Under the circumstances, the best forecasts are likely to be those arrived at after such policy decisions have been made. Current forecasts for Middletown do in fact reflect such decisions to some extent, but they could be substantially altered after a policy re-examination.