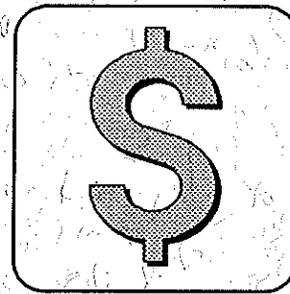
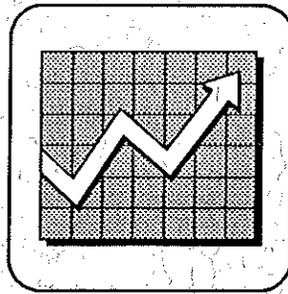
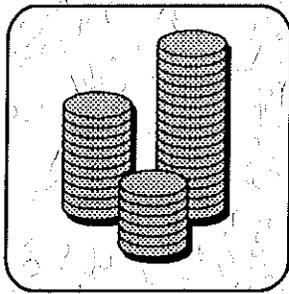


REVIEW OF 1990 - 2000 ECONOMIC PLAN OF DEVELOPMENT

CITY OF MIDDLETOWN
Connecticut

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**REVIEW OF 1990 - 2000
ECONOMIC PLAN OF DEVELOPMENT**

**CITY OF MIDDLETOWN
Connecticut**

Prepared For

CITY OF MIDDLETOWN

By

WILBUR SMITH ASSOCIATES

MAY, 1991

WILBUR
SMITH
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ENGINEERS • ECONOMISTS • PLANNERS

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May 24, 1991

Mr. George A. Reif
Planning Director
City of Middletown
202 Municipal Building
Middletown, Connecticut 06457

RE: 1990-2000 Economic Plan of Development Review

Dear Mr. Reif:

In accordance with our Agreement and your request, Wilbur Smith Associates has conducted a review of the Economic sections of the 1990-2000 Plan of Development, prepared by the City and dated September, 1990.

To undertake this effort, we were provided the following documents for reference and review:

- Middletown, Connecticut, A Report on the City's Industrial Potential, dated March, 1966, and prepared by the Urban Land Institute;
- State Policies Plan for the Conservation and Development of Connecticut, 1987-1992, dated June 1987, and prepared by the State Comprehensive Planning Division of the Office of Policy and Management;
- The Middletown Plan of Development, dated 1965;
- The Middletown Plan of Development, dated 1976;
- North End/CBD Urban Renewal Plan, dated July, 1990; and,
- The Final Draft Goals of the 1990-2000 Plan of Development, dated September, 1990.

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This report summarizes key economic elements in these reports and their relationship to the current 1990-2000 Plan of Development.

A review of socioeconomic characteristics of the City of Middletown was also undertaken over a period of the past thirty years to identify the context in which the City's Plans of Development was drafted.

Historical Background

Middletown, like other Connecticut and New England towns and cities, found itself developing from an agricultural based to an industrially based society by the mid to late 1800's. Today, the mix of jobs increasingly favors employment in the service, finance insurance and real estate and trade employment sectors. Like other New England towns, Middletown benefited directly due to its proximity to various modes of transportation. Throughout much of its early history this meant access to the Connecticut River. As the City became highly industrialized in the early to mid 1800's, the requirement for transportation remained. Rail became an important mode of transportation for Middletown as well as throughout much of the industrialized nation. Middletown's access to rail, a crucial factor in its future growth potential, appears to have been lacking and slowly over time, the City developed into a secondary industrial power within the State.

Following World War II, the availability of personal transportation proliferated throughout the United States at a rapid pace. The growth combined with the development of the National Interstate System aided the concept and spread of suburbanization. Where it was once necessary for workers to live within short commuting distances from work, it was quickly becoming possible for individuals to live at greater distances than they once had. This trend did not become significantly apparent in Connecticut until the 1960's and is continuing today.

Since the 1960's the City of Middletown has continued to identify in their Plans Of Development (POD), 1965, 1976 and the recent 1990-2000 POD the importance of a strong central business district (CBD). However, the days of centralized business activity in the CBD of most cities throughout the State have receded over the past three decades. Not only are there large regional malls replacing the retail viability of many CBD's, but there are also peripherally-located commercial, industrial and office parks competing with CBD's for office workers and other types of employees. This is clearly recognized in a comment from the 1990-2000 Plan of Development which states, "It is this I-91 corridor which holds the key to Middletown's future. The continued migration of large reputable corporations to Middletown means a heightened sense of professionalism for the City as well as renewed job security, commercial growth, and prosperity." Roads such as I-91, Route 9, Route 66 among others provide access to Middletown and, in fact, serve as avenues for the location of business into the CBD however, they also provide competition to the CBD in that they allow business and industry options on viable cost-competitive site locations, outside of the CBD.

Notwithstanding, the City of Middletown continues to be the single largest City within the Midstate Planning Region, which is comprised of 8 cities and towns in total. Table 1 provides a 30-year profile of the City of Middletown and the other Midstate towns in terms of their socioeconomic patterns. While the population of the City has generally grown at rates which are slower than those of the surrounding towns, it clearly possesses the largest population concentration of any within the Midstate Planning Region.

Over the 30-year period a trend of decentralization can be seen in terms of the City's proportion of population within the Midstate Planning Region. In 1960, Middletown's population represented 50 percent of the planning region's population and has fallen slightly throughout that period to its current position, representing 44 percent of the population within the planning region.

Table 1
MID-STATE REGION
SOCIOECONOMIC PROFILE

MID-STATE PLANNING REGION		1960	AVERAGE ANNUAL PERCENT CHANGE	1970	AVERAGE ANNUAL PERCENT CHANGE	1980	AVERAGE ANNUAL PERCENT CHANGE	1990
Middletown	(1)	33,250	1.1	36,924	0.6	39,040	0.9	42,762
	(2)	13,473	4.0	19,970	1.8	23,840	3.8	33,360 (4)
	(3)	NA	--	\$3,337	7.9	\$7,160	7.5	\$14,793
Haddam	(1)	3,466	3.6	4,934	2.6	6,383	0.6	6,769
	(2)	483	5.0	790	4.5	1,230	3.9	1,730 (4)
	(3)	NA	--	\$3,570	9.0	\$8,487	8.4	\$19,009
Durham	(1)	3,096	3.8	4,489	1.4	5,143	1.1	5,732
	(2)	474	4.7	750	3.8	1,090	2.3	1,340 (4)
	(3)	NA	--	\$3,422	9.2	\$8,280	8.8	\$19,235
Middlefield	(1)	3,255	2.4	4,132	(0.8)	3,796	0.3	3,925
	(2)	484	4.9	780	2.0	950	4.0	1,350 (4)
	(3)	NA	--	\$3,637	8.4	\$8,162	7.4	\$16,737
Cromwell	(1)	6,780	0.9	7,400	3.3	10,265	1.8	12,286
	(2)	634	4.6	990	8.8	2,300	6.9	4,190 (4)
	(3)	NA	--	\$3,811	8.6	\$8,709	7.6	\$18,096
E.Hampton	(1)	5,403	2.7	7,078	1.9	8,572	2.0	10,428
	(2)	1,026	(0.2)	1,010	3.4	1,410	2.8	1,800 (4)
	(3)	NA	--	\$3,322	8.9	\$7,763	7.8	\$16,389
Portland	(1)	7,496	1.6	8,812	(0.5)	8,383	0.0	8,418
	(2)	2,385	(0.4)	2,290	1.4	2,630	2.7	3,350 (4)
	(3)	NA	--	\$3,677	8.5	\$8,301	7.6	\$17,335
E.Haddam	(1)	3,637	2.5	4,676	1.9	5,621	1.7	6,676
	(2)	748	2.8	990	4.1	1,480	0.0	1,480 (4)
	(3)	NA	--	\$3,822	7.1	\$7,583	7.7	\$15,903
SUBTOTAL MIDSTATE PLANNING REGION	(1)	66,383	1.7	78,445	1.1	87,203	1.1	96,996
	(2)	19,707	3.4	27,570	2.4	34,930	3.4	48,600
	(3)	NA	--	NA	--	NA	--	NA
TOTAL CONNECTICUT	(1)	2,535,234	1.8	3,032,217	0.2	3,107,576	0.6	3,287,116
	(2)	950,900	2.4	1,200,500	1.7	1,420,600	1.9	1,676,100 (4)
	(3)	NA	--	\$3,900	8.1	\$8,511	7.7	\$17,885

- (1) Population.
(2) Total Non-Agricultural Employment.
(3) Per Capita Income.
(4) Employment figures are as of year end 1989.
NA Not Available.

SOURCES: State of Connecticut, Office of Policy and Management, Connecticut Historical Population Comparisons 1960-1990, January 24, 1991.
U.S. Department of Commerce, Bureau of the Census.
State of Connecticut, Department of Labor.

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May 24, 1991
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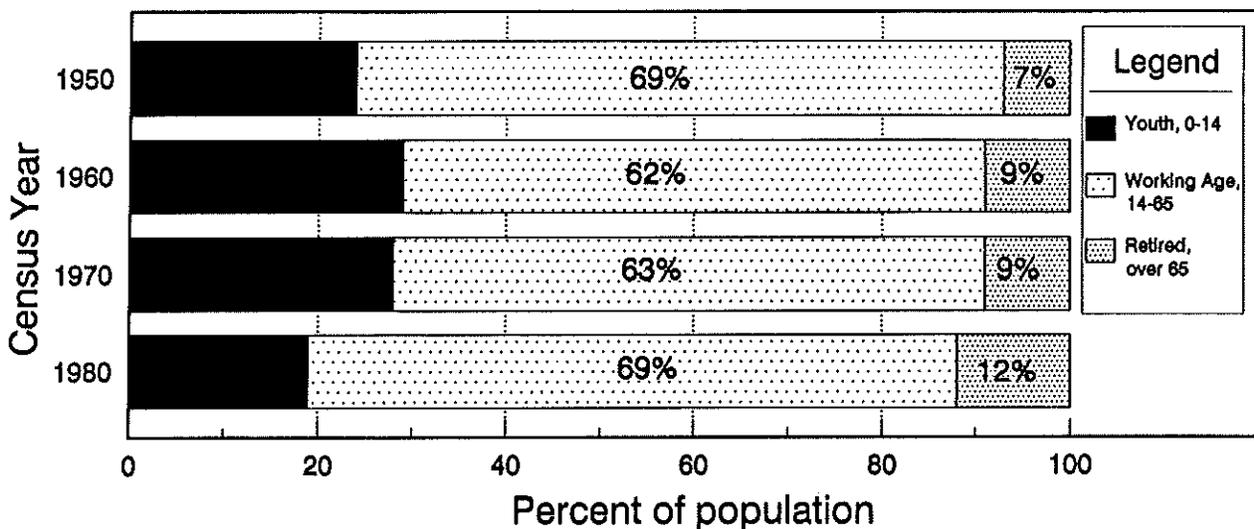
The planning region itself has generally maintained a stable relationship to the State during that period of time. This suggests that individuals have moved to the suburban or outlying areas associated with the Midstate Planning Region. In some cases, individuals may have left the area all together. Some evidence for this view can be found in the age distributions of population found in the City of Middletown as compared to the State as a whole. One group which appears to be slightly under represented in the City compared to the State is the age group of 30-39. These individuals are typically at the beginning of their highest income earning years and represents an important element of workers that a City such as Middletown needs to attract and retain.

However, the percent of Middletown residents within working ages of (19-65), has maintained a relatively steady trend overall between 1950-1980. In 1980, there was a marked drop in the percentage of youths (0-14), coupled with an increase in the percentage of retired (over 65).

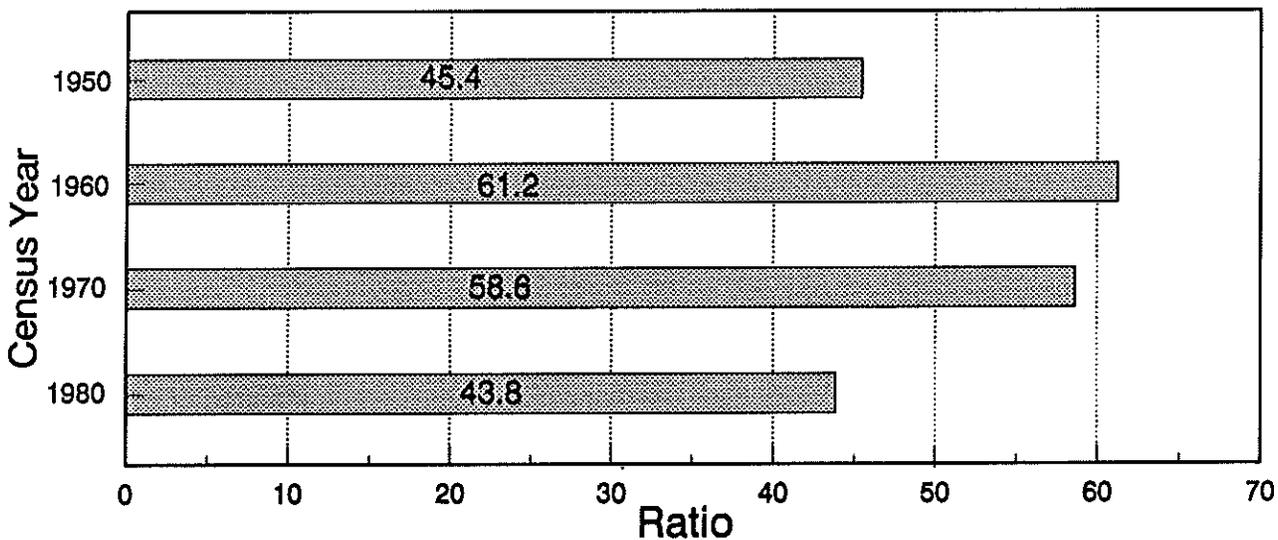
A related issue is one of dependency which is defined as a ratio of the number of youth and retired divided by the work force population. As shown in Figure 1, the dependency rates of residents is decreasing, a positive indication of growth in the work force.

During the last 30 years the City has consistently maintained at least 68 percent of all employment within the Midstate Planning Region (measured in terms of employment by place of work). The rate of growth witnessed in the City of Middletown, as compared to the Planning Region as a whole, shows that during the high growth years of the 1960's and mid to late 1980's, the City was able to grow at rates which were slightly higher than the planning region and more than twice the rate generally seen throughout the State. This tends to indicate that the City, although relatively mature, does have the capacity to react to short term economic swings in the regional and statewide economy without major overhauls of its economic base.

Age Distribution of Population Middletown, Connecticut



Dependency Ratios^{*} Middletown, Connecticut



* Dependency Ratio: (Youth & Retired/Productive Population).

Note: Data for years 1950, 1960, and 1970 based data provided in 1976 POD.
 Figures from 1980 based on data provided by Conn. Census Data Center.
 Data for Census year 1990 is not yet available.

While the City has been successful in creating new jobs, it is important to note that an increasing number of these are in the lower paying service areas of the economy, a problem which many industrialized areas of the nation have encountered over the last decade. The shift of employment in the area of manufacturing is shown in Figure 2. As manufacturing jobs became scarce, the labor force sought new forms of employment. As a result of this trend of increased employment in the lower-paying service industries, the 1990 per capita income in the City of Middletown is the lowest within the Midstate Planning Region. Figure 3 shows how Middletown fares with the State in terms of per capita income. This statistic can be somewhat misleading due to the fact that the older Cities within the State of Connecticut typically represent larger proportions of individuals who are either unemployed or on some form of public assistance.

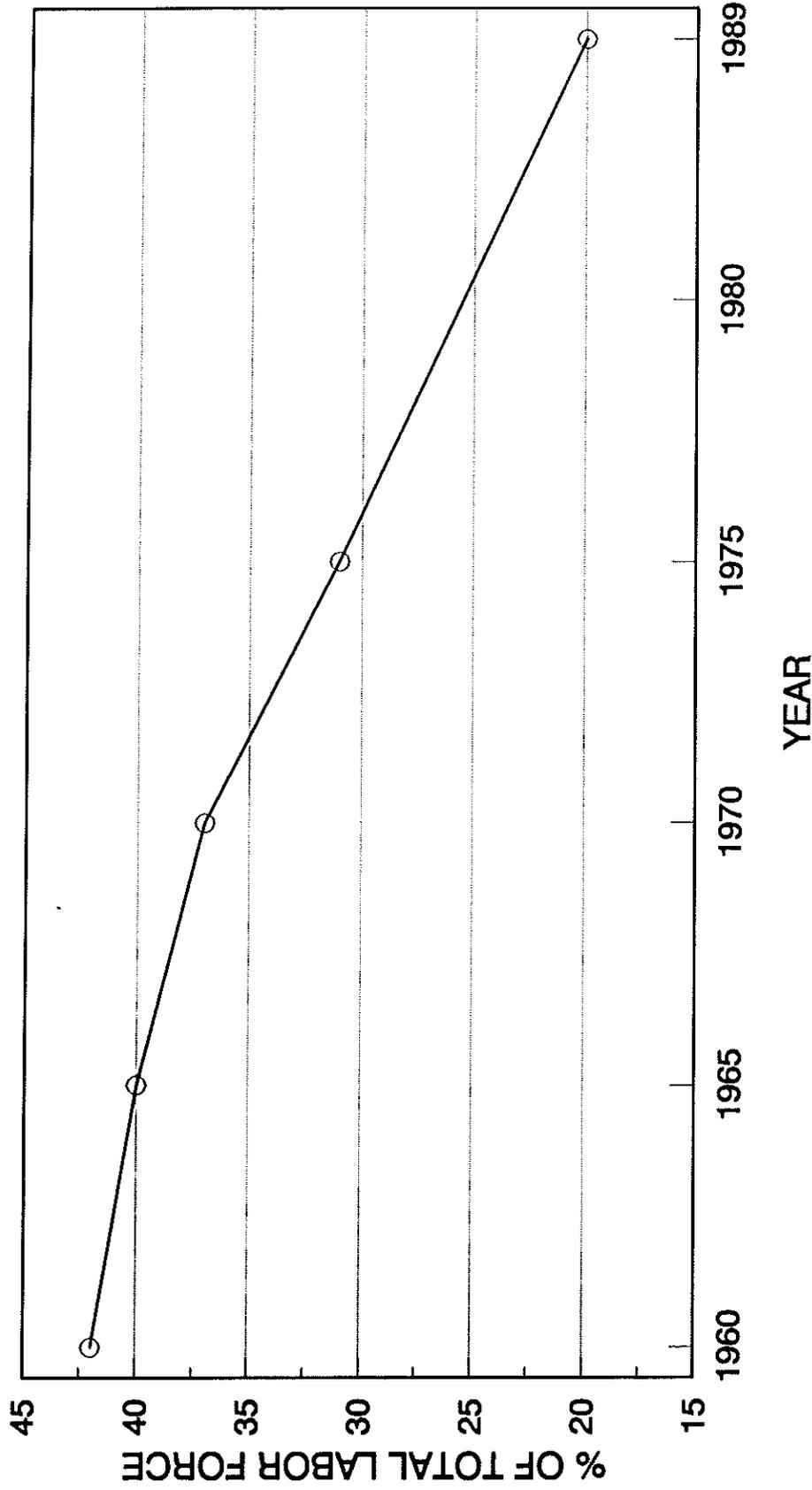
The current Plan of Development (POD) was reviewed considering the historical economic background of Middletown and focusing on the three economic goals identified in the document.

1990-2000 Economic Plan of Development Review and Comments

Since the issuance of the 1955 Plan of Development, it has been the goal of Middletown to retain the Central Business District (CBD) as the center of the City and the shopping district. This was again stated in the 1976 POD. However, by 1967 Washington Plaza was built, and a retail area was arising on Route 17, underscoring the ability of businesses to move from CBD. Once again, the 1990-2000 POD states the importance of the CBD. Two of three economic goals stated in 1990-2000 Plan of Development are as follows:

MIDDLETOWN'S MANUFACTURING LABOR FORCE

Middletown, Connecticut

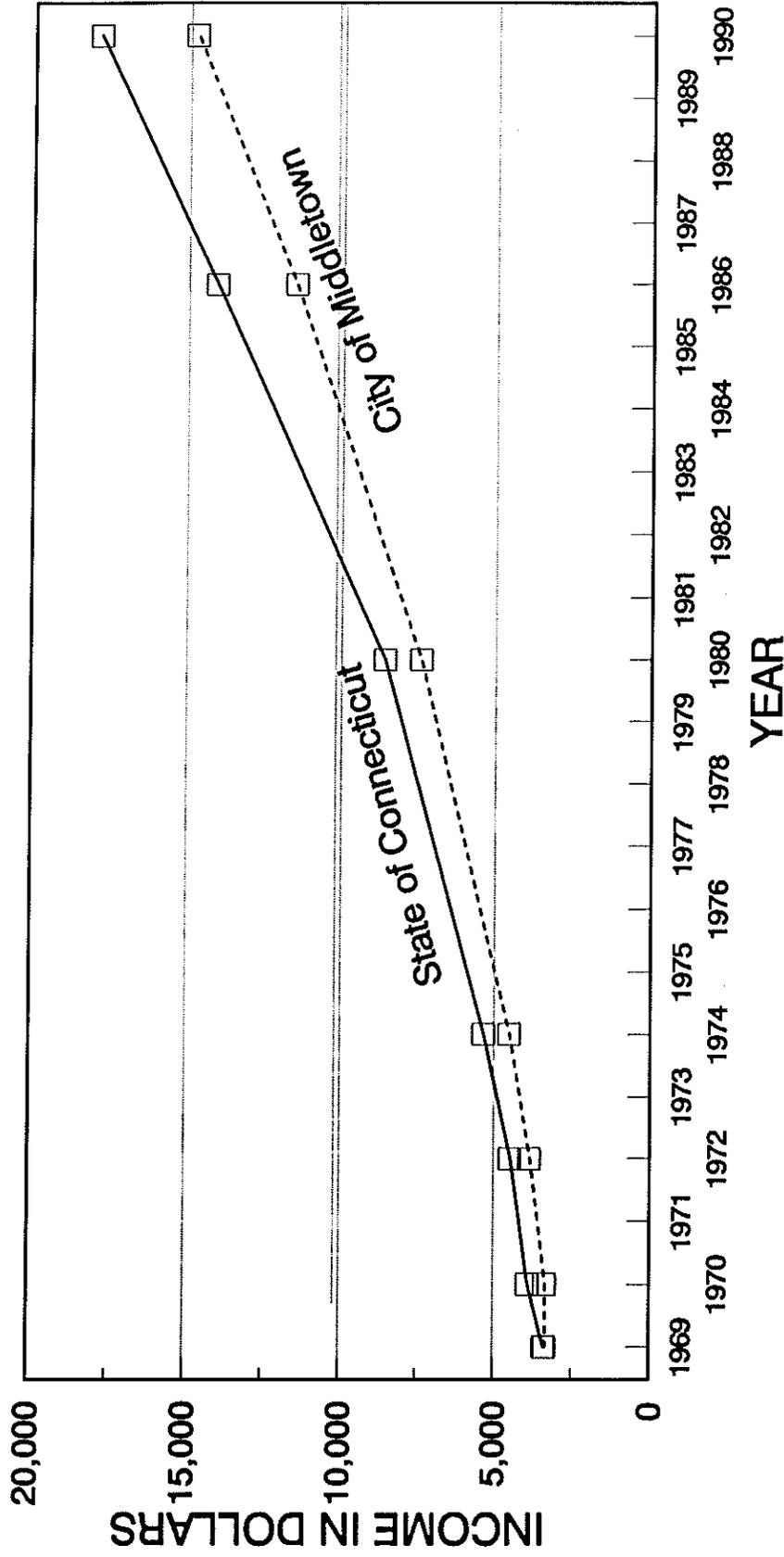


SOURCE: Wilbur Smith Associates; based on data provided in Middletown's 1965 and 1990-2000 Plan of Development.

Figure 2

PER CAPITA INCOME

CITY OF MIDDLETOWN VS STATE OF CONNECTICUT



SOURCE: Wilbur Smith Associates; based on data provided in Middletown's Plan of Development 1990-2000, and U.S. Department of Commerce, Bureau of the Census.

Figure 3

To encourage retail and service establishments to locate in the CBD and discourage dispersion of other parts of the City; and,

To encourage and assist existing business to remain, expand and to attract high quality, new businesses.

For the first time, in the 1990-2000 POD, the City has spelled out strategies to achieve these goals. Listed below are the City's ten strategies, to achieve the goal of encouraging retail and service establishments to locate in the CBD. These strategies are listed, based upon a suggested priority plan.

High Priority

- *Streamline the permitting process to make business more attractive.* An important strategy in retaining an interested potential business. Companies often undertake negotiations with several towns. All things being equal, a businesses will most likely locate where there are the fewest complications and the review and approval processes are timely.

- *Analyze major employers in terms of state and national trends.* This could be effective, but should be further studied. It is important to note that areas of the country operate on different business cycles. The focus should be on attracting businesses to offset the cyclical nature of the local economy or those businesses are minimally effected by the local economy. Retain a consultant for economic business cycle research as it pertains to the City of Middletown and its current markets. Expertise should be solicited from Wesleyan University as well as local businesses.

- *Develop a working partnership between private industry and public school systems.* Developing channels of communication with local business is important. This strategy is highly desirable and ought to be a major focus of the City. Business could actively go out to the community to promote literacy. These people could serve as role models, sharing their skills and knowledge and conveying attitudes necessary in today's high-tech world. Junior Achievement is an excellent example of an already established organization in advancing this strategy.

Vocational technical training programs must be continually improved to upgrade local labor force skills. This interaction between private industry and its potential labor force requires continual refinement and refocusing, and should not be considered a one-time intervention. Education is the key to a skilled labor force, and a skilled labor force is the key to keeping and attracting new business.

Middle Priority

- *Work with private nonprofit organizations to attract new business.* This would assist the City in obtaining potentially unbiased suggestions, with the primary objective of enhancing the CBD. The City should solicit ideas from organizations such as the Chamber of Commerce by holding and participating in regularly scheduled meetings with a committee comprised of a cross section of political, economic, and academic leaders.
- *Create a CBD marketing brochure.* This would be helpful, if as stated, it is creatively put together. The CBD needs to be marketed not only to potential business, but also to the people who will be using the business and services offered in the CBD. Such a brochure can be distributed to business, developers, and State agencies also promoting economic growth in the state.

The brochure should clearly indicate the proximity of Middletown to its markets and identify administrative and economic contacts. This is an excellent opportunity to highlight the skilled labor force, and the streamlined permitting process which were identified as a high priority.

- *Develop an early warning system to identify industries on the verge of cutting back or closing.* This would be effective, particularly when combined with the cities following strategy. The City must provide businesses with a mechanism to convey their problems, especially as these problems impact their ability to maintain operations in the CBD.
- *Assist industries in trouble.* This is important. See Page 9, referring to Chapter 132 of Connecticut Statutes. Other considerations may include providing business access to the City's legal staff to assist as problems arise.
- *Promote the hiring of the City's graduates.* This is tied together with the previous goal and is important in reducing potential out-migration, particularly of those in the career forming stages. This again requires the interaction of private industry with its potential labor force. Businesses need to be accessible to the community. Conducting annual job fairs at which local businesses could identify their needs and assess their potential labor force, possibly by conducting interviews, is a potential action.

Low Priority

- *Provide for expansion of day care and after school programs.* Although a desirable objective, it needs to be further studied to determine how it would be funded and who would staff these centers.

- *Promote hiring of veterans and those with disabilities.* This is a desired strategy that benefits the City, businesses and work force; as well as provides a positive image. Too often, discrimination robs society of valuable experience and insight.

The third economic goal identified in the 1990-2000 POD relates to the issue of balanced growth.

To encourage balanced growth in areas most suited for such growth, so as to ensure Middletown of a sound fiscal position and a secure employment and tax base.

Below-listed are the City's seven strategies, along with a suggested priority plan.

High Priority

- *Inventory and analyze existing undeveloped land zoned for business and industrial uses in order to identify shortages and then react to these shortages.* This is an important strategy that would achieve the goal of encouraging and attracting high-quality business, particularly retail and service, into the Central Business District. Frequently, companies in the process of identifying new locations for expansions or relocations, often visit and negotiate with numerous towns. If this information is not ready and available for interested parties, they may be forced to do the research themselves or move on to the next community. The knowledge (or lack thereof) of this information may also reflect on interest and commitment of the City to attain its goal.
- *Inventory and promote the development of land, particularly in the industrial redevelopment zone, for the small industrial incubator facilities with the State's assistance as allowed for in Chapter 132 of the Statutes.* In view of

the problems which other towns and municipalities have encountered regarding the overbuilding and redundancy of development, this strategy is extremely useful. Section 8-190 of Chapter 132 regarding municipal development projects as defined by the State provides the legal groundwork for the subsidizing of municipal projects to meet the needs of communities which possess vacated or soon to be vacated commercial and industrial properties.

Middle Priority

- *Concentrate retail sales, specialty shops, governmental and legal activities in the Central Business District.* Two issues need to be addressed in advancing this strategy: the recognition that convenience shopping in outlying areas is also positive in attracting a stable population and work force; and, that downzoning or rezoning may be required to restrict further large retail development opportunities outside of the CBD.
- *Adopt an aggressive and creative marketing campaign to attract more people to the CBD.* This is a highly desirable strategy. The City, Chamber of Commerce and major employers should work together to create and promote a safe, secure, and attractive downtown.
- *Maintain an economically sound balance between residential, commercial, and industrial property taxes.* This strategy is sound and completely desirable. It may be desirable for the City to consider short-term review procedures, to avoid, as much as possible, the need for the City to respond to economic crises. Such crisis-actions may negatively impact the long-term economic base of the community to attain short-term needs.

- *Amend zoning code to allow for the incorporation of fiscal impact analysis for large residential zone changes and special exception uses, in order to better understanding the fiscal ramifications of the development.* This strategy would provide the tool in understanding the fiscal impacts of specific land developments outside of and within the CBD. It would also assist in providing the proper mix of land development for a sound and stable economic base. The intent of the Fiscal Impact Statement is to insure that the project will be beneficial to the City with regard to finances and not detrimental to the efficient provision of town services. A balance must be established between the desire to streamline the development process, and the need to safeguard the City against undue fiscal burden created by any given development.

Low Priority

- *Market available land and buildings with the intent of attracting high-growth, high-quality industries for the year 2000 and beyond.* It is important to set in motion a program which specifically identifies and targets industries which would be compatible with the development objectives of the City; and to provide the land to attract these businesses, through zoning.

The strategies developed to achieve the goals of Middletown as stated in the 1990-2000 POD, when implemented properly and timely, will potentially put Middletown in a desirable economic position. The prioritization of these strategies outlined in this report considered Middletown's current position in light of its historical background. A high priority ranking suggests our view of strategies which must be accomplished before those ranked as middle and low can affectively be implemented. However, it is important to note that circumstances effecting the economy are continually fluctuating, and each strategy, once implemented, should be reviewed for effectiveness under prevailing conditions. Overall, it appears that the strategies and objectives suggested in the 1990-2000 POD are consistent with the stated goals of the City and will provide a basis for economic growth and prosperity.

Mr. George A. Reif
May 24, 1991
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We trust that this report assists the City in a proper evaluation of the 1990-2000 Plan of Development. Should you have any questions relative to this document, please do not hesitate to contact us.

Respectfully submitted,

WILBUR SMITH ASSOCIATES

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Senior Vice President

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