Route 9 Operational Improvement Study
Socio-Economic Analysis

prepared by

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prepared for

Connecticut Department of Transportation

In conjunction with
URS Corporation
500 Enterprise Drive
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1. Introduction

This report summarizes the findings of the consultant regarding the potential socio-economic impacts associated with the proposed improvements to Route 9 in Middletown, CT. It is a compilation of four technical memoranda that were produced during the analysis that deal with land use, demographics, impacts on businesses and fiscal/economic impacts. These memoranda have been reproduced here as the chapters that follow. The proposed changes to Route 9, while not finalized or approved, consist of the elimination of two signalized intersections and construction of two partial interchanges adjacent to the downtown.

2. Land Use

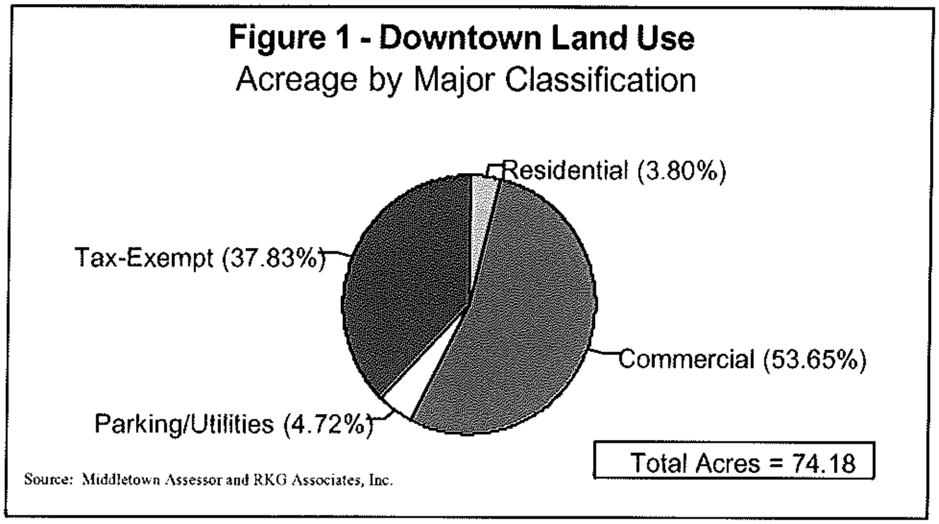
This chapter serves as the deliverable for Task 1 of RKG's subcontract with URS Corporation to provide an economic impact analysis of possible changes to Route 9 in Middletown, CT. The findings reported here include a general description of the study area, which includes the downtown core of Middletown, and a brief analysis of current real estate market conditions in the area. This information serves as a basis for estimating the potential impact that changes to Route 9 might have on businesses in the downtown. A subsequent memo will provide data on current socioeconomic trends and conditions in Middletown.

The study area consists of Middletown's downtown "core", roughly defined as the area surrounding Main Street from Route 17 to the south to St. John's Square and the Arrigoni Bridge to the north, and from the Connecticut River on the east to Broad Street on the west. This area includes the bulk of the City's "central business district" and contains a mix of retail, service office and residential uses.

In order to define the economic base of the study area, property data was obtained from the City of Middletown's Assessing Department. Property tax maps and a sample of tax records comprising many of the commercial properties on Main Street were obtained and entered into a database/spreadsheet program for analysis. The study area was inspected on several occasions and discussions on rent levels and occupancy were held with various individuals, including real estate brokers with listed properties as well as individual building owners and proprietors. The data collection effort was undertaken in early February 2002 and the findings reflect conditions at that time.

Data on 167 properties was obtained from the Assessor's database for downtown Middletown. The sample included primarily commercial use properties on Main Street and DeKoven Drive from Union Square to #728 Main, and selected properties on side streets such as Court Street and Washington Street. The sample contains a total of approximately 74 acres improved with more than 2.93 million square feet (SF) of building area, as exhibited in the following figures and tables.

Within the downtown, commercially classified properties utilize 39.8 acres, which are improved with 1.79 million SF of gross building area, or 61.1% of the total building area in the sample, including 1.5 million SF that is rentable (83.8% of the gross area). There is approximately 650,000 SF of street level or first floor commercial space, representing 22.2% of the total building area in the downtown sample. Table 6 at the end of this section contains detailed information on the downtown realty base.



Tax-exempt properties utilize 28.1 acres and are improved with 580,000 SF, or 19.8% of the sample. The amount of tax exempt property, which include churches as well as municipal and state-owned facilities, is slightly less than the amount of street level commercial space.

Properties classified by the Assessing Department as Parking Lots & Utilities comprise 3.5 acres and are improved with 380,000 SF, consisting primarily of multi-story parking structures, representing 13% of the building inventory. There were also 14 residential properties in the sample including 9 mixed-use (commercial and residential) parcels on 1.4 acres with 150,000 SF, or 5.1% of the supply.[1] More importantly, 35,120 SF of the mixed-use property is 1st level commercial space, which increases the total ground level commercial space in the downtown to nearly 680,500 SF, representing approximately 35% of the downtown building area.

Subtracting the office, automotive and fraternal uses from the first floor space results in a total of approximately 523,000 SF of street-level retail and service space in downtown Middletown. For comparison purposes, Russell Square, a community shopping center on East Main Street, contains approximately 161,500 SF in five stores with two anchor stores (Stop & Shop grocery and the former Bradlee's department store, which is reportedly to be converted into a discount home-supply store) while Washington Plaza contains 132,600 SF. Nearby, Cromwell Square at the intersection of Route 372 and Route 9 contains 215,000 SF with 35 stores while Cromwell Commons (Route 372 and I-91) has 103,000 SF with 33 stores. On the other hand, WestFarms Mall in Farmington contains 1,300,000 SF with 176 stores while the Pavilions at Buckland Hills in Manchester has 963,000 SF with 142 stores[2].

Downtown Middletown serves as a community and regional shopping center roughly one-half the size of the typical super-regional mall in terms of first floor retail floor space. Unlike malls and shopping centers, however, downtown also serves as a major employment center with over 100,000 SF of office space, some industrial and service businesses and numerous residential units, providing a strong mixed-use environment.

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[1] Residential properties exclude a Middletown Housing Authority parcel or 130 units, which is in the tax exempt category, and the 120 unit high-rise condominium project at 111 DeKoven Drive which is not part of the sample.
[2] Source: Shopping Center Directory, 39th Edition, National Research Bureau.

Commercial Uses

Within the downtown core of Middletown, a total of 114 parcels are classified as commercial, including 9 multi-use residential buildings. These properties contain a total of nearly 2 million gross square feet of building area and 1.6 million SF of rentable area. Forty retail/service use buildings contain roughly 595,100 SF of the rentable space in the downtown sample, and 265,440 SF is listed as 1st floor space. Twenty office buildings contain nearly 380,000 SF, including 103,300 SF of 1st level space. Shopping center properties have the third highest amount of rentable space with 183,225 SF, followed by mixed use (commercial and residential). These five use categories have 1.44 million SF in total and represent 88.9% of the commercial supply.

Much of the *available* building space[3] in the downtown is also located in these property types. As shown in Table 1 below, more than 139,000 SF of space is available at these properties, indicating an occupancy rate of more than 91%. The available space figures do not include any underutilized and/or vacant upper floor space in some of the buildings in the north section of Main Street or on the side streets. As shown in the table, nearly 30% of the available supply consists of 1st level space and the majority is contained in shopping center or small retail properties. This indicates that about 97,300 SF of available commercial space is primarily for office use since it is on upper floors.

Table 1
Middletown, CT: Selected Properties in the Downtown [1]

Property Type	# of Parcels	Land in Acres	Building Area 1st Floor	Building Area Gross SF	Building Area Rentable SF	Available Space [2] 1st Level	Available Space [2] Total
Commercial							
Multi-use – Res	9	1.36	35,124	153,535	119,918	3,744	7,488
Multi-use – Comm	23	3.58	59,447	211,664	162,551		
Building Materials	1	0.51	8,036	17,738	17,738		
Shopping Center	3	9.12	114,058	211,501	183,226	18,650	45,400
Small Retail/Service	40	12.34	265,439	735,985	595,061	17,720	49,742
Eating/Drinking	3	0.24	4,108	9,738	6,030		
Auto Vehicle Sales	1	0.27	3,442	3,442	3,442		
Auto Repair	3	2.71	32,840	32,840	32,840		
Gas Service Station	2	0.30	3,904	3,904	3,904		
General Office	20	8.02	103,305	433,048	379,670	1,600	36,384
Bank Bldg	6	1.91	29,738	91,794	74,034		
Medical Office	1	0.22	7,168	9,202	8,266		
Fraternal Org.	2	0.58	13,875	33,621	32,716		
Subtotal	114	41.16	680,484	1,948,012	1,619,396	41,714	139,014

[1] Includes parcels on Main Street and DeKoven Drive from Union Park to 728 Main St; 0 - 160 Washington St.; 0 - 213 Court Street
[2] Building area actively marketed; excludes underutilized or vacant areas in upper floors of some buildings
Source: City of Middletown Assessor's Office and RKG Associates, Inc.

About 25% of the available upper floor space is contained in portions of the Citizens Bank building, which was the former Farmer and Merchants Bank headquarters. Citizens is no longer in need of another headquarters, so about 23,000 SF is available for lease, and reportedly, the building is reportedly under contract with an investor who will lease back a portion to Citizens. Another 25,000 SF of upper floor space is available at the Main Street Shops of Middlesex. Most of this office space is reportedly available due to the recent closing of KGR, and is

3 Available space was determined by observation and through discussions with local brokers.

contained on various levels in the building. Of the 41,700 SF of 1st level space, the largest portion is available at Metro Square where 7 storefronts containing 18,650 SF are for lease including a former Burger King restaurant. Riverview Center has another 3 street level spaces totaling 7,300 SF, and a few other storefronts are available along Main Street.

Development History

More than 600,000 SF of new commercial building space has been constructed in the downtown since 1960, however, no major commercial construction was completed during the 1990s. Roughly 52.1% of the building activity occurred in the 1980s, followed by 26.5% in the 1970s and the remaining 21.4% in the 1960s. This suggests an annual average increase in supply of roughly 15,000 SF during this time period. However, some of the 1960 and 1970s buildings, such as Riverview Center, have recently undergone renovations and modernization. The distribution of new building area was fairly evenly divided between retail and office development. The last major office property (excluding the Superior Court Building) was the Middlesex Corporate Center, a 12 story 200,000 SF building constructed in 1989, which is occupied in part by the Middlesex Mutual Assurance Company.

Table 2
Commercial Development in Downtown Middletown (Post 1960)

Type	1960s		1970s		1980s		1990s	Total	
	#	Gross SF	#	Gross SF	#	Gross SF	#	#	Gross SF
Retail/Serv.	4	116,899	4	131,306	1	33,836	None	9	282,041
Office			1	9,176	3	276,731		4	285,907
Banks	1	1,860			1	1,200		2	3,060
Auto Rel.	1	11,124	1	19,600	1	3,442		3	34,166
Total	6	129,883	6	160,082	6	315,209	0	18	605,174

Source: City of Middletown Assessors office and RKG Associates, Inc.

Commercial Building Classification

Building class designations are based on the quality and type of construction. Class A buildings are modern, fire-proof buildings built with steel frames and high quality finishes. Class B buildings are reinforced concrete or masonry frame buildings with fewer features and amenities, while Class C and C+ are older style masonry or wood frame structures, often without elevator access to the upper floors.

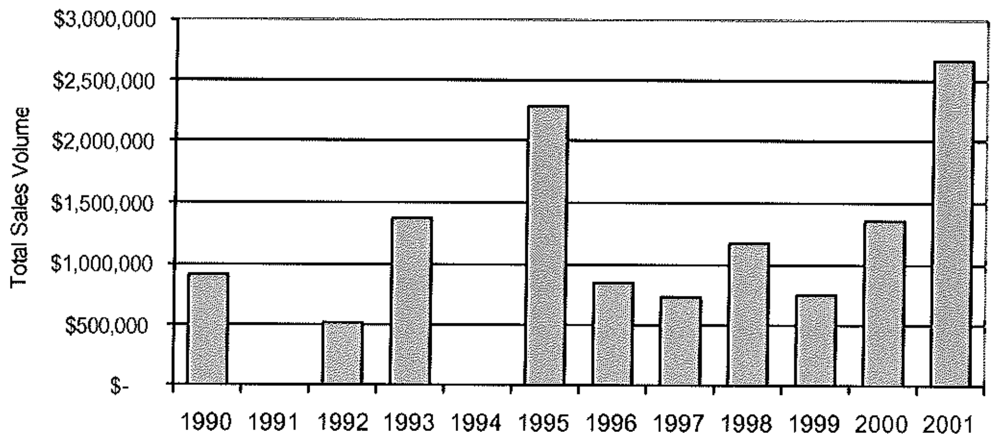
Table 3
Commercial Properties by Building Classification

	Class A	Class B	Class C+	Class C	Total
# of parcels	1	19	38	56	114
Acres	1.90	3.98	15.24	20.04	41.16
1st Floor	19,217	70,333	253,013	337,921	680,484
Total Gross	200,781	245,617	681,584	820,030	1,948,012
Rentable	184,263	197,396	581,362	656,375	1,619,396
Available - 1st Level	0	0	7,344	34,370	41,714
Available Total [1]	10,000	30,784	44,438	53,792	139,014
Avail. Rate	5.4%	15.6%	7.6%	8.2%	8.6%
Rental Range	$16 to $22	$12 to $16	$8 to $14	$5 to $14	$5 to $22
Appr. $/SF [2]	$68.84	$48.24	$30.25	$28.88	$29 to $69

[1] Does not include underutilized area in upper floors of Class C and C+ buildings
[2] Appraised Value per square foot based on rentable area.
Source: Middletown Assessor's Office and RKG Associates, Inc.

Twenty buildings in the downtown sample, containing nearly 446,400 SF of gross building area and representing 22.9% of the gross building area, have a Class A or B designation. Thirty-eight buildings have a Class C+ designation, based on assessor's records, and represent 35.0% of the gross commercial building area. The remaining 42.1% of commercial space has a Class C designation. As show in Table 3, the average assessment value per SF for Class C buildings is roughly $30/SF, with only minor value differences between Class C and C+. Class A properties have an assessed value of nearly $70/SF, while Class B have an average value of less than $50/SF.

Figure 2
Downtown Middletown
Commercial Property Sales 1990-2001



Sales Activity

An analysis of commercial sales in the downtown (as reported in the assessors records) indicate that 49 properties have transferred since 1990, representing a total of approximately 683,000 gross SF and 563,000 rentable SF. The total of all sales was reported at nearly $13 million or an average of approximately $33 per square foot. 2001 was the most active year in terms of the number of sales with 7 transactions representing $2.7 million in value for just over 60,000 gross SF of space ($45 per SF). The number of sales has varied since 1990 from none in 1991 and 1994 to last year's 7, with an average of between 4 and 5 per year.

Table 4
Commercial Sales Transactions by Year – Downtown Middletown

2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
7	5	6	4	6	4	5	0	6	2	0	4

Source: RKG Associates, Inc.

Leasing Information

In terms of rental pricing, Class A office rents are presently quoted at $19/SF to more than $22/SF, while rents at Class B properties range between $12/SF and $16/SF. Rents are generally quoted on a gross or modified gross basis, with the building owner paying for taxes, insurance and in some cases, utilities. In many cases parking is not included in the base rent, and ranges from $25 and $50/month extra depending on the garage or lot facility and location. Rents for Class C properties, including many of the downtown retail spaces, are reported to range between $5/SF and $14/SF, with most spaces ranging from $8/SF to $10/SF. Rents in general have shown some upward movement in recent years, at least on asking rates, however, the downtown market has remained relatively stable in terms of lease pricing. Overall occupancy has improved strongly over the past decade, as many small, specialty retail stores and service businesses have moved into the downtown.

According to the Middlesex County Chamber of Commerce, approximately 200 businesses have addresses within the downtown building sample. This indicates an average size of 7,400 SF per business based on the 1.48 million SF of occupied building area. This figure is likely overstated since underutilized upper floor areas in Class C and C+ buildings have not been included. In fact, there may be more than 135,000 SF of underutilized upper floor space (third floor and up) in Class C and C+ buildings, which potentially represents nearly a doubling of the existing available space in the downtown. However, currently achievable rents for this space generally do not justify the cost of renovations to meet life-safety codes and market standards.

Table 5
Retail & Service Establishments – Downtown Middletown

SIC code	Description	Establishments	Employment	Sales (millions)
52	Bldg. Mtls/Garden Supplies	4	44	7.4
53	Gen'l Merchandise Stores	1	1	0.1
54	Food Stores	6	38	4.2
55	Auto. Sales/Services	4	23	4.3
56	Apparel & Accessory Stores	12	99	12.5
57	Home Furnishings/Equip.	8	32	5.2
58	Eating & Drinking Places	32	391	19.4
59	Miscellaneous Retail	41	333	36.2
70	Hotels/Lodging Places	0	0	0
72	Personal Services	17	61	2.4
73	Business Services	20	147	22.1
75	Auto. Repair, Services, Parking	4	36	1.6
76	Misc. Repair Services	2	5	0.2
78	Motion Pictures	3	18	0.8
79	Amusements/Recreation	6	37	3.5
Total		160	1,265	$119.9

Source: Claritas, Inc. & RKG Associates, Inc.

Data on business activity in the downtown area[4] indicates a total of 160 retail and service business establishments employing over 1,200 persons and with annual sales of nearly $120 million, as shown in Table 5. The largest categories of business establishments include Eating & Drinking Places, Miscellaneous Retail and Business Services, typical for small city downtown areas and consistent with Middletown's evolving role as both a college community and regional specialty retail center.

Downtown's Role

Downtown Middletown serves as a community-focused retail center for the region, drawing much of its activity from local residents and workers, as well as from a much wider range of customers and users depending on the type of product or service offered. Middletown's restaurants reportedly attract diners from a 20 to 30 mile radius, particularly the numerous

[4] This data was provided by Claritas, Inc. using data from InfoUSA. The area is represented by census tract #5416 which includes the Main Street core plus additional streets in and around the downtown.

ethnic restaurants. Specialty retail stores like Amato's Toys attract patrons from throughout eastern Connecticut, while more mainline retailers like Bob's Stores and Bob's Discount Furniture serve a more localized market. The Destinta Theatre also reportedly attracts viewers from throughout Middlesex County and from Hartford County to the north, as well as local clientele. Other retail and service firms serve only the downtown residents and/or workers, providing a wide array of convenience goods and personal or professional services. Downtown Middletown also serves the retail and service needs of Wesleyan University's 2,950 students and 350 faculty, many of whom support the wide variety of outlets found in the city.

A survey of downtown businesses is in process and several of the questions address the issue of where users come from. The results of this survey will be reported in a subsequent technical memorandum.

According to local sources, downtown Middletown has recovered from the recession of the early 1990's that left Main Street with numerous vacancies and declining rents. The upsurge in suburban mall and strip commercial retail development hurt many New England downtowns as general merchandise stores moved out of the historic downtowns to be closer to their consumers. As indicated above, overall vacancy in the downtown is under 5% for first floor storefronts and approximately 8% overall, and several new stores and restaurants have opened in the past two years. Office vacancy is also relatively low among buildings with better quality space, with several larger "anchor" tenants in place. Vacancy is substantially higher for Class C and C+ office space, particularly the upper story "walkup" spaces located over Main Street retail storefronts.

Middletown benefits from a sizable residential population in and around the downtown. Within Census Tract 5416, which includes much of the downtown core, it is currently estimated that there are over 1,100 households containing a population of 2,750. In addition, the surrounding neighborhoods within one mile of the downtown contain a substantial population base, including Wesleyan's 3,000 students, that supports business activity on Main Street. The type of housing in the downtown core ranges from upscale single family and condominiums to low and moderate income apartments, most in 1-4 family buildings. The upcoming technical memorandum on demographics will provide more detail on the population makeup of the downtown and the City.

Conclusion

This technical memorandum describes Middletown's downtown in terms of current land uses and the real estate market. It provides a basis on which proposed changes to Route 9 can be measured. Downtown Middletown contains a mix of retail, service, office and residential uses in a wide variety of buildings, ranging from Class A office towers to inexpensive retail storefronts. A total of nearly 2 million gross SF of space exists in the downtown, with 1.6 million considered rentable. Over 500,000 of first floor retail and service space exists in 86 parcels. The downtown also includes nearly 400,000 SF of office space.

The table on the following pages presents a more detailed accounting of the space in the downtown.

Table 6
Middletown, CT: Selected Properties in the Downtown [1]

Property Type	# of Parcels	Land in Acres	Building Area 1st Floor	Building Area Gross SF	Rentable SF	Available Space [2] 1st Level	Available Space [2] Total	Appraised Values Land	Appraised Values Total	Assessed Value
Residential										
Multi-use -- Res	9	1.36	35,124	153,535	119,918	3,744	7,488	$280,700	$3,343,777	$2,340,644
Res Dwell (S/F)	1	0.58	1,680	3,360	3,360			$66,400	$190,570	$133,399
Three Family	1	0.13	0					$28,250	$98,540	$68,978
Res-4 - 8 Units	2	0.53	5,286	14,898	12,252			$43,250	$339,900	$237,930
Apt Bldg 9+	1	0.22	2,913	9,643	5,666			$37,600	$187,300	$131,110
Subtotal	14	2.82	45,003	181,436	141,196	3,744	7,488	$456,200	$4,160,087	$2,912,061
Commercial										
Multi-use - Comm	23	3.58	59,447	211,664	162,551			$834,700	$4,804,153	$3,362,820
Building Materials	1	0.51	8,036	17,738	17,738			$81,600	$330,000	$231,000
Shopping Center	3	9.12	114,058	211,501	183,226	18,650	45,400	$1,824,000	$7,033,300	$4,923,310
Small Retail/Service	40	12.34	265,439	735,985	595,061	17,720	49,742	$2,490,600	$15,189,509	$10,633,218
Eating/Drinking	3	0.24	4,108	9,738	6,030			$91,800	$275,100	$709,800
Auto Vehicle Sales	1	0.27	3,442	3,442	3,442			$54,000	$166,000	$116,200
Auto Repair	3	2.71	32,840	32,840	32,840			$450,800	$1,023,500	$716,450
Gas Service Station	2	0.30	3,904	3,904	3,904			$172,200	$288,910	$202,240
General Office	20	8.02	103,305	433,048	379,670	1,600	36,384	$1,561,370	$20,477,830	$14,335,180
Bank Bldg	6	1.91	29,738	91,794	74,034			$375,000	$4,677,540	$3,274,280
Medical Office	1	0.22	7,168	9,202	8,266			$37,600	$386,000	$270,200
Fraternal Org.	2	0.58	13,875	33,621	32,716			$128,000	$733,740	$513,618
Subtotal	105	39.80	645,360	1,794,477	1,499,478	37,970	131,526	$8,101,670	$55,385,582	$39,288,316

(Table 6 continued on next page)

Table 6 (continued)
Middletown, CT: Selected Properties in the Downtown [1]

Property Type	# of Parcels	Land in Acres	Building Area: 1st Floor	Building Area: Gross SF	Building Area: Rentable SF	Available Space [2]: 1st Level	Available Space [2]: Total	Appraised Values: Land	Appraised Values: Total	Assessed Value
Parking Lots & Utilities										
Parking Lot	8	3.04	48,462	378,396	3,479			$517,400	$2,662,450	$1,863,722
Comm Land (Undevable.)	1	0.12		0				$40,500	$40,500	$28,350
Utilities-Gas Cont.	1	0.34	1,122	1,122	1,122			$54,400	$77,790	$54,450
Subtotal	10	3.50	49,584	379,518	4,601			$612,300	$2,780,740	$1,946,522
Tax-Exempt										
State	1	1.54	23,700	130,700	130,700			$308,000	$27,967,370	$19,577,160
Muni. Park	1	1.44						$288,000	$288,000	$201,600
Municipal	20	15.48	61,530	156,150	147,757		25,669	$2,601,800	$13,931,170	$9,751,870
Church	5	2.71	28,418	77,034	75,834			$503,200	$7,410,720	$5,187,544
Housing Auth	1	0.81	14,394	101,459	94,874			$162,000	$4,780,900	$3,346,630
Other Charitable	9	6.03	47,839	112,346	102,509			$806,500	$5,197,840	$3,638,488
Cemetaries	1	0.05						$4,000	$4,000	$2,800
Subtotal	38	28.06	175,881	577,689	551,674		25,669	$4,673,500	$59,580,000	$41,706,092
Total	167	74.18	915,828	2,933,120	2,196,949	41,714	164,683	$13,843,670	$121,906,409	$85,852,991

[1] Includes parcels on Main Street and DeKoven Drive from Union Park to 728 Main St; 0 - 160 Washington St.; 0 - 213 Court Street
[2] Building area actively marketed; excludes underutilized or vacant areas in upper floors of some buildings
Source: City of Middletown Assessor's Office and RKG Associates, Inc.

3. Demographics

This chapter serves as the deliverable for Task 2 of RKG's subcontract with URS Corporation to provide an economic impact analysis of possible changes to Route 9 in Middletown, CT. The findings reported here include an overview of demographic and economic trends in the City, Middlesex County and the State of Connecticut. Limited data on downtown Middletown, represented by Census Tract 5416, is presented where appropriate. Data sources include the U.S. Census 2000 and Claritas, Inc., a private demographic data supplier.

Tracking trends in population and other demographic factors assists in analyzing the market potential for a given area. If population and incomes are growing, then there will likely be an increase in spending on goods and services, which in turn results in greater demand for real estate – such as new construction and higher rents or sale prices. Similarly, decreases in the number of potential consumers or in their income would result in lowering of commercial values as a result of less demand. The impact of changes in the demographics of a region on a specific area such as downtown Middletown must be analyzed in terms of surrounding region that influences activity there.

Downtown Middletown serves as a regional shopping and employment destination, drawing consumers and employees from within the City itself as well as from surrounding communities. Businesses in Middletown have different "market areas" from which their customers are drawn, depending on the type of product or service that is offered. The largest number come from within Middlesex County, with a few drawn from nearby Hartford County and fewer still from other counties. Therefore changes in the demography of the City and the County will have the largest influence on economic activity in the downtown.

The US Census for 2000 has only recently begun to release detailed data on many variables. Population, age and race counts are out at the census tract level, however, income and other information is not scheduled for release until later in 2002 and beyond.

The following sections are broken out by the general categories of population, income/employment and establishments.

Population

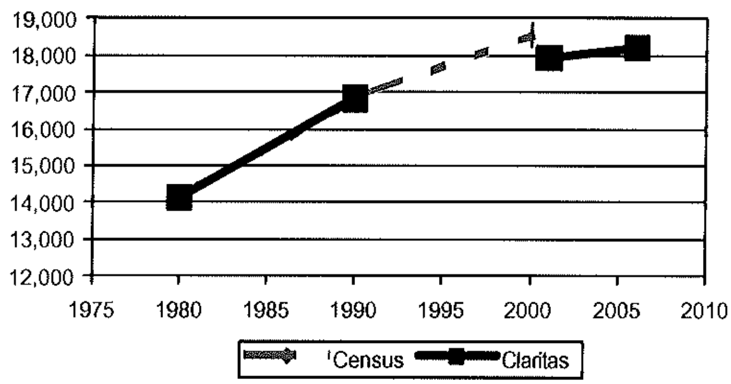
According to the 2000 Census, the City of Middletown had a reported population of 43,167, indicating an increase of 405 persons, or slightly less than 1%, over 1990 Census figures. Between 1980 and 1990, the population of the City grew by 3,736 persons, or 9.6%. Analysis of the latest Census data by the City Planning Department has revealed possible counting errors, whereby up to 2,400 persons were not included in the count[5]. If this population had been included, the City would have grown by nearly 6.6%.

[5] Apparently, a portion of the on-campus student population of Wesleyan University, located adjacent to downtown Middletown (Census Tract 5415) was not counted in the Middletown totals. The equivalent population did, however, get attributed to the nearby town of East Hampton (Tract 5502), which showed an increase in population from 5,411 in 1990 to 8,310 in 2000, including the non-institutionalized group quarters population of 2,430 (from 12 in 1990 to 2,442). No physical facilities to house these individuals exist in East Hampton. The communities are currently working to resolve the issue and request a recount/correction by the Census.

Claritas estimates the City's 2001 population at 43,769, an increase of only 2.4% over 1990. The impact of the Census miscount may have influenced Claritas' data. During this time frame, Middlesex County's population grew by 9.3% while the State of Connecticut grew by 4.0%. Between 1980 and 1990, the City, County and State grew by 9.6%, 11.0% and 5.8% respectively. The downtown core of Middletown, represented by Census Tract 5416, had a reported population in 2000 of 2,675 and 2,689 in 1990. Little new housing has been added in the downtown, although there are a few new project under construction that will add housing units and population over the next few years.

The data indicates that the City is growing at a faster pace that the State but somewhat slower than the County. This is understandable given the large amount of housing that has been and is currently being developed in the rural and suburban communities surrounding Middletown. The City is somewhat constrained in its ability to grow due to the lack of additional, easily developed land.

Figure 3
Middletown Households



According to Claritas, the City contains an estimated 17,903 households with an average household size of 2.23 persons. The number of households in the City grew by 1,082 or 6.4% between 1990 and 2001. This compares with 12.8% growth in Middlesex County and 6.3% growth for the entire State of Connecticut. In the previous decade (1980 to 1990), the City grew by 19.1%, equal to the County (19.0%) and significantly faster than the State (12.5%). The City is forecast by Claritas to grow by 350 households, or 0.8%, over the next 5 years (through 2006). Census figures for 2000 indicate a larger number of households (18,554), as shown on the graph above. The discrepancy may be due to the miscount described above, and actual number will not be known until the more detailed counts are released.

The number of housing units in 2001 is estimated by Claritas at 19,470, an increase of 1,380 units or 7.6% over 1990. This is expected to rise by 336 units, or 1.7%, by 2006. The 2000 Census counted 19,697 housing units, an increase of 8.8% over 1990 figures.

Middletown is predominately white, with persons classified as non-hispanic white comprising 78.5% of the 2001 population. Approximately 21.5% of the City is non-white, with 2.5% of the population reported as Black, 5.4% Hispanic and 3.7% Asian and other races. Comparatively, Middlesex County is 9.8% non-white while the State is 21.9% non-white. The downtown core has a slightly higher minority population with 710, or 26.5%, non-white persons.

The City has a somewhat younger population distribution than the County and the State. The graph at right indicates the relative percentage of the population by age group. Middletown has a higher percentage of young adults and so-called "baby boomers than either the County or State. These age cohorts are prime targets for the types of goods and services that are found in a downtown. In addition, these cohorts represent the prime household forming years, generating demand for various housing alternatives as well as related goods and services.

Figure 4
Age Distribution - 2001

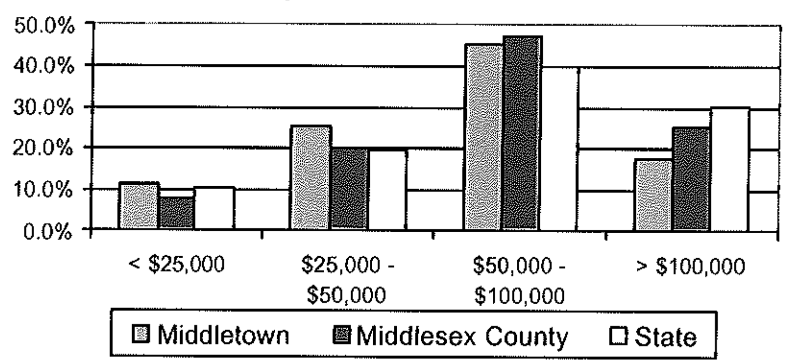
The median age in Middletown is 35.2 years, lower than both the State (38.1) and County (38.6). This age distribution is typical of a college town and reflects both the student body and the young professionals that work or are otherwise attracted to the community.

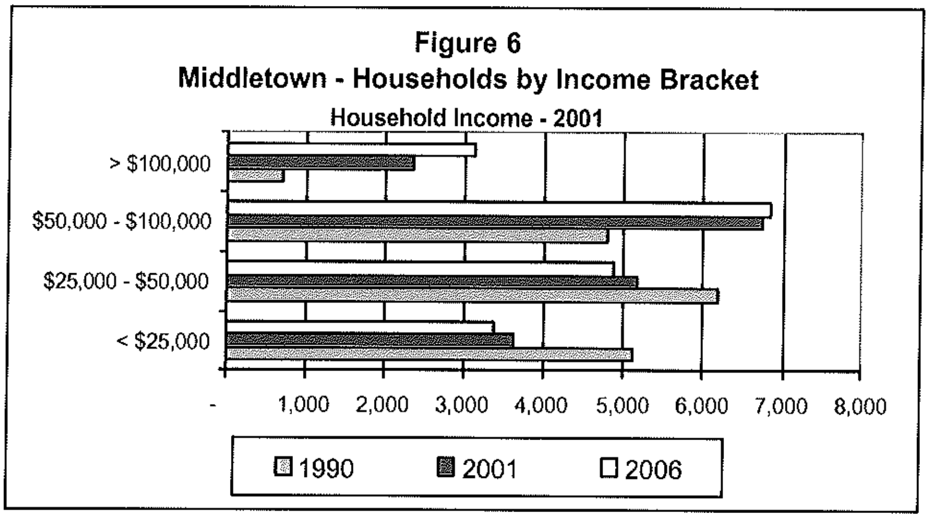
Income

The detailed Census reports that include income data for 2000 have not been released for Connecticut, therefore the data from Claritas is relied on. Overall, income levels in Middletown are lower than at the State or County level and are not growing as rapidly. In 2001, the estimated per capita income in Middletown was $25,611, an increase of 43.4% over 1989 (as reported in the 1990 Census). This was 79.1% of the statewide per capita income ($32,389) and 88.0% of the County ($29,111). Statewide incomes rose 60.7% between 1989 and 2001 and 48.5% in the County.

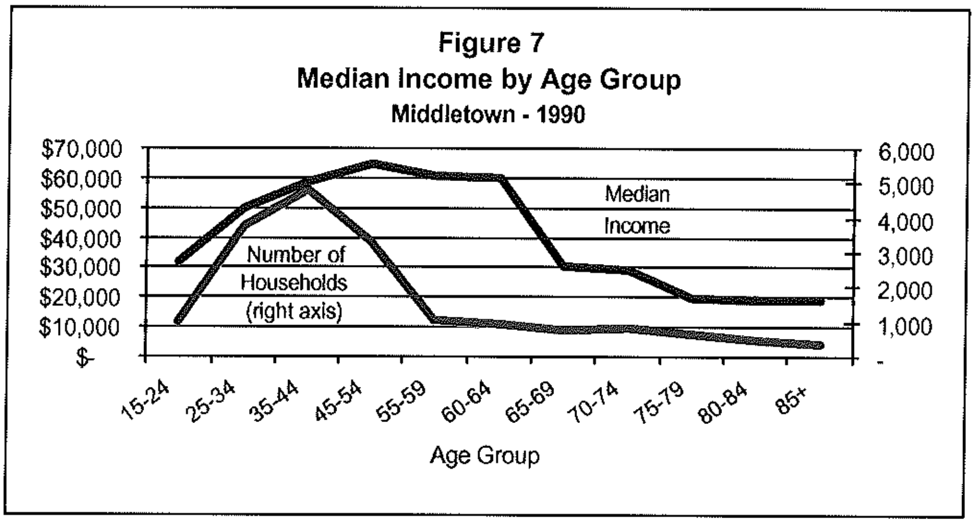
Median family household income in the City, at $60,340, is 16.8% lower than for the State ($72,496) and 14.9% lower than the County ($70,888). Family income is also growing more slowly in Middletown than elsewhere. However, as indicated in the chart at right, Middletown has a larger share of middle income households than the State or County. This growing "middle class" is helping drive the retail and service market in the downtown.

Figure 5
Comparative Income Levels
Family Household Income - 2001





Household income is also growing in Middletown. In 2001, Claritas estimates that the number of households earning over $100,000 increased by 1,630, or by nearly 230%, since 1990 and is expected in increase by another 773 (47%) by 2006. Similarly, 1,956 more households earned between $50,000 and $100,000 in 2001 than in 1990. This rise in incomes in Middletown has and will continue to play a large role in the successful redevelopment of Main Street.



The affluence of Middletown's middle-class is concentrated in younger households, as shown on the chart above, based on the Claritas estimates for 2001. While the peak income age group is the 45-54 year olds (at $64,327), younger households 35-44 years old with a median income of $58,792, are the most numerous, representing 27% of all households. This younger, affluent group plays a critical role in the City's recent revitalization. Comparing this data from 1990 indicates that the most affluent groups are getting older. In 1990, the 35-44 year olds were the most numerous households. It is interesting to note from the detailed Census data that households in the 25-34, 35-44 and 45-54 year old age brackets, earning between $50,000 and $100,000 represent nearly 30% of the total number of households in the City. Similarly, those in the same age groups earning $25,000 to $50,000 represent another 20%.

As stated earlier, Middlesex County, which represents much of the market for activities in downtown Middletown, is also relatively affluent with a median income nearly $10,000 greater than the City as a whole. Incomes are also growing faster at the County level, indicating an increasing potential market for City-based businesses.

Employment

Detailed data from the 1990 Census shows that Middletown residents are closer to the state than the county in terms level of education, with 28.7% having a high school diploma and 48.5% having some college. At the state level, these numbers of 29.5% and 49.7% respectively, while for at the County, 29.9% are high school graduates and 52.7% have some college. This likely reflects the historic employment base within the City and will undoubtedly change when the new Census numbers are released. Occupational statistics from 1990 indicated similar distribution of jobs among the three areas, as well as among industry sectors. The City had a slightly higher proportion of its work force employed in Professional and Related Services (30.4%) than did the County (26.7%) and State (24.8%). A similar situation occurred for the Finance, Insurance and Real Estate sector (12.6% of the City's work force). Somewhat surprisingly, 13.6% of the City's labor force worked in retail, compared to 14.8% and 15.4% at the County and State.

Table 7
Total Nonfarm Employment Change
Middletown 1995 - 2000

	June 2000	*June 1995*	*Change*	*Percent*
Total Nonfarm Employment	29,030	26,690	2,340	8.8%
Construction	670	340	330	97.1%
Manufacturing	4,730	3,920	810	20.7%
Food	*	*	-	-
Textile & Apparel	*	*	-	-
Furniture, Wood, & Paper	80	60	20	33.3%
Printing & Publishing	330	330	-	-
Chem, Rubber, Misc Plastics	240	220	20	9.1%
Primary Metals	0	*	-	-
Fab. Metals & Aircraft	*	*	-	-
Machinery	240	240	-	-
Electrical Equipment	170	150	20	13.3%
Measuring & Control Devices	*	*	-	-
Other Manufacturing	3,670	2,930	740	25.2%
Service Producing Industries	23,600	22,440	1,160	5.2%
T.C.P.U.**	840	700	140	20.0%
Trade	3,640	3,580	60	1.7%
Wholesale	730	590	140	23.7%
Retail	2,910	2,990	(80)	-2.7%
Finance, Insurance & R.E.	5,830	5,890	(60)	-1.0%
Services (incl. Nonprofit)	8,270	7,540	730	9.7%
Government	5,020	4,740	280	5.9%

Data obtained from the Connecticut Department of Labor and shown in the table above indicates that the City increased employment by nearly 9%, or 2,340 jobs, between 1995 and 2000, with substantial gains in the manufacturing and service sectors. Surprisingly, employment in retail and in finance, insurance and real estate (FIRE) dropped by a total of 140 jobs. Other information from the State's Community and Economic Development department indicates that nearly 50% of Middletown's 1,770 businesses in 2001 provided 43% of the jobs in the City, while the 88 firms manufacturing firms (5% of total) employed over 7,000 jobs, or nearly 26% of the total.

The City and the region is comprised of large numbers of small businesses as well as several large and very large employers. Within Middlesex County, 87.8% of the 4,286 reporting workplaces (businesses and organizations) have fewer than 20 employees each, yet employ 16,284 workers, or 27.9% of the workforce. On the other hand, the top 6 employers, each with over 500 employees, account for 10,510 jobs or 18.0% of the employment base in the County. This data reveals the City's strongly diversified economic base and its ability to weather economic cycles. The City's largest employers include Aetna, Pratt & Whitney, Connecticut Valley Hospital, Middlesex Hospital and Wesleyan University.

Commuting data from the 1990 Census indicated that just under one-half of the City's resident work force of approximately 22,400 worked within the community, with about 6,400 workers commuting out to jobs primarily to the north and west. At the same time nearly 10,000 people commuted into Middletown from towns to the south (3,000), towns across the river (2,700) and communities west of Middletown (4,200). Nearly all of those commuters traveled by automobile, with 75% traveling alone to work, while less than 500 workers used public transportation. A relatively large percentage of the work force (10%) walked to work or worked at home.

Conclusions

Middletown has lagged the County and the State in population growth and income over the past few decades. However, current trends point to increasingly healthy economic growth in the City. The well diversified economy and strong growth in the number of relatively affluent, young to middle-age households, indicate solid support for continued growth of the downtown area, assuming that it continues to provide the goods and services sought by these buyers. In addition, Middletown strong local employment base, which includes a number of service and professional companies both large and small, also will provide market support for the continued growth of the downtown.

4. Business Survey

This chapter serves as the deliverable for Task 3 of RKG's subcontract with URS Corporation to provide an economic impact analysis of possible changes to Route 9 in Middletown, CT. The findings reported here include the results of a survey of downtown Middletown businesses conducted in early May 2002. The objective of the survey was to obtain information regarding the perceptions that business owners and operators located in downtown Middletown have about the Route 9 traffic lights and possible changes to the existing interchanges in and around downtown. The analysis was designed to allow a range of responses, including room for comments in several areas.

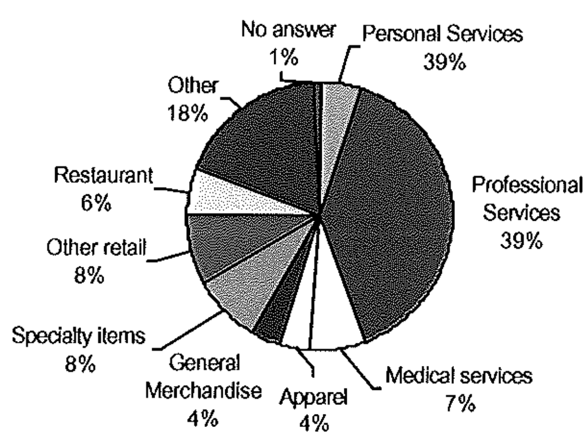
A total of 254 contact names were provided by the Middlesex Chamber of Commerce, comprising the organization's downtown mailing list. Based on the number of businesses estimated in Middletown from the Census and other sources, it is believed that this list was the most current and complete such listing. In fact, no surveys were returned as undeliverable. A one page, double-sided survey was sent to each contact name using first class mail, along with the pre-stamped return envelope. Notification of the survey was made a few days prior to the mailing at the Chamber's monthly downtown breakfast forum, and a request to complete the survey was made at the next such meeting. A copy of the survey can be found at the end of this memo.

Results

A total of 84 surveys were returned, generating a 33.1% return rate. Only one respondent indicated in the first question that they did not own or operate a business in downtown Middletown. This respondent did note in the comment section, however, that they had formerly owned a business and was now only active in renting apartments and commercial space.

A wide range of types of businesses were represented in the responses to the survey's second question, as shown in the following graph. The largest group was professional services with 39% followed by various retailers at 24%. Other business types included not-for-profits, churches and associations.

Figure 8
Responses by Type of Business

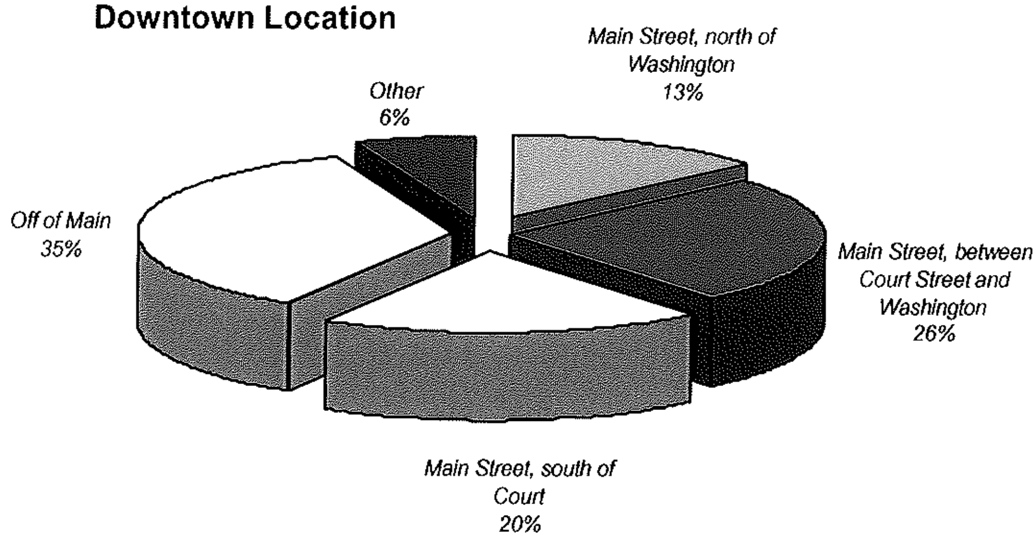


Other types of businesses included the following self descriptions (Question 2):

automotive	frame shop	Opticians
bank	Government	Real estate investment prty
Christian videos etc	law firm	Recreation & fitness
Church	Legal	rep to veh & gas station
church-st paul	liquor & wine store	synagogue
Community Ctr	Manufacturing	toy & hobby
custom wood fabricating	Manufacturing - Printing	transportation
equipment rental	National Mortg Co HQ	
Financial	non-profit	

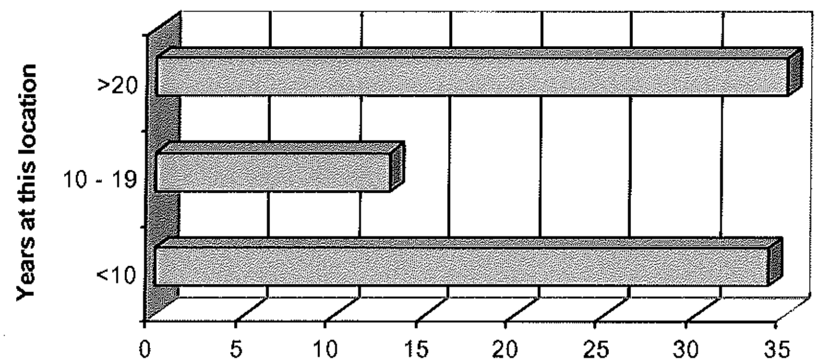
Regarding the location of businesses in Middletown (Question 3A), the survey respondents were fairly evenly distributed geographically throughout the downtown, with 48 of 82, or approximately 59%, located on Main Street, as shown in the graph below.

Figure 9
Downtown Location



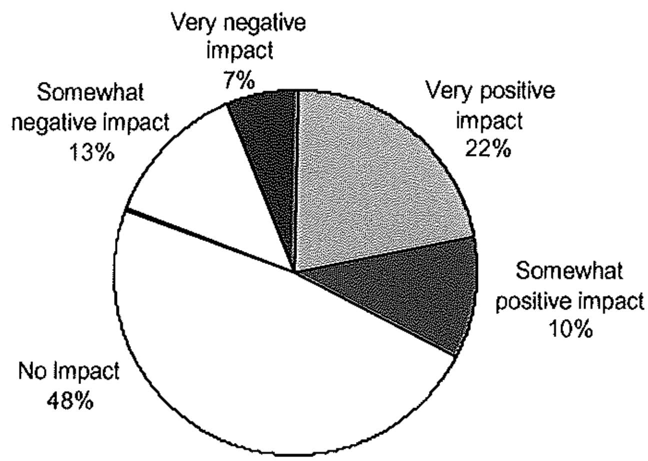
Those businesses not on Main Street indicated locations which included DeKoven Drive, Court Street and Washington Street. Five respondents, or 6%, were located outside the immediate downtown ("Other"). The Main Street respondents were generally equally distributed along the length of the street.

Figure 10
Age of Responding Businesses



Question 3B asked how long the respondent had been at their respective location. The answer ranged from 0 to 350 years, with an average business age of 31.5 years and the median of 11 years. This information indicates that downtown Middletown is a relatively stable market, consisting of businesses that are typically past the start-up phase and are well established. However, it is interesting to note that the number of "older" businesses (those who have operated in downtown Middletown for more than 20 years) is about the same as the number of "new" businesses (under 10 years).

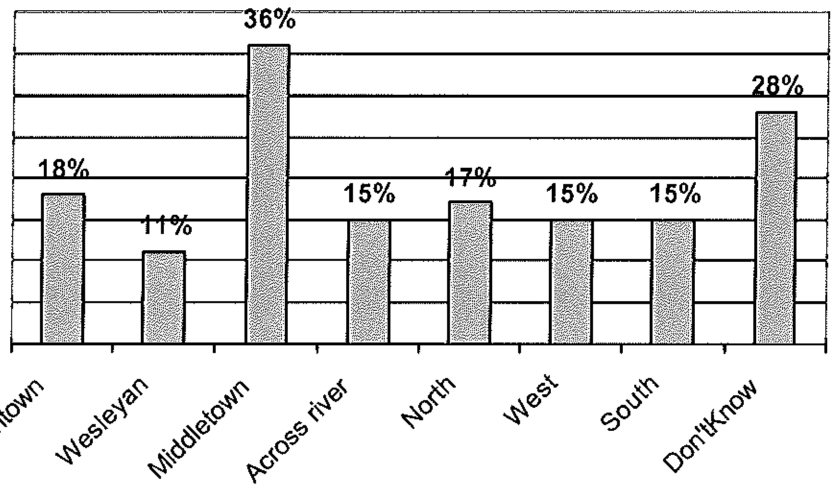
Figure 11
Impact of Traffic Lights



When asked in Question 4 how they advertised their location to clients or customers, 24% simply used "Middletown" while 16% used the more specific "downtown Middletown". Approximately 26% used their actual street address while 17% of the 81 respondents to this question did not specify their location. The majority of businesses are not specific as to their location in their advertising, therefore they rely on their (first-time) customers to find them within the downtown area.

The next question asked respondents' opinion of the impact that the Route 9 traffic lights have on their business. Out of a total of 77 respondents, 25 or 32.5% indicated that the lights have a somewhat (10.1%) or very (22.4%) positive impact on their business. On the other hand, 15 or 19.5%, indicated a somewhat (13%) or very (6.5%) negative impact, while a total of 37, or 48.1% said that the lights have no impact on their business. These results indicate that the traffic lights are important to some businesses operating in downtown Middletown.

Figure 12
Origin of Customers/Clients
Average Percentage Response



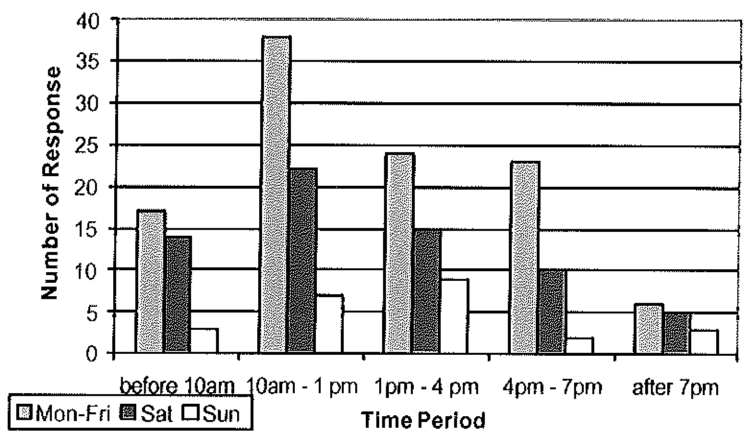
Question 6A asked where a business' customers or clients who visited their downtown location came from by estimating what percentage of all customers come from a particular geographic area. The responses indicated that downtown Middletown attracts people from a broad geographic area as well as from elsewhere in the City. As shown in the graph above, the response with the highest average percentage response was for "Elsewhere in Middletown" followed by "Don't Know". The other locations ranked relatively equally with the exception of "Wesleyan University" which had the lowest average percentage response. The median value of the responses was 10% for all location choices except for Elsewhere in Middletown at 30% and Communities Across the River at 15%.

The following question (6B), which asked how far customers or clients traveled when coming to businesses in downtown Middletown, also indicated a relatively even dispersion between 5 and 50 miles distance. The average response for "1 mile or less" was 25% (42 responses) and 14% for "More than 50 miles" (21 responses). Other location choices ranged from 35% to 37% while the average percentage for "Don't Know" was 46%.

According to the businesses responding to Question 6C, most people drove to the place of business (average response of 85% from 77 responses). Interestingly, 39 respondents reported on average that 20% of their clientele walked to their place of business, reflecting Middletown's strong local residential and employment base. Approximately one-half of the businesses that responded to Question 6D believed that their customers or clients use Route 9 to get to downtown, based on an average of 51% from 63 responses.

The responses to Questions 7A and 7B from downtown businesses indicated that the busiest times in terms of when customers or clients visited downtown occurs in mid-morning on weekdays and weekends (for those that are open) followed by afternoons and evenings, as shown on the accompanying graph. The total number of responses to this question is greater than the total number of surveys returned due to the fact that some respondents checked off multiple boxes. However, the data clearly indicates the relative spread of visitors to downtown over the course of a typical day.

Figure 13
Busiest Times for Downtown Businesses



The next question (8) asked whether customers or clients ever indicated that they had trouble finding or getting to businesses in downtown Middletown. The responses indicated that about one-half had no problems while the other half sometimes did. Only 3 respondents indicated that their customers often had a problem.

The next question (9A) asked about the impact on businesses of a "generic" solution with two interchanges off of Route 9 to access downtown. Of the 72 who responded out of the total of 84 surveys returned, 6 or 8% thought it would result in a positive increase in sales ranging from 10 to 100% (3 respondents), 30 or 42% thought it would have no impact and 16 or 22% indicated a negative impact ranging from 1 to 100% (from 8 respondents). A total of 20 respondents (28%) indicated "Don't Know".

The remaining questions provided an opportunity for respondents to provide comments regarding the Route 9 traffic light issue. These are shown on the following pages.

Comments

(some comments have been shortened or abbreviated for space consideration)

Question #5 – Impacts of traffic lights on Route 9 on your business .....

"As long as I'm stuck at this light I'll get off now and take a look around"
Access from South of Middletown is easier to direct clients to take left at 1st light on 9N
Access off Rt. 9 onto Washington
Access to Main St simple - any change makes entry more diff. Will be opposed
Accidents - prevent emergency vehicles quick access to hospital
Allow our customers easy access to our location
Allows for easy access from much of customer base located in surrounding towns
Customer complaints at high drive times
Customers like how easy it is to get to us
Customers wouldn't be able to come conveniently to our business
Directions complicated for visitors to arrive and depart
Don't know if lights have impact but exits do, especially exit 14 Harbor DeKoven Exit
Easy access from Rt. 9 Ex Rt 9 S left at 2nd light - left into parking lot & vice versa from Rt. 9 N
Easy on-off option
Help get people to come into Middletown
If traveling on Rt. 9 our customers use Exit 5
light cause backups that delay deliveries & our employees returning to plant & if accident takes forever to get back
Light keeps traffic flowing & our salon becomes more visible
Location of business not close enough to note any type of effect
Lot of accidents
My business is a destination. Also I've never polled my customers about traffic situation
People avoid Rt. 9S in afternoon & morn, impacting travel time
People come to a good service business either way
People coming to our office usually have appointment
People have option to get off highway and spend $ to keep Middletown alive - not isolated and dead like New Britain
People schedule an appointment to see me - no walk-ins
Pollution air noise safety - dangerous street crossing vibration – damage to bldg
Reminds the market that there is a vital downtown area
Simple way to provide directions and landmarks
Staff efficiency due to delays - rely on travel time of our employees
Lights create traffic jams - motorist detour through Middletown - clogged streets - leads to transportation delays
Traffic backs up on Main St. and customers can't shop & if they do its hard to get out of parking lot
Traffic lights allow people to get off at 3 downtown locations. It will be like New Brit
Traffic lights during rush hour equals traffic jams
Traffic stopped in front of location for long period of time prevents people to get in/out quickly when dropping clients off
Very few customers come to headquarters
We have 5 trucks on the roads for delivery also
While people wait on light they view my store windows

Question #9B – Please explain how the traffic lights on Route 9 specifically affect <u>your</u> business ......

Accidents at Wash St corner of bldg & fast traffic make pedestrian crossing dangerous

Accidents - prevent emergency vehicles quick access to hospital
Allow clients traveling west to get to Main St
Traffic on Main St need to get on R. 9 proc in both dir

Avoid traveling during rush hr - traffic always backed up - clients complain

Business directly off Exit - easy on easy off

Customers traveling Rt 9 S have an easier access Those traveling Rt 9 N have no easy access to south portion of Main St.

Delay in traffic, time in travel efficiency - cost margin on our business

Directions easy - having Ex 15 makes it easy for customers to find us traveling both N & S

Directions complicated for visitors - difficult to arrive & depart

Do not have impact

Does not affect our business

Don't - simply takes longer for people to get to church

Don't affect business. Destination store and directions are easy.

Don't believe they have any impact

Don't know

Don't know but do know what happed to CT - don't want for Middletown

Easy direction

Heavy traffic always problem on Main St & Washington areas

If access is jeopardized customers won't come in

If you bypass any way to get to our place

It is a very positive way to get to our location

It's easy to give directions if people are coming from Rte. 9

It's the exits that are important to our business

Just a landmark for directions to Main St

Keep routing thru traffic out of downtown

Keep traffic moving - Wash St more accessible – N.E.S.&W

Lights at exit 16 and 15 provide immediate simple access to our facilities

Lights delay time to arrive-results in missed appointments

lights slow traffic to allow people into downtown. My fear is what happened in New Britain a few years ago

Make Middletown more accessible

More and a constant traffic flow always stimulates business

Moved to location because of simple & convenient access to Rt. 9. Wash St. ramp put customers directly at back door

None

Now customers from N&S and W have extremely easy access to downtown

One way to Rt 9 S/B Friday 5 PM - no left from 9 N/B - lower Wash St

Only delay at certain times

Only regarding when we tell people not familiar with Middletown what exit to get off of Rt. 9

People can get right off & right back on hwy – location, location, location

Probably don't

Provide easy access

Reducing bottleneck in Middletown would encourage more interest in downtown Middletown

Rt 9 only backs up traffic & creates dust & debris & poll in my area. Ramps needed for immediate access to Rt 9

Slows things down at rush hours in AM & PM

They don't

They slow traffic down so people can see our business

Traffic buildup at high drive time. Busy times 7:30-9:00 AM - 3:30-5:30 PM

Truck access only

We are only loc on Rt 9 where you must slow down - people get better look at Town and easy access

Question 10 – What are the top 3 things which could be done, from a traffic perspective, to improve the downtown business environment?

#10 - Top 1	#10 - Top 2	#10 - Top 3
better signage	Apparel for all members of families	Additional bridge access
build tunnel so we can have access to river	Avoid downtown with Rt. 66	Allow Rt turn at light at Rapald & Main
Chg lights on Main & Washington	Better Parking	Causes dangerous stopped
Easier access to downtown	Bridge to north & south	easy access
easy to follow signs	Continue direct access from Rt. 9	get rid of lights better access & egress
Eliminate U-turn	coordinate traffic lights	improve access to Bridge
Fix walk lights	create a geometric pattern	improvements in routing So Green area
Free parking	Direct connector to Hosp from Rt. 17 connector	Inexpensive & moderate prices
Get Brand name companies	Easier access from highway	more housing
get intro-state off Main St	easier merge Rt 17 to Rt 9	Parking
Go back to main St. traffic control system	easy parking from highway	Remove parking meters
Gridlock at Main & Washington	Fix traffic lights so not stop at each one	Restroom availability to public
Improve flow on Main & Washington	get rid of lights	safer straight bridge to east
improve signage	improvements in routing at St Johns Sq	Widen 66
Improve the intersection at Wash & Main St	Jams up traffic	Widen Rt. #9
improve traffic flow	keep the Washington St. exist from Rt. 9 to Main S	
improved parking	More parking downtown	
Keep lg trucks off local streets	More pedestrian friendly	
Make deliveries on access road	more shopping	
more foot traffic	Parking	
more parking	Prohibit left turn onto Main from Wash St traveling West	
More parking	Recently done but done poorly	
Need some anchor stores	remove lights on Rt. 9	
no loading/unloading in traffic lane bet 9-10 12-1	Remove lights at Exit 9 Washington	
Parking	Resynchronize ped-xing w/ all ped cross at same time	
quicker clean up of traffic lights	Rt 9 - Rt 66 & Rt 17	
redesign & reroute trucks out of downtown	Rt 9 access to bridge	
Remove lights on Rt. 9	Safer bridge to east (wider)	
Remove Rt. 9 lights	Signage	
safer bridge to east (straight)		
safer wall lights		
see below		
Southbound arrow @ Wash St too short		
Time the lights better		
Tunnel Rt. 9		
Tunnel traffic under pres Rt. 9		
Tunnel Rt. 9 thru river front area		
Walk lights - return to old system		
Wash St. congestion		
We need to keep the easy access to		
Widen Washington St.		

Question #11 – General comments .....

5th study on Interchange. Stop the BS & decide something even if not politically correct

As a professional services business we go to our clients 95% of time - they don't come to us

As long as traffic can still access Main St with relative ease. Love to see the light on Rt 9 removed. There are more traffic problems on Main St.

Changes on Rt 9 will have minimal impact on my business

Concerned about removing lights. Need more than 3 spots to enter from. Do not want what happened to N. Britain Ct on Rt. 9 N Britain Ct will impact

Concerned that by removing lights less people would come to rest, it would isolate area & create void - this would not be good

Construction will greatly impact bus – customers will go to malls downtown

Currently employ 200 people - 300 by yr 2003. Main concern getting people to & from work quickest way without delays. Will help in hiring efforts

Downtown needs to have exits to survive

Encourage government to develop national energy policy. Stop building for cars & long dist commuters, Encourage small less polluting - encourage walking, bicycling

Feel the improvement should be done ASAP

Former retailer & bldg owner

I feel that 2 major off ramps/rotaries at no & so ends would make for easier access and less congestion

I personally would like the lights to disappear. No negative impact for business

I understand why people don't want lights. Going to eliminate access to Ctr Cor by plan for access to N of Main & S of Main. Ctr is thriving – change difficult

Impression is study is attempt to get rid of light then when $ available than attempt easy access. Will not agree to do job in phases. Last phase is remove light

Know lights slow traffic but downtown Middletown needs the exist to stay viable

Make downtown more accessible via Rt 9 for those who want to visit Main St and have an alt traffic pattern for those wishing to bypass downtown traffic/light

Make Tt9 North more easily accessed

Most important - get intra-State/Town traffic out of Middletown. side streets are used ext by people going East to West. Removal of traffic will restore safety

No statement is on about Wash St light & exit & entry on Williams St exit

Please make it easier to get in & out of Town

Remove Washington light - will not effect Main St - most people go straight through Main St

Rt 9 through Middletown am/pm rush hour is dangerous - not thruway once driver arrives at either Ex 11 or 15

Takes more than a traffic light to improve area

The redesign should make all summer traffic capable of arriving & parking truck traffic to businesses here likewise thru truck traffic out of the Ctr

There needs to be a middle exit - not just the ends.

Unless you give Middletown new value like a tunnel the cons will undermine the positive business convience

We feel chg traffic flow would drastically reduce business. Stop lights encourage people to slow down & look - also easy to get to Main St.

Without #9 Exit to Wash St business commerce would die. People have access to town thru Rt. #9

Route 9 Business Survey
Middletown, CT

TO: Downtown Business Owners, Managers and Landlords

FROM: Craig Seymour, Project Manager
RKG Associates, Inc.

PLEASE TAKE A FEW MOMENTS TO RESPOND TO THIS VERY IMPORTANT SURVEY. ALL INDIVIDUAL RESPONSES WILL REMAIN CONFIDENTIAL

As a part of the planning and permitting process for possible improvements to Route 9 through the downtown area, the Connecticut Department of Transportation has asked our firm to assess the economic impacts of various alternatives to the existing interchanges and traffic operations along Route 9. While specific roadway alternatives have not been chosen, the most probable scenarios include redesigning the Hartford Avenue (Route 66) and Route 17 interchanges at either end of the downtown, including a new approach to the Arrigoni Bridge and elimination of the traffic lights at Washington Street and Hartford Avenue.

In order to report and quantify the potential economic effects such changes may have on the City, we need input from the businesses that depend on the local road system for customers, employees, suppliers, etc.

Please answer the following questions as completely and candidly as possible and return by fax or mail to RKG's office using the postage-paid return envelope within 5 working days.

Thank you for your participation!

RKG Associates, Inc. 277 Mast Road Durham, NH 03824 (603) 868-5513 e-mail: crs@rkg1.com TEL: (603) 868-5513 FAX: (603) 868-6463	**In conjunction with:** **Connecticut Department of Transportation** *and* *URS Corporation AES* *Rocky Hill, CT*

NOTE: Survey layout here differs from original

Route 9 Business Survey
Middletown, CT

1. Do you own or manage a business located in downtown Middletown?

   ☐ yes ☐ no (go to Question #10)

2. What type of business is it? (If more than one, please check all that apply)

   ☐ Personal Services
   ☐ Professional Services
   ☐ Medical services
   Retail
   ☐ Apparel
   ☐ General Merchandise
   ☐ Specialty items
   ☐ Other retail
   ☐ Restaurant
   ☐ Residential (apartments)
   ☐ Other (please specify)
   ____
   ____

3A. Where is your business located in the downtown?

   ☐ Main Street, north of Washington
   ☐ Main Street, between Court Street and Washington
   ☐ Main Street, south of Court
   ☐ Off of Main (which street? ________________)

☐ Other (please specify) ____________________)

3B. How long have you been at this location?
______ years

4. Do you advertise your location as …

   ☐ "Downtown Middletown"
   ☐ " ### Main Street" (your street address)
   ☐ "Middletown"
   ☐ None of the above/don't advertise
   ☐ Other ______________________

5. In your opinion, what impact do the traffic lights on Route 9 have on your business?

   ☐ Very positive impact
   ☐ Somewhat positive impact
   ☐ No Impact
   ☐ Somewhat negative impact
   ☐ Very negative impact

Please explain: ______________________
____
____

____
____

6A. Where do the customers/clients who visit your downtown location come from? *(Please indicate by percentage)*

_____ % Downtown
_____ % Wesleyan University
_____ % Elsewhere in Middletown
_____ % Communities across the river?
_____ % Communities north
_____ % Communities west
_____ % Communities south
_____ % Don't know
100%

6B. How far do customers/clients who visit your downtown location travel to get there?

_____ % 1 mile or less
_____ % 1-5 miles
_____ % 5-10 miles
_____ % 10-50 miles
_____ % More than 50 miles
_____ % Don't know
100%

6C. How do they come to your business?

_____ % Drive
_____ % Public transportation
_____ % Walk
_____ % Other means
_____ % Don't know
100%

6D. What percentage of your customers/clients use Route 9 to get to your place of business?

_______ %

7A. During the week (Mon-Fri), when are you busiest?

   ☐ before 10am
   ☐ 10am – 1pm
   ☐ 1pm – 4pm
   ☐ 4 pm – 7pm
   ☐ after 7 pm

7B. What about weekends?

Sat.	Sun.	
☐	☐	before 10am
☐	☐	10am – 1pm
☐	☐	1pm – 4pm
☐	☐	4 pm – 7pm
☐	☐	after 7 pm

(survey continued on other side)

8. Do *new* customers/clients ever indicate that they have trouble finding or getting to your location?

☐ no ☐ sometimes ☐ often

9A. If the traffic lights on Route 9 were removed and access to downtown was available by way of redesigned interchanges in the approximate locations of Exits 16 (Route 66E/Arrigoni Bridge) and Exit 13 (Route 17W), what would be the impact on your business?

☐ Positive increase in sales: _____ %
☐ None – no measurable impact on sales
☐ Negative impact on sales: _____ %
☐ Don't know

9B. Please explain how the traffic lights on Route 9 specifically affect your business ......

____

____

____

____

____

10. What are the top three things which could be done, from a traffic perspective, to improve the downtown business environment?

1. ____________________________

2. ____________________________

3. ____________________________

11. Please feel free to provide us with your comments concerning the Route 9 study and potential impacts on downtown businesses like yours.....

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Thank you!

Please fax or mail back today......

FAX 603-868-6463

(mailing address)

RKG Associates, Inc.
277 Mast Road
Durham, NH 03824
Attn: CRS/Survey

5. Fiscal/Economic Impacts

This chapter summarizes the findings and conclusions of RKG Associates, Inc. regarding the potential impacts of proposed improvements to Route 9 through downtown Middletown, CT. Route 9 is a divided highway which runs between the downtown (Main Street) and the Connecticut River. The highway is a limited access highway throughout its length except for this particular segment, which includes 2 signalized intersections (Hartford Avenue and Washington Street), a partial interchange (deKoven Drive) allowing southbound exits and northbound entrances, as well as a partial interchange at Route 17 at the south end of the downtown district.

Proposed Improvements

The proposed changes to Route 9, *while not finalized or approved*, include four major elements which are described below and shown in Figures 14 through 16 which follow the text. These elements may change as a result of final design and permitting. However, they are described here as if built, in order to estimate the economic and fiscal impacts of the project. Any changes to the proposed Route 9 improvements that differ from what is described here, are not anticipated to significantly impact the findings of this analysis, except as noted in the narrative. The proposed changes[6] include:

- elimination of the Hartford Avenue intersection with Route 9 (Exit 16), replacing it with a full grade separated interchange approximately 120 meters north, leading to new access to Main Street and the Arrigoni Bridge (Figure 14);
- elimination of the Washington Street at-grade interchange (Exit 15), with the southbound entrance ramp to remain in place under one optional scenario (Figure 15);
- closure of the northbound entrance ramp adjacent to Harbor Park while retaining the southbound exit onto DeKoven Drive (Exit 14) (also Figure 15); and
- reconstruction of Exit 13 (Route 17) into a full diamond interchange and creation of a boulevard between River Road and South Main Street (Figure 16).

The proposed changes may impact the way that visitors access downtown Middletown. Currently, downtown Middletown experiences relatively heavy traffic volume from travelers passing east and west though the city, as well as from visitors and residents whose origin or destination is within or near the downtown area. During certain peak travel periods, traffic backs up on Route 9 at the lights resulting in congestion delays as well as increased accident rates[7].

Information presented in previous Technical memoranda reported the findings of RKG's analysis of the real estate market in downtown Middletown, a survey of downtown businesses as well as the socioeconomic and demographic environment. This section analyzes the potential impacts resulting from the proposed highway improvements described above. This includes the potential impact on minorities and Middletown's low-income population as prescribed for under Executive Order 12898 (Environmental Justice) and the potential fiscal impacts to the City.

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[6] The proposed changes were provided to RKG Associates by URS Corporation and represent one of several design alternatives that are being evaluated.

[7] These comments are based on personal observation and anecdotal evidence provided by those interviewed during the course of the study. No traffic counts, movement data or analysis of accident occurrences were available at the time of this report.

Physical Impacts

The completion of the proposed Route 9 improvements will have little direct physical impact on the downtown area. The largest impacts will occur as a result of the new Exit 16 interchange on the north end of the city. The preliminary conceptual layout[8] of the grade separated interchange calls for the extension of Main Street to the north beyond the existing Arrigoni Bridge approach, and looping east to Route 9. This alignment requires the taking of several developed and undeveloped properties along North Main Street. In particular, two multi-family homes believed to contain a total of 5 apartment units across from the cemetery would be directly in the new alignment, as would a 1-story industrial building currently occupied by Bergen Architectural Woodworking. Proceeding north, the alignment may impact a 1 story retail/office building located on the north side of Stack Street. The realigned bridge approach, which would be located slightly north of the existing approach structure, would likely impact a vacant 2 story mill building on the east side of North Main along with an estimated 3 or 4 residential properties located in the Bridge Street neighborhood. The extension of North Main Street out to Route 9 would potentially impact 2-3 partially developed parcels on the east side of North Main including Ron's Sales & Service Centre, a sewer pump station and the Middletown Building Supply Company's maintenance shed.

The closure of portions of Exits 14 and 15 will not result in any direct property impacts. The reconstruction of Exit 13 is also not expected to result in any direct impacts to private property, since it is believe to be located completely on public land, with the exception of a corner of the former industrial site on River Road, which is part of a future mixed-use development (South Cove Development Area) that is in the early planning stages by the City.

The direct impacts associated with the northern improvements will result in a small loss of property tax revenues to the City as well as the possible loss of 1-2 businesses, provided that no relocation or other mitigation measures are taken. The loss of approximately 5 apartment units and 3-4 residences will not substantially impact the downtown.

Impacts on City Service Delivery

Interviews were conducted with staff from various City departments over the course of the analysis to determine the potential impact of the Route 9 changes on the delivery of City services including public safety. In general, no significant impacts were anticipated. Discussions with the Fire Chief and the Assistant Chief indicated that only minor re-routing of some calls would be needed in the areas around the northern interchange. They also noted that the removal of the lights on Route 9, and the anticipated reduction in accidents associated with them, would be an improvement. The Public Affairs Officer for the Police Department indicated that there would be little or no impact crime on rates or police activity as a result of the improvements.

Impacts on Business Activity

As described in the previous memoranda, downtown Middletown serves as a regional retail and services center, attracting people from within a 20+ mile radius to shop, work and visit. Although it experiences a great deal of through traffic due to the confluence of several major regional arterial roads ((Routes 66, 3, 9 and 17), there are relatively few convenience-oriented services that cater to the traveler, rather, most businesses provide goods and services that

[8] Alignment data provided by URS Corporation on June 4, 2002 (filename: RKG_FULLBUILD.DGN)

appeal to a wide variety of users. There are several convenience-oriented retail and service businesses (such as gas stations, drive-thru fast food outlets, etc.) located on the outskirts of the downtown that cater more to the transient visitor. As a result, downtown Middletown is a "destination" to which people specifically decide to go when seeking certain goods and services.

For example, people wishing to see a movie typically don't drive around until they come across a cinema, rather, they decide in advance what movie they want to see and find out where it is playing, then go to that particular facility. Similarly, people wanting to shop at a variety of retail outlets may choose a nearby mall, or a downtown, as their destination. Convenience goods and services, which tend to be purchased on a more "spur of the moment" basis, are certainly available in downtown Middletown but attract those individuals who are already in the downtown to work or shop, or those who live there. As a result, it is our opinion that relatively few, if any, downtown visitors (shoppers, workers, etc.) would be influenced by the changes to Route 9 enough to change their minds and decide to go elsewhere for these goods and services.

The proposed improvements to Route 9 will change the traffic patterns now in place in the downtown area. The closure of Hartford Avenue and the construction of a new interchange to the north will not significantly impact visitors bound for the downtown. Any improvements in the level of service for traffic destined for downtown may actually serve as an inducement for more people to come to the downtown[9].

The existing southbound exit to Washington Street provides the greatest level of convenience for visitors coming to downtown Middletown, at least during non-peak hours. Closure of this exit (one of the alternatives being proposed) will likely have the largest impact of any of the proposed changes, since this is the fastest way to Main Street. However, improvements to the other interchanges and maintenance of the deKoven Drive southbound exit will likely counter any long-term negative impacts this would have. Since most visitors to downtown are specifically seeking a destination there (a particular store, restaurant or office), the small potential decrease in convenience (as measured in time or number of turns, etc.) is likely to be acceptable to most people, particularly when compared to safety considerations and inconvenience resulting from peak-hour traffic. Therefore, little or no impact on the businesses in downtown Middletown is anticipated. This conclusion echoes the results of the business survey reported in the previous technical memorandum.

The closure of the northbound and southbound (alternative) entrances onto Route 9 from Washington Street impacts the ease by which downtown visitors can leave the City for other destinations. Unless the alternative routes that are available are considerably less convenient (due to additional traffic, lights, or number of turns, etc.) then no impact is anticipated. Adequate signage may be needed, particularly in the short term as visitors adjust to the new traffic patterns.

The proposed improvements to Exit 13 may slightly decrease the convenience of accessing the downtown area from Route 9 southbound. Currently, visitors destined for downtown, who have not already used one of the three existing exits, make a right onto the Route 17 access ramp and keep right to come to Main Street Extension. Under the proposed configuration, southbound visitors would exit right off of Route 9 to a controlled interchange, then proceed west to the deKoven Drive intersection and either turn right into downtown or go straight to the next intersection and turn right onto Main Street Extension. Visitors from the south, who currently cannot exit onto Route 17 and must turn left at the Washington Street lights (Exit 15),

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9 Projected traffic counts and origin/destination data may change these findings.

would enjoy improved convenience in accessing most of downtown under the proposed configuration. Visitors seeking destinations on Washington Street or Main Street north of Washington may find this alternative slightly less convenient due to the number of additional intersections that would need to be crossed.

The closure of the northbound entrance ramp at Harbor Park may have a slightly detrimental impact (in terms of convenience) on departing park visitors and customers of the restaurant business located directly adjacent. Patrons of these facilities seeking to head north will need to go south either along River Road or follow Union Street to deKoven to the Route 9/17 interchange. Patrons seeking to head south on Route 9 will find it easier than the current route they must now take (Union to Main Street Extension to Route 17). Visitors arriving to the park or restaurant from the south on Route 9 will have much better access to these properties as a result of the improvements to Exit 13. Once exiting Route 9, drivers can bear right to River Road, then turn left towards the facilities.

Overall, the impact on businesses in downtown resulting from the proposed improvements is judged to be neutral. As a retail and service destination, Middletown's retail and service establishments attract visitors from throughout the region, most of whom come to the community with a specific destination in mind. The proposed roadway changes will result in small variations in access time (over current levels) and convenience, both positive and negative, depending on the direction a visitor is approaching from on Route 9 and the location of his or her destination within the downtown. It is our opinion that, on average, the number of visitors who may experience a greater degree of inconvenience will be balanced by those whose destination is made more convenient. Any impacts to specific businesses are likely to be very small and may be positive in some cases or negative in others. Businesses will, however, need to inform their customers about any access changes that may result.

Construction Impact

A concern that was expressed during the data collection process and in the business survey was the short-term impacts to businesses in the downtown as a result of the construction of the improvements. Concerns about parking, noise, dust and possible detours were voiced by business owners and managers. In general, any construction activity that inconvenienced visitors was perceived as a negative impact due to the potential loss of business that could potentially result. In particularly, it was noted that customers who chose to stay away during the construction might not return after choosing to shop elsewhere in the region. Without specific information regarding the extent and location of construction, it is not possible to accurately predict the impacts to the business community, however, it is important that this concern be taken into account and mitigated to the extent possible through signage, alternative parking and route systems, dust control, etc.

Environmental Justice

Executive Order 12898 seeks to have state and local agencies who are recipients of federal aid, identify and address disproportionately high and adverse human health or environmental effects of actions on minority populations and low-income populations in the area under consideration.

Downtown Middletown is represented by several Census Tract areas, however, Tract 5416 covers the majority of the immediate downtown. Three other Tracts (5411, 5415 and 5417) include the "edges" of the downtown district along with a significant portion of the residential areas surrounding the downtown. In order to determine the potential impacts of the proposed

Route 9 improvements on minority and low-income persons, Tract 5416 was used to compare demographic considerations with the remainder of the City and region.

According to the 2000 Census[10], Tract 5416 had a population of approximately 1,290 or approximately 3% of the City's total population[11]. The tract count included 538 minorities, or 41.7% of the tract's population, compared to 20.2% for the City as a whole. Approximately 6.2% of the City's total minority population of 8,712 reside in Tract 5416. The median 1999 household income in the tract was $13, 699 which was 29% of the City's $47,162. Per capita income of $13,397 was 52% of the City's $25,720. It should be noted that Tract 5416 includes much of the student population at Wesylan University, which skews the data. A total of 453 residents of the tract (35.5% of the City) had incomes below the poverty level in 1999, compared to 7.5% (3,142) for the city as a whole.

Based on the Census data for the tract representing much of downtown Middletown, the area directly influenced by the proposed Route 9 improvements appears to have a higher proportion of minorities than the City as a whole and that income levels within the downtown are lower. For these populations (minorities and/or low income), the impacts of the improvements will be minimal. The few residential units that may be affected due to the realignment of the Arrigoni Bridge approach and the extension of North Main Street represent a small fraction of the total number of household units in the tract. It is not known if minorities or low-income individuals live in the impacted units. Employment opportunities are not likely to be lost, nor will accessibility or public transportation impacts be altered. In some cases, accessibility to the regional job market may be slightly enhanced.

Fiscal Impacts

The financial impacts to the City of Middletown resulting from the construction of the Route 9 improvements can be categorized into two types – 1) loss of tax revenues resulting from a reduction in sales and loss of business and/or residential properties, and 2) increases in costs associated with the delivery of municipal services to the downtown area. The latter issue was discussed above and the impacts appear to be minimal. The loss of business and property taxes is not anticipated to be measurable due to the very low level of impacts anticipated. Although individual businesses may experience a change in business volume (positive or negative) as a result of the improvements, this does not translate into changes in the property taxes charged on a particular property immediately. Reassessment of property by the City Tax Assessor is done occasionally and is based on a variety of valuation techniques, which may or may not reflect small changes resulting in the economic output (sales) of tenant businesses. In addition, changes in the market of a specific business – such as a decrease in purchases from a portion of their customers who no longer come to Middletown as a result of the changes to Route 9 – are often made up for by management, such as through increased advertising to entice additional sales from the remaining customer base, or by expanding to capture new customers. The loss of property taxes from those properties actually taken during the highway improvements will have a small, but measurable impact on the City's fiscal position.

[10] American Fact Finder, U.S. Census Bureau at http://factfinder.census.gov from Tables P1, P6, P52, P53, P82 and P83.

[11] The City's 2000 Census population was reportedly undercounted by approximately 2,400 persons in Tract 2415, as a result of an error. See first footnote in Technical Memorandum 2 for a more detailed explanation.

Figure 14 – Route 9 Improvements (North)

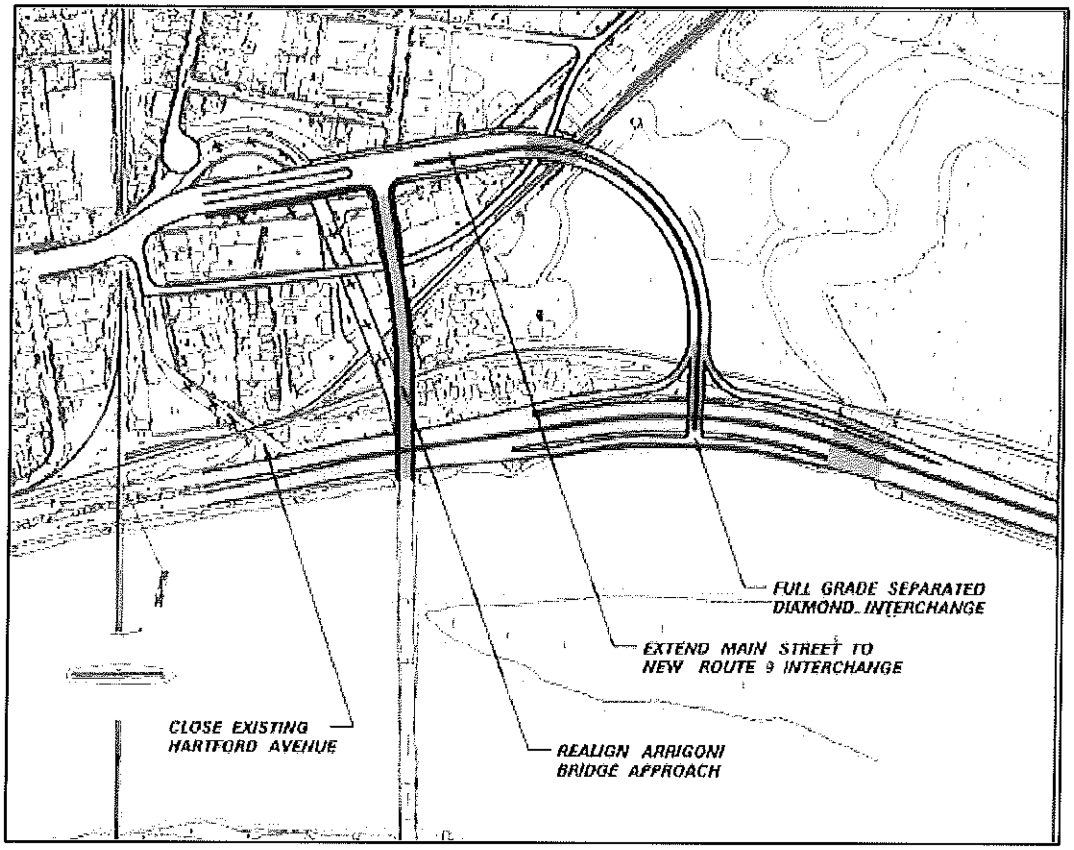

Figure 15 – Route 9 Improvements (Middle)

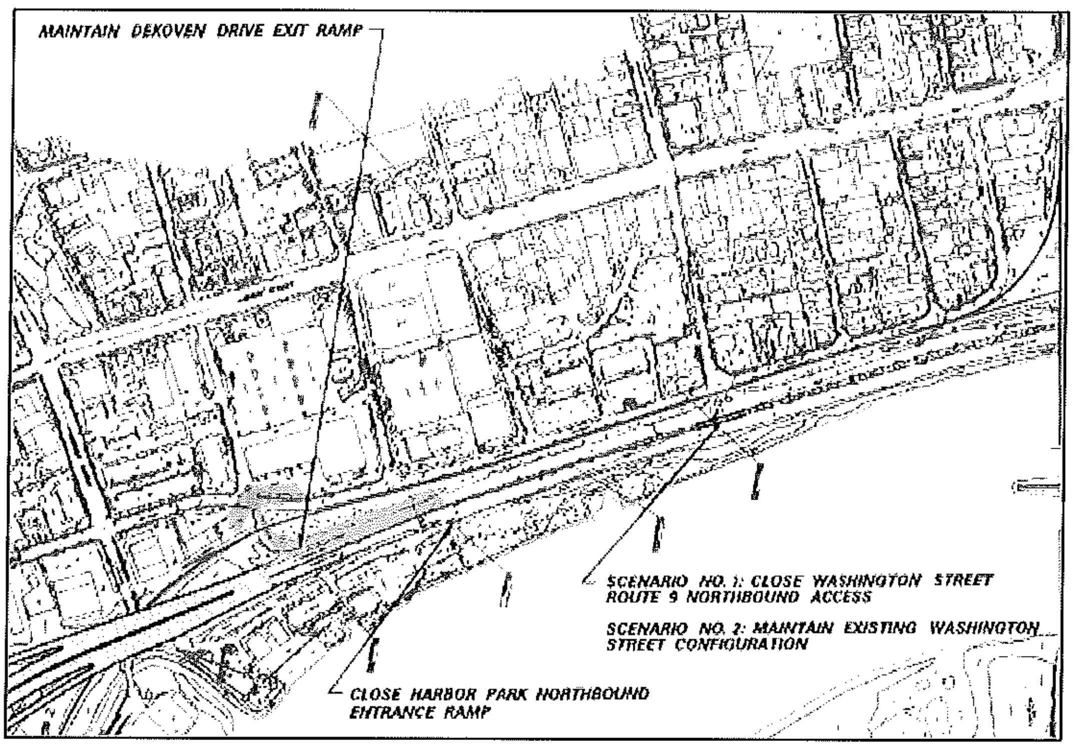

Figure 16 – Route 9 Improvements (South)