



THE NBSTM
The National Business SurveyTM

Bloomington, MN

Business Climate Report

2015



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About

The National Business Survey™ (The NBS) report is about the business climate of Bloomington and provides guidance about community characteristics and services that support local businesses.

Great communities are partnerships of the government, private sector, community-based organizations and residents, all geographically connected. The NBS captures business owners' and managers' opinions across eight central facets of community livability (Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment and Community Engagement).

The Business Climate Report provides the opinions of a representative sample of 413 business owners and managers of the City of Bloomington. Because no statistical weighting was performed, no traditional margin of error was calculated. However, because not all business owners or managers responded to the survey, NRC recommends using plus or minus five percentage points as the “range of uncertainty” around any given percent reported. The full description of methods used to garner these opinions can be found in the *Technical Appendices* provided under separate cover.



Highlights

Bloomington business owners and managers value the community as a place to live and do business and feel positively about the business climate.

About 89% of survey respondents rated their quality of life in the City as excellent or good. Respondents' ratings of quality of life were higher than ratings in other communities across the nation. When considering Bloomington as a place to work, 94% of business owners and managers felt it was excellent or good while about 88% felt it was an excellent or good place to visit. At least 8 in 10 business owners rated Bloomington as a place to do business and the overall image and appearance of the city favorably. About 9 in 10 survey respondents would be very or somewhat likely to recommend operating a business in Bloomington and planned to keep their business in Bloomington for the next five years.

Economy is important to business owners and ratings related to Economy were positive.

Business owners indicated that Economy is an important focus area for Bloomington in the coming years. The rating for overall economic health was higher than the national comparison with about 85% of business owners giving it a positive rating. Within Community Characteristics, about 9 in 10 survey respondents felt that the quality of business establishments in Bloomington and shopping opportunities were excellent or good and slightly fewer (82%) gave positive marks to employment opportunities. Within Governance, economic development was rated positively by 84% of business owners and was higher than the national comparison. The remaining three aspects were rated positively by about 6 in 10 survey respondents (retaining existing businesses, attracting new businesses and supporting or creating new jobs). A majority felt positive about the impact of the economy on their revenues in the coming six months.

Business owners feel their business space needs are met and generally feel positive about the available workforce in Bloomington.

When asked to consider their company's space needs in the next five years, about three-quarters indicated no change will be needed. For respondents expecting to grow in the next five years, about three-quarters felt that their current location had enough space for their expansion needs. With regard to workforce, about 4 in 10 survey respondents planned to hire within the next 6 to 12 months. About half of survey respondents gave an excellent or good rating to their overall impression of job applicants in their most recent hiring experience and a similar proportion indicated that that availability of labor does not limit their operations at all. However, about two-thirds of business owners indicated having some issues with being short-staffed due to a lack of applicants.

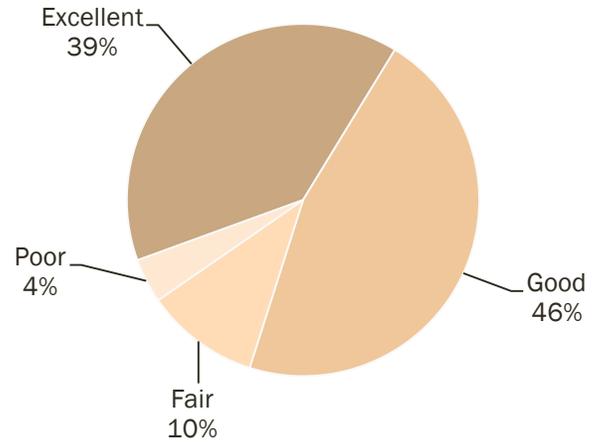
Doing Business in Bloomington

Knowing where to focus resources to establish or preserve a thriving business climate requires information that targets features that are most important to the business community. Overall, about 85% of business owners rated Bloomington as a place to do business as excellent or good. This rating was higher than ratings in comparison communities (see Appendix B of the *Technical Appendices* provided under separate cover).

Business owners rated eight facets of community (Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment and Community Engagement) in two dimensions on the survey, first by their overall quality and then how important each was for the City to focus on in the next two years. The chart below summarizes these ratings by showing how each facet's quality compared to the benchmark; stars indicate the areas deemed most important for Bloomington's efforts in the future.

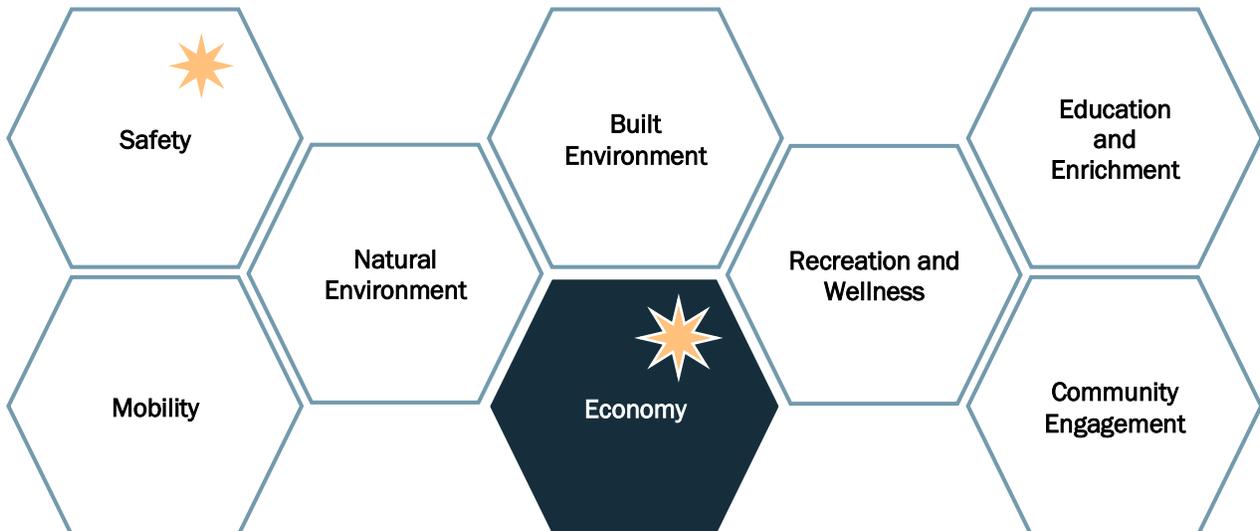
Business owners identified Safety and Economy as priorities for the Bloomington community in the coming two years. Ratings for Economy were strong and higher than the national benchmark. Benchmarks for the remaining seven facets were not available. This overview of the key aspects of community quality provides a quick summary of where businesses see exceptionally strong performance and where performance offers the greatest opportunity for improvement. Linking quality to importance offers community members and leaders a view into the characteristics of the community that matter most and that seem to be working best.

Place to do business



Legend

- Higher than benchmark
- Similar to benchmark
- Lower than benchmark
- Benchmark not available
- ★ Most important

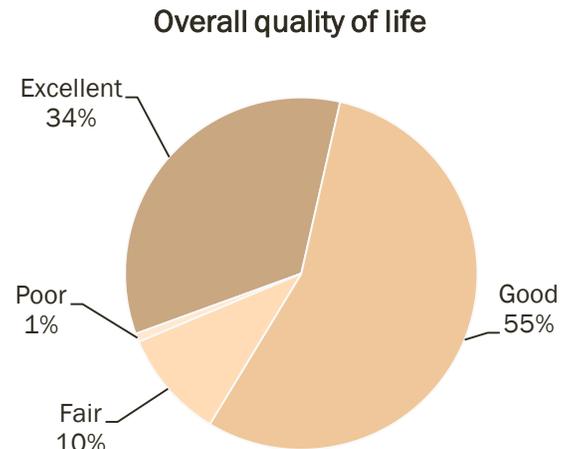


Community Characteristics

Overall quality of community life represents the natural ambience, services and amenities that make for an attractive community. How the business community views the overall quality of life is an indicator of the overall health of a community. In the case of Bloomington, 89% felt the City had an excellent or good quality of life. Respondents' ratings of quality of life were higher than ratings in other communities across the nation.

In addition to rating the City as a place to live, business owners and managers rated several aspects of community quality including Bloomington as a place to work, to retire and to visit, the overall image or reputation of Bloomington and its overall appearance. Overall, a majority of respondents rated each of these aspects favorably, with Bloomington as a place to work being the most positively rated aspect. A high proportion of respondents also felt that Bloomington was an excellent good place to visit and that the overall image and appearance of Bloomington was excellent or good. When national comparisons were available, these ratings tended to be similar.

Delving deeper into Community Characteristics, survey respondents rated over 25 features of the community within the eight facets of Community Livability. When benchmark comparisons were available, these ratings tended to be higher than ratings given in communities across the nation. However, exceptions to this include four aspects that were rated similar to the national comparison including ratings of feelings of safety in commercial areas during the day and after dark, ratings for cleanliness and for opportunities to participate in community matters. Within Safety, nearly all business owners and managers identified that they feel safe in commercial areas during the day while about 9 in 10 gave positive ratings to their overall feeling of safety. About three-quarters felt safe in commercial areas after dark. Within Mobility, each of the nine aspects received a positive rating from at least 63% of survey respondents including traffic flow, ease of public parking, ease of walking and availability of paths and walking trails. Ratings within the facet of Natural Environment were strong with at least 8 in 10 giving positive ratings to each of the three aspects within this facet. Between 73% and 94% of respondents rated aspects of Economy as excellent or good (e.g., employment opportunities, shopping opportunities, vibrant commercial areas).



Percent rating positively (e.g., excellent/good)

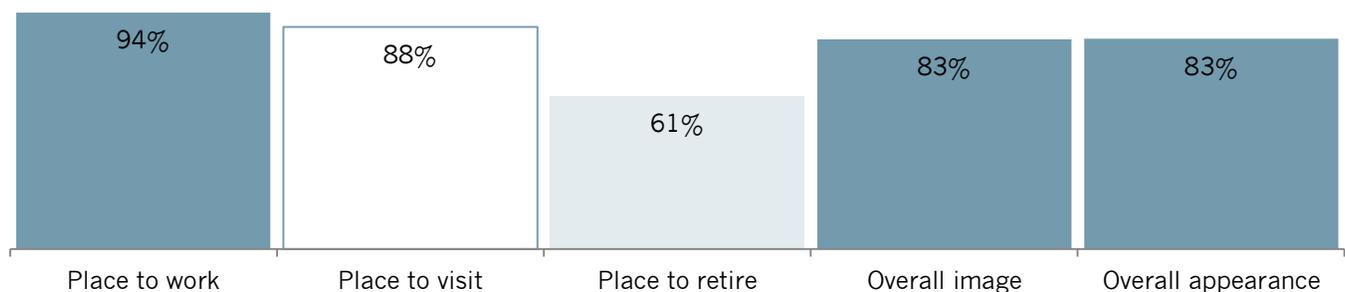
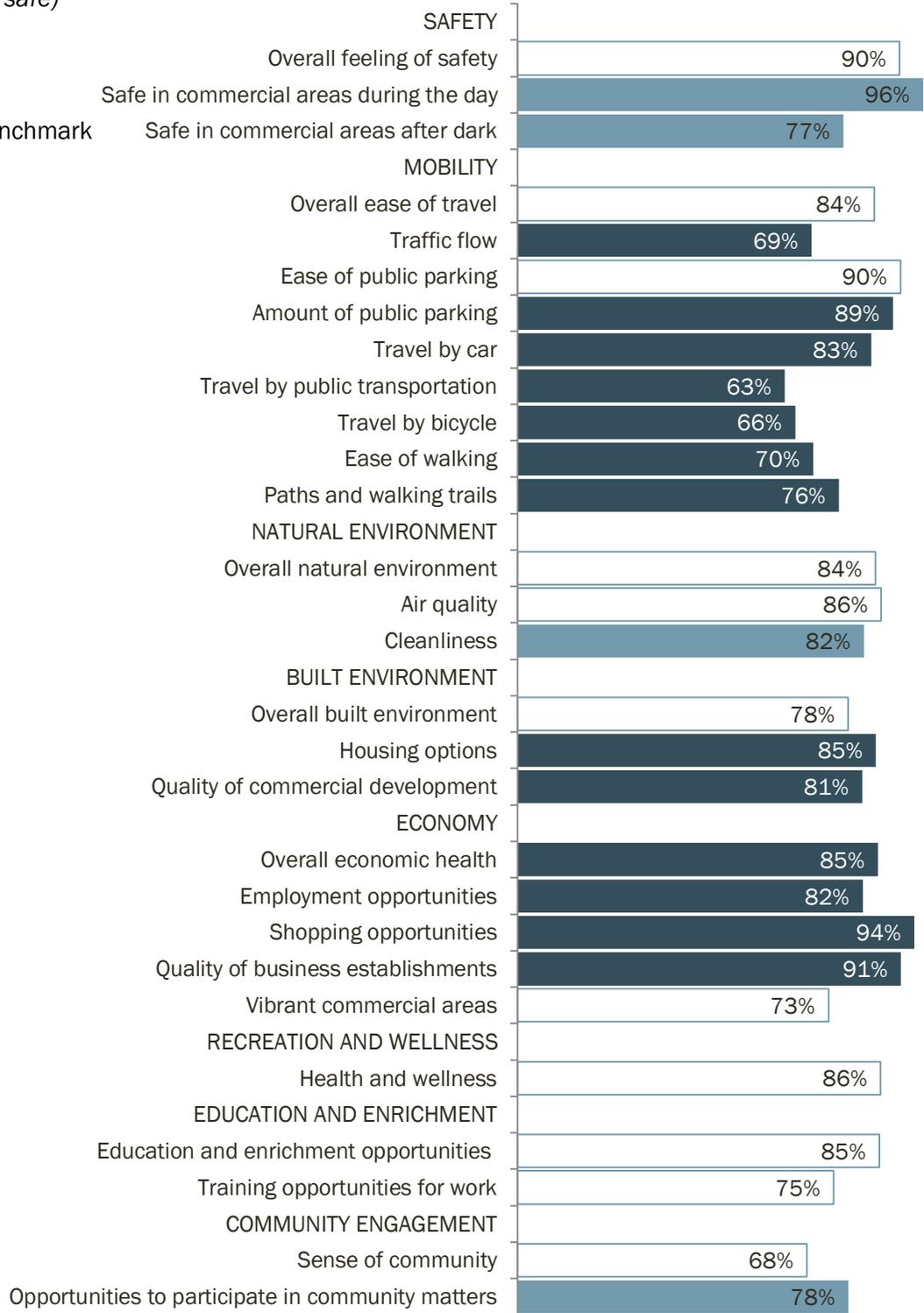


Figure 1: Aspects of the Community

Percent positive (e.g., excellent or good, very or somewhat safe)

Comparison to benchmark

- Higher
- Similar
- Lower
- Not available



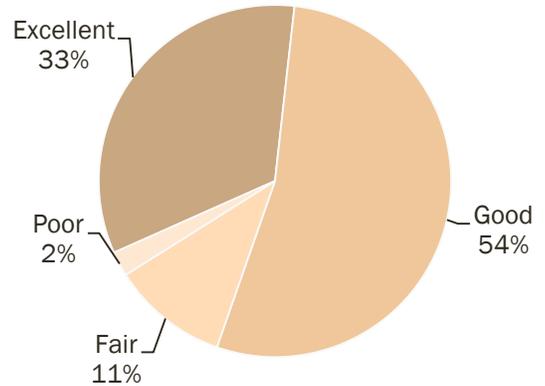
Governance

The overall quality of the services provided by Bloomington as well as the manner in which these services are provided are a key component of how the business community rates the quality of life and the City as a place to do business. About 9 in 10 business owners or managers gave excellent or good ratings to the overall quality of services provided by the City of Bloomington which was a rating higher than the national comparison. In comparison, only 45% gave excellent or good ratings to the services provided by the Federal Government.

Survey respondents also rated various aspects of Bloomington's leadership and governance. When comparisons to the national benchmark were available, ratings in Bloomington tended to be higher. About 85% of business owners and managers gave high marks to the customer service provided by Bloomington employees. About 7 in 10 survey respondents rated favorably the overall direction of Bloomington, confidence in City government, acting in the best interest of Bloomington and being honest.

Respondents evaluated over 20 individual services and amenities available in Bloomington. When benchmark comparisons were available, these ratings tended to be higher than the ratings given in other communities across the nation. Within Safety, ratings were strong with three of the four related aspects receiving positive ratings from at least 9 in 10 respondents; two were higher than the benchmark (police services and crime prevention) while one was similar (fire services). Ratings of Mobility ranged from 62% excellent or good for street repair to 91% excellent or good for snow removal. Six of the seven Mobility ratings were higher than the national averages. Ratings within the facet of Built Environment were strong with at least 7 in 10 giving positive ratings to each of the six aspects including storm drainage; land use, planning and zoning; and code enforcement among others. Economic development was the highest rated aspect within the facet of Economy with 84% giving a positive rating which was also higher than the national comparison.

City services



Percent rating positively (e.g., excellent/good)

Comparison to benchmark

■ Higher ■ Similar ■ Lower □ Not available

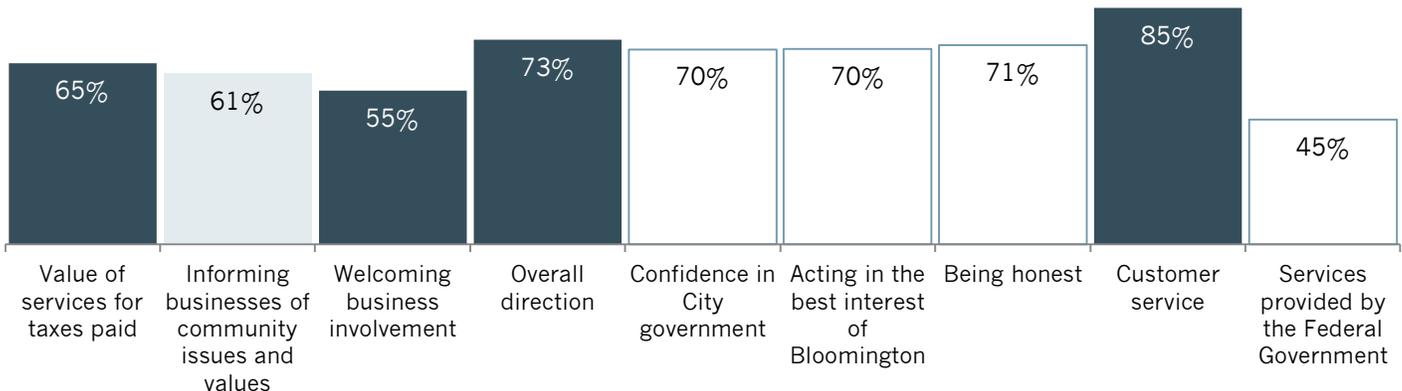
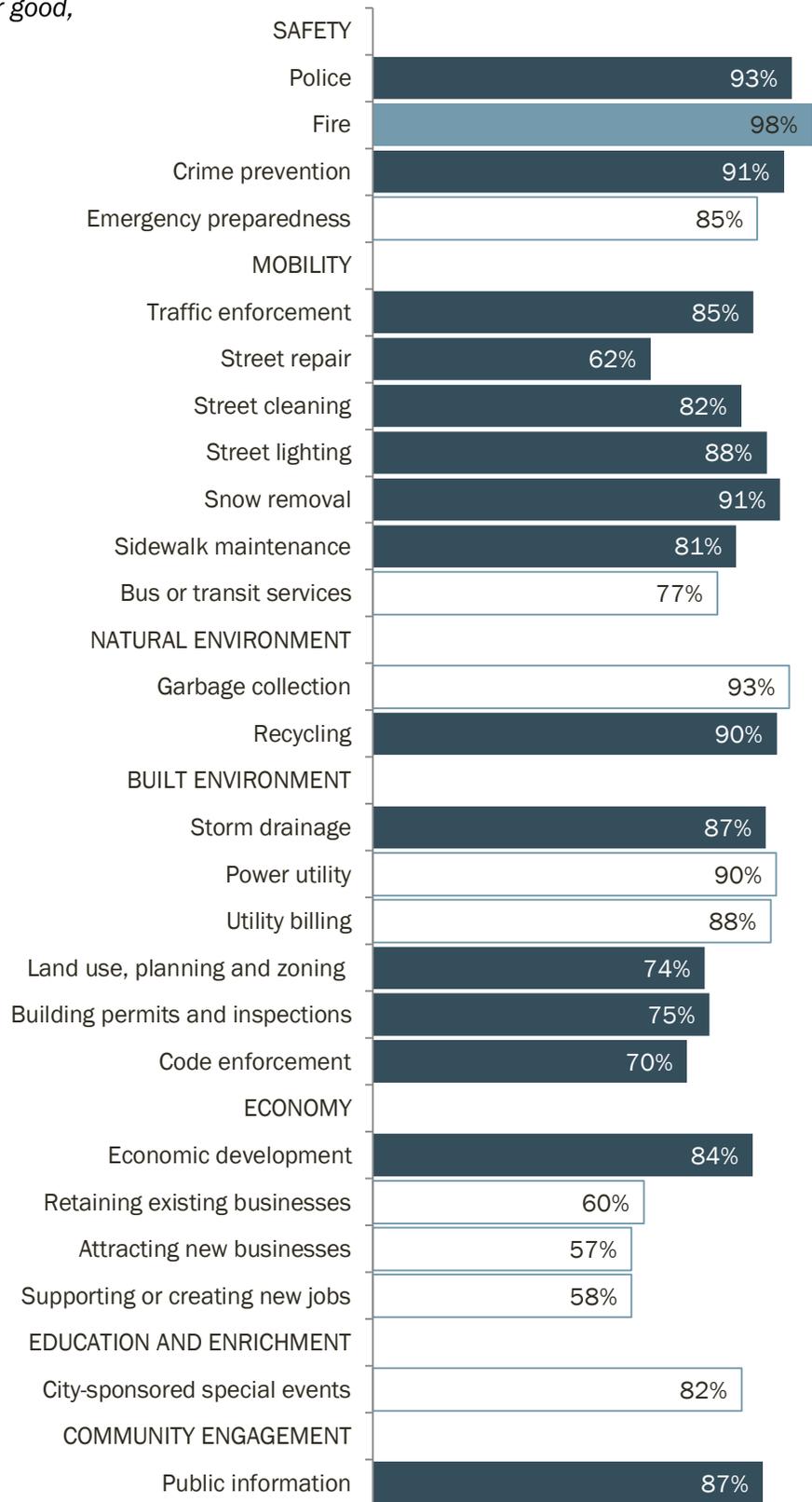


Figure 2: Aspects of the Governance

Percent positive (e.g., excellent or good, very or somewhat beneficial)

Comparison to benchmark

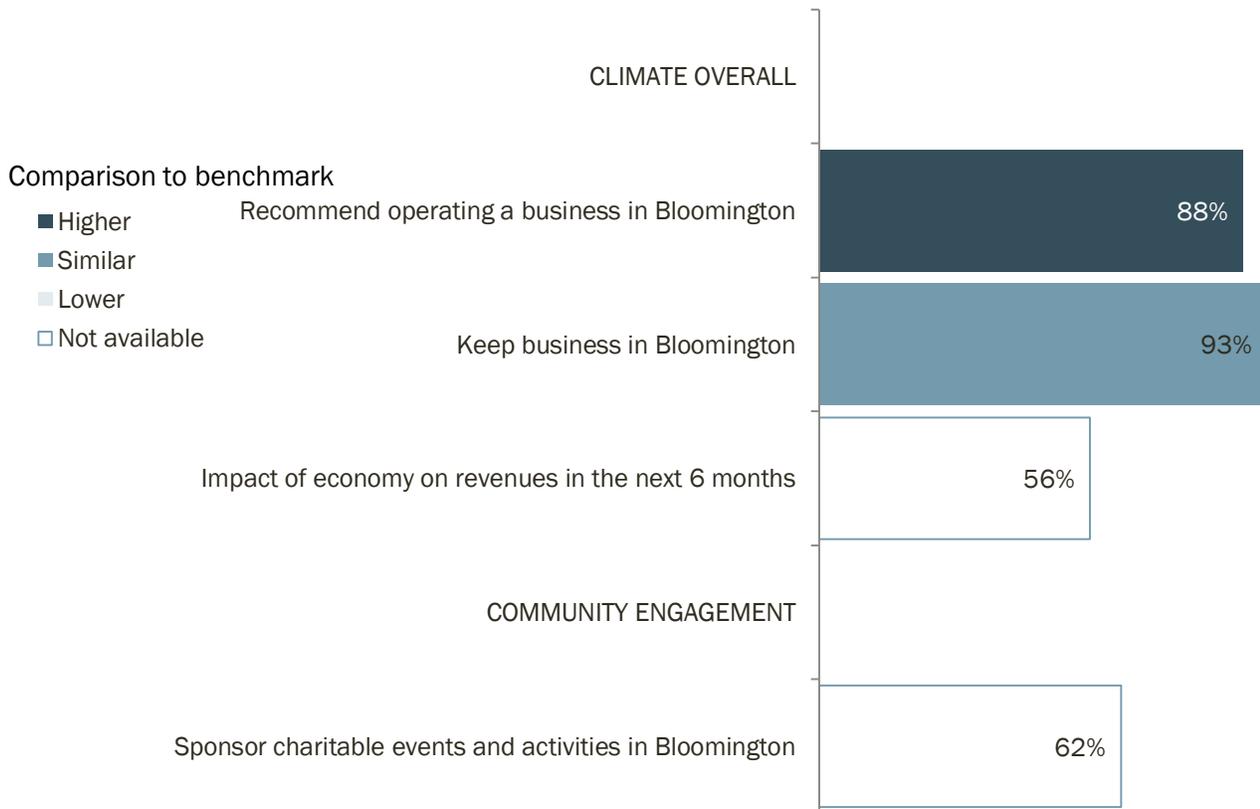
- Higher
- Similar
- Lower
- Not available



Business Climate

City businesses weighed in on the business climate of Bloomington. Of those surveyed, 88% would be very or somewhat likely to recommend operating a business in Bloomington, which was higher than other municipalities across the nation. About 9 in 10 respondents were likely to keep their business in Bloomington for the next five years and 56% felt positive about the impact of the economy on their revenues in the coming six months. About 6 in 10 survey respondents indicated they would be likely to sponsor charitable events or activities in the community.

Percent positive (e.g., very or somewhat likely, very or somewhat positive)



Workforce

Business owners and managers evaluated several aspects of Bloomington's workforce, including whether they planned to hire in the near future, the types of positions needed as well as the quality of the applicants they have encountered in the past. Owners and managers also indicated the extent to which they used various hiring resources available in the community.

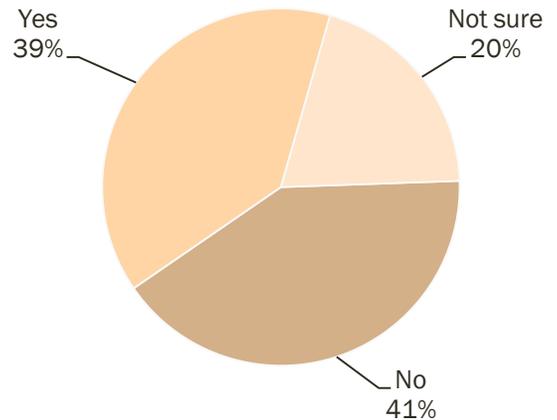
About two-fifths of survey respondents planned to hire within the next 6 to 12 months; about one-fifth were unsure if they would be hiring.

Those who indicated they were planning to hire or were unsure if they were planning to hire in the next 6 to 12 months were also asked what kind of jobs they might be adding. About half indicated they would be adding technically skilled jobs or administratively skilled jobs while about 35% indicated they would be adding unskilled labor jobs. Business owners and managers were least likely to hire for unskilled administrative positions.

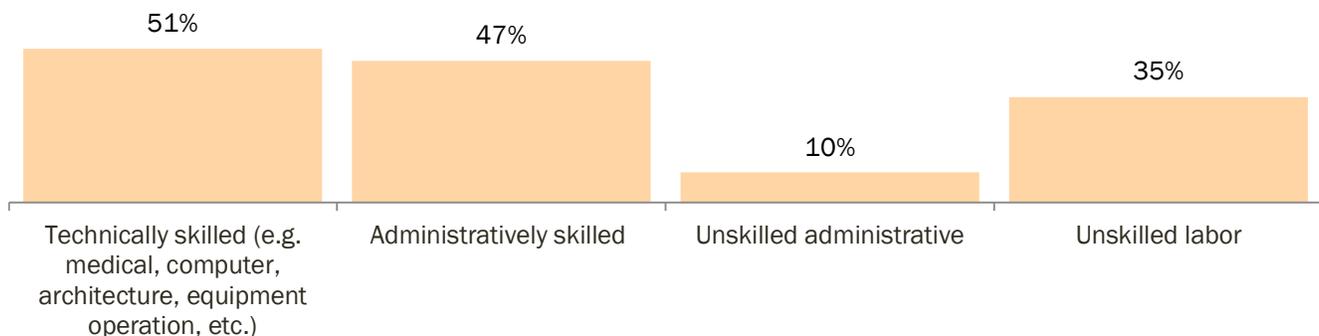
When asked about their impression of job applicants in their most recent hiring experience, survey respondents gave the most positive ratings to applicants' prior experience with 57% giving an excellent or good rating. When indicating their overall impression of applicants, 50% gave an excellent or good rating.

Survey respondents were also asked about their reliance on resources to seek talent for their business. About 4 in 10 indicated relying on job websites or their own business' website to a great or moderate extent while about 3 in 10 relied on social networks. About 25% relied on colleges/universities and about 1 in 10 relied on headhunters/recruiters or career fairs.

Planning to hire in the next 6 to 12 months



Types of positions needed



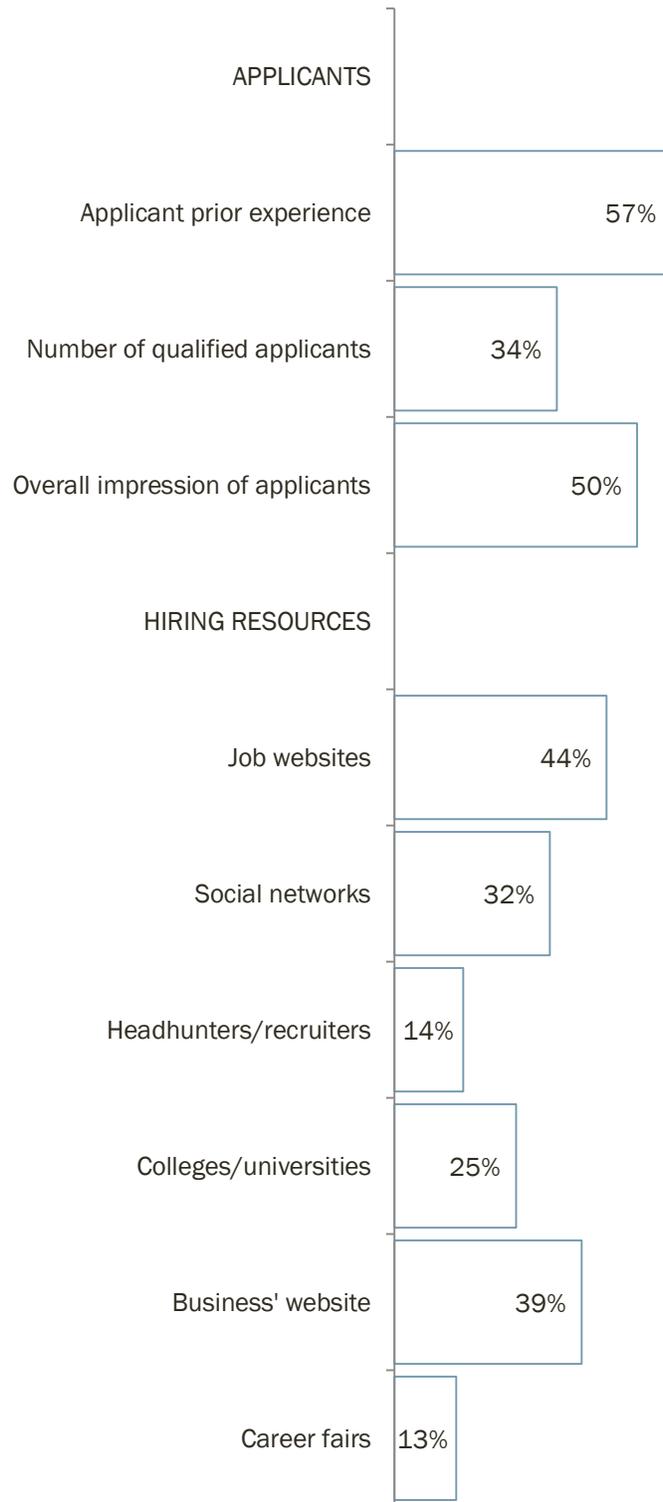
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Figure 3: Aspects of the Workforce

Percent positive (e.g., excellent or good, great or moderate extent)

Comparison to benchmark

- Higher
- Similar
- Lower
- Not available



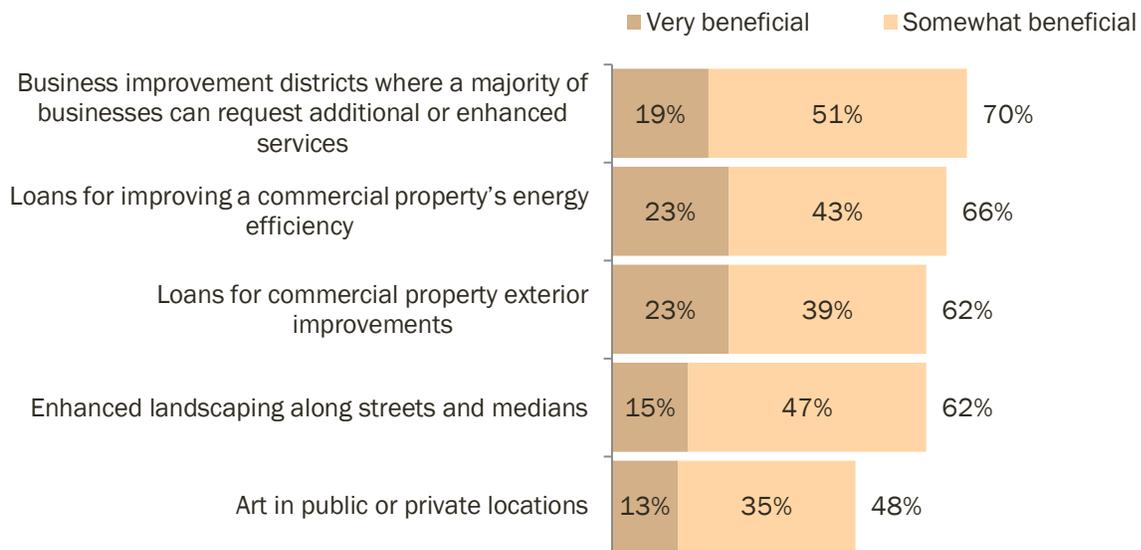
Special Topics

The City of Bloomington included a variety of special interest questions on The NBS.

Survey respondents were asked to consider how beneficial a list of five potential services would be to their business. About 7 in 10 indicated that business improvement districts where a majority of businesses can request additional or enhanced services would be beneficial while slightly fewer felt loans for improving a commercial property's energy efficiency would be beneficial. Just under half of survey respondents indicated that art in public or private locations would be beneficial to their business.

Figure 4: Beneficial Services

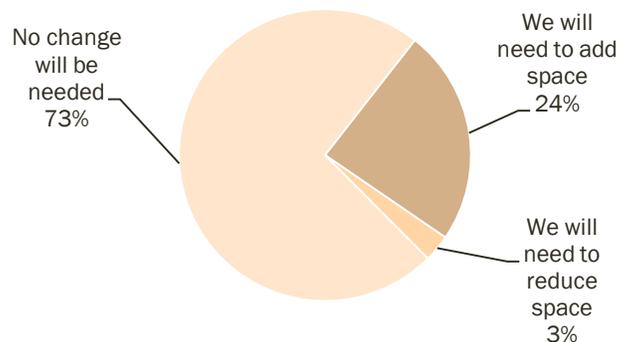
If the City were to implement the following services, how beneficial, if at all, would each be to your business?



Business owners and managers were also asked to consider their company's space needs in the next five years. About three-quarters indicated no change will be needed while one-quarter indicated they will need to add space. Only three percent felt they would need to reduce space.

Figure 5: Space Needs

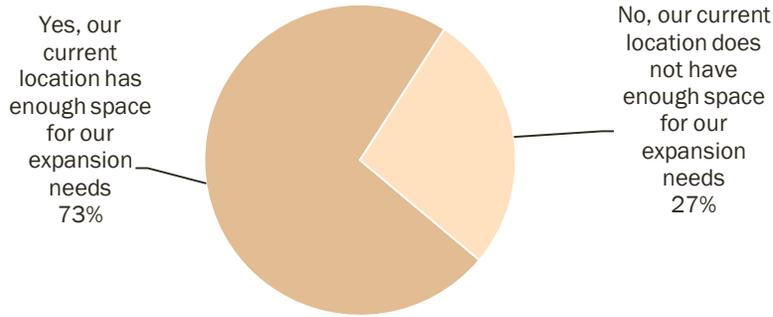
What are your company's space needs in the next 5 years?



Survey respondents were then asked to assess if there is adequate space at their current location if they are expecting to grow in the next five years. About three-quarters felt that their current location has enough space for their expansion needs and one-quarter felt their current location does not have enough space for their expansion needs.

Figure 6: Current Location Space

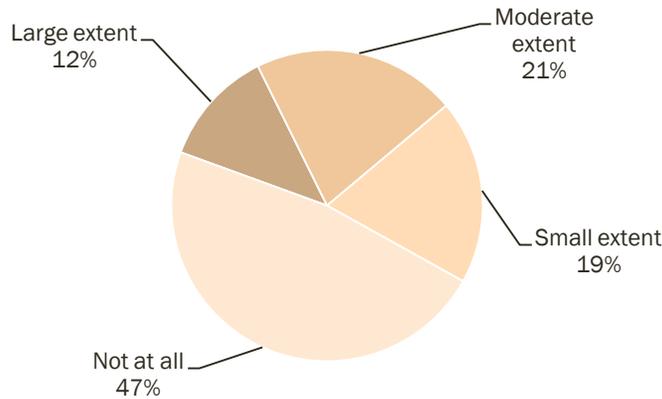
If your company is expecting to grow in the next 5 years, is there adequate space to expand at your current location?



About 1 in 10 survey respondents indicated that the availability of labor (workforce) limits their business operations to a large extent. About 4 in 10 felt that labor limits their operations to a moderate or small extent. About half of survey respondents indicated that availability of labor does not limit their operations at all.

Figure 7: Labor Limits on Business Operations

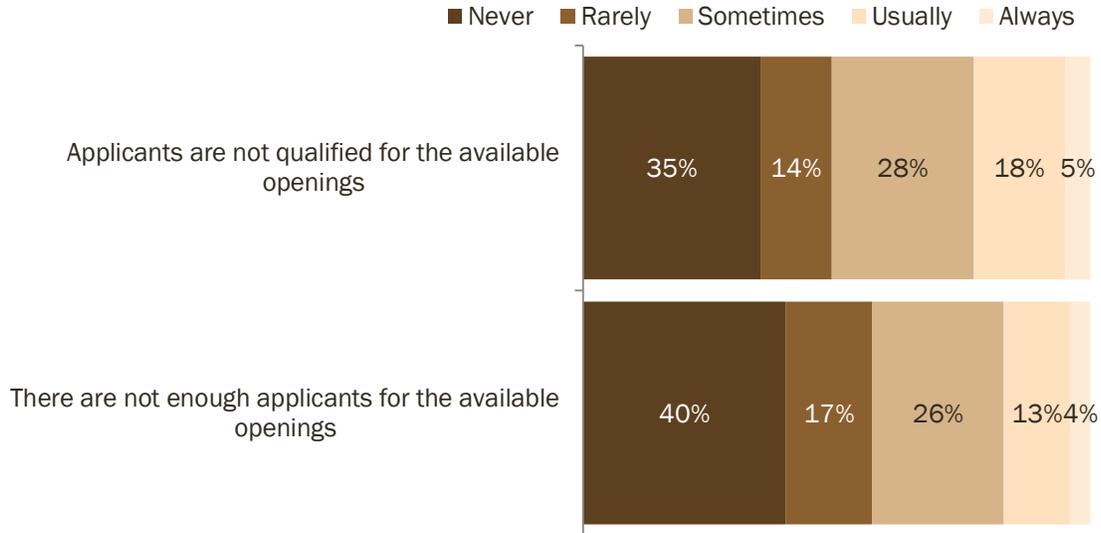
To what extent, if at all, does availability of labor (workforce) limit your business operations?



About one-third of survey respondents indicated that they are never short-staffed due to applicants not being qualified for the available openings and slightly more indicated they are never short-staffed because there are not enough applicants for the available openings. Five percent or fewer indicated they are always short-staffed due to each of the two reasons listed.

Figure 8: Frequency of Business Being Short-staffed

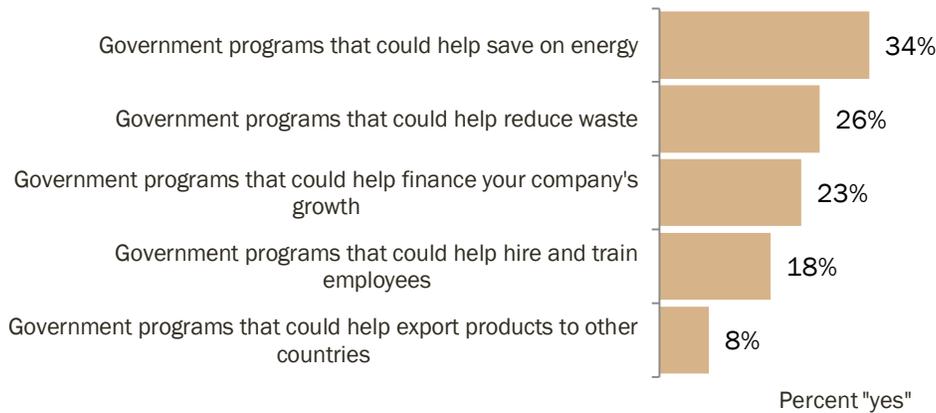
How often, if at all, do you feel your business is short-staffed due to the following:



About 34% of business owners and managers indicated they would like to learn more about government programs that could help save on energy while about one-quarter wanted to learn more about government programs that could help reduce waste and that could help finance their company's growth.

Figure 9: Government Programs

Please indicate if you'd like to learn more about any of the following:

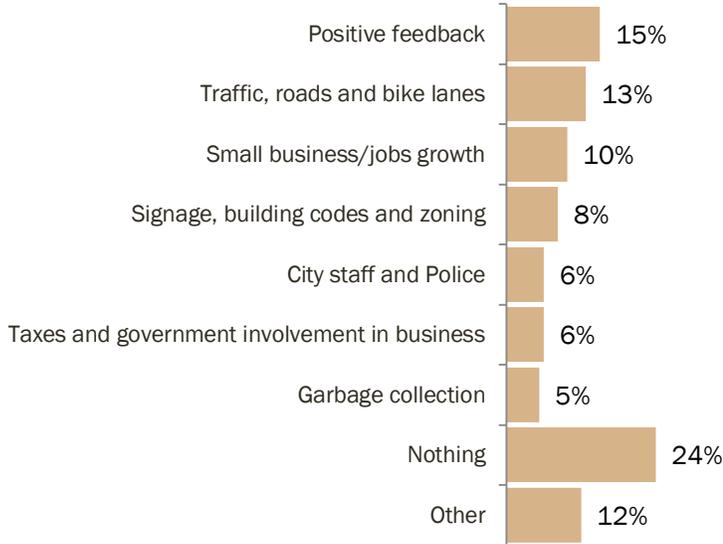


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Survey respondents were given the opportunity to type, in their own words, any additional comments they would like to share with the City of Bloomington. About 15% of those who opted to type in a response gave positive remarks to the City followed by 13% who filled in comments related to traffic, roads and bike lanes. For more information, see the *Open-Ended Report* provided under separate cover.

Figure 10: Additional Comments

Do you have any other comments you would like to share with the City of Bloomington?



In addition to rating the quality of services provided by the City and Federal Government, survey respondents were also asked to rate the quality of services provided by Hennepin County and the State Government. About two-thirds gave positive ratings to the County Government and half gave positive ratings to the State Government. Please see *Governance* on page 6 for ratings of City services and Federal Government services.

Figure 11: State and County Government

Overall, how would you rate the quality of the services provided by each of the following?

