THE LONG ISLAND CENTER FOR SOCIO-ECONOMIC POLICY

Evaluation of The Taubman Centers Inc. Mall at Oyster Bay As A "Project of Regional Significance"

PREPARED FOR

The Cerro Wire Coalition

BY

Dr. MARTIN R. CANTOR, CPA

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THE LONG ISLAND CENTER FOR SOCIO-ECONOMIC POLICY
DIRECTOR, Dr. MARTIN R. CANTOR, CPA
28 Woodmont Road
Melville, New York 11747
Tel: (631) 491-1388
Fax: (631) 491-6744
E-Mail: EcoDev1@aol.com
WEB SITE: WWW.MARTINCANTOR.COM

1: INTRODUCTION: IS THE TAUBMAN CENTERS, INC. MALL AT OYSTER BAY A "PROJECT OF REGIONAL SIGNIFCANCE"?

This report evaluates whether the designation of the Taubman Centers Inc. ("Taubman") proposed Mall at Oyster Bay ("Mall") as a "Project of Regional Significance" by the Long Island Regional Economic Development Council ("LIREDC") should be rescinded. Cerro Wire Coalition, contends that the following factors require that the LIREDC rescind this designation.

1) With Neiman Marcus and Barneys New York ostensibly no longer prospective tenants of the Mall proposal, this proposal has become, at best, a "speculation mall" with tenants mirroring other malls and shopping centers already established on Long Island. Thus, the Mall will now become just another regional mall or shopping center and can, in no manner, be considered "regionally significant" especially when compared to other projects considered "regionally significant" by LIREDC.

2) The Long Island Regional Planning Council ("LIRPC"), recognizing that without Neiman Marcus and Barneys New York, the Mall was not even a legitimate candidate to be considered "a regionally significant project," agreed to Taubman's request to "indefinitely table" Taubman's request for that designation. The economic realities presented in this analysis will clearly reflect that a mall, no matter how it is developed, is simply not "regionally significant" regardless of tenant mix.

Indeed, the issue of "regional significance" has less to do with the identity of the Mall's anchor tenants, but has more to do with Long Islanders' diminished family income and the lack of positive economic impact to be generated by the Mall as compared to potential alternate developments. Between 2000 and 2010, nominal median family income (unadjusted for inflation) in Nassau County grew by $25,592, or 31.5 percent, and in Suffolk by $21,052, or 29.2 percent. But when adjusted for inflation and stated in year 2000 dollars, median family income grew by only $108, or 0.1 percent, in Nassau, while decreasing in Suffolk by $1,170, or 1.6 percent. Long Islanders are working harder but making less and spending less, with the economy--in essence--still mired in the year 2000.

Similarly, nominal mean per capita income increased from 2000 to 2010 by $7,784, or 24.2 percent, in Nassau and by $8,005, or 30.1 percent, in Suffolk. But when adjusted for inflation and expressed in year 2000 dollars, the mean per capita income decreased in Nassau by $1,744, or 5.4 percent, and in Suffolk by $244, or 0.9 percent. Simply stated, with lower family income, retail is no longer the economic energizer than it once was on Long Island.

3) Taubman sought the "regionally significant" designation from the LIRDEC as part of an apparent attempt to wrest zoning and land use approval authority from the Town of Oyster Bay, which Taubman argues has stalled the Mall project. In fact, however, the project is not stalled. The project was disapproved by the Town of Oyster Bay and that denial has been upheld twice by the Appellate Division of the New York State Supreme Court with the New York State Court of Appeals declining to hear the case. We respectfully submit that the LIREDC should not endorse projects opposed by impacted communities and denied by the municipal entity with approval authority.

4) The Nassau County Planning Commission declined the request by Taubman for inclusion of the Mall in Nassau County's Master Plan.

5) The community surrounding the Mall site as well as the Jericho and Syosset School Districts are opposed to the Mall proposal but do favor reasonable "alternate development" of the property.

6) With declines in both accumulated wealth and family income of Long Islanders as noted above, a static population, changing demographics of the region, and changing consumer shopping tastes and lifestyles, Taubman's Mall proposal would not bring in any new retail revenues and economic activity but instead would redistribute existing consumer retail dollars and economic activity from other local retail areas to the Mall. This fact was highlighted by LIRPC council member and North Hempstead Town Supervisor Jon Kaiman who voiced concerns of the negative impact that he felt the Mall would have on North Hempstead town businesses (Winslow, 2012).

7) The community's proposed mixed use alternate development plan would be based on smart growth principles and include, housing for seniors and first time home buyers, a boutique-style hotel, office buildings suitable for corporate headquarters and technology innovators, and a small ancillary retail component. Alternate development will attract new economic activity and have greater regional long term economic benefits than the Mall.

Supporting the contention that the Mall is not "regionally significant" is the following discussion of the changing state of retailing and what is driving that change. What will be illustrated is that retail is becoming less of an economic engine than it once was and that it is now driven by Internet shopping, changing demographics, changing shopping practices and changing consumer tastes.

2: RETAIL: CONSUMERS CHANGING TASTES AND SHOPPING PRACTICES

With the advent of the Internet age, shoppers can now compare prices and shop on their computers or smartphones. This has changed retailing dramatically from the days when consumers went to their local department stores or shopping malls. Michael Dart, senior partner at the Kurt Salmon management consulting firm and co-author of “The New Rules of Retail” described this shift as the most dramatic in the retail industry sector’s history. Furthermore, Dart admonished that “50 percent of all brands and retailers will disappear, and that the competitive congestion in trying to reach consumer is immense now” (Diderich, 2012).

The NPD Group, a well known and respected market research firm, said that women’s apparel in the United States increased 2.9 percent in 2010, with inflation accounting for much of the increase, and that “statistically there’s little question that women’s apparel [a major part of the Mall proposal] overall has lost ground.” NPD also noted that the bulk of the women’s retail business has been in the doldrums for some time.

What has been accepted by the women’s apparel industry is that shoes and bags have been leading industry sales for some time with women’s wear sales disappointing since well before the recession. Of concern is that the malaise in women’s apparel will remain prolonged and will impact what and how much stores buy and space they will devote to apparel (Moin, 2012).

Reflecting this change was Karen Katz, president and chief executive of Neiman Marcus who observed that fine apparel is particularly challenging right now. Katz noted that price was not the issue but that consumer lifestyle changes were the issue. Customers have become more discerning and they want something very unique, fashionable and lasting (Moin, 2012).

Even William Taubman, Taubman’s chief operating officer, acknowledged that the business in women’s ready to wear is more uneven than accessories. Of the theories as to why this changing spending pattern is happening, Taubman said that “customers are reaching an age when they are buying less clothing and lifestyles are changing. For many tenants in the malls core units have been declining because of life style changes” (Moin, 2012).

Shedding light on what is driving the changes in retailing as reflected in the prior discussion is an analysis by Uana Ben-Shabat of A.T. Kearney. The following table of changing consumer spending habits indicates that fashion spending between 2010 and 2020 will decrease by $7 billion while other consumer spending increases. Ben-Shabat concludes that these spending patterns are being driven by changing priorities of both Baby Boomers entering retirement and Gen-Y shoppers coming of age.

CHANGING CONSUMER SPENDING HABITS (in $ billions)

Category	2010	2020	Increase (Decrease)
Health/Medical Svcs	$2,030	$2,760	$730
Transportation	968	1,408	440
Leisure/Recreation	928	1,340	412
Hotels and Catering	620	800	180
Household Gds/Svcs	421	563	142
Communications	231	368	137
Education	243	327	84
Food/Beverages	676	788	112
Alchohol/Tobacco	210	242	32
Apparel/Footwear	351	344	(7)
Other	1,406	2,123	717
Total	**$8,084**	**$11,063**	**$2,979**

Source: Euromonitor Via A.T. Kearney (Clark, 2012)

Ben-Shabat's analysis also revealed that impacting retailing is a shrinking share of consumers' discretionary after tax income. Apparel spending as a percentage of disposable income fell from nearly 6 percent during the 1970's, to 4.9 percent in 1988 and 2.9 percent in 2010. Christine Chen of the investment firm of Ashfield Capital explained the falling share of discretionary income on apparel is due to retiring Baby Boomers because they need fewer clothes or different clothes and that casual clothes are less expensive than business attire they once purchased. Retail, because of these demographic and societal shifts is in period of serious flux (Clark, 2012), and simply is not the economic engine that it once was.

The following analysis and discussion will illustrate the changes in the Long Island population, workforce, wealth, Effective Buying Income, and the respective relationships with growth of the retail sector. What will be reflected is that while square footage of retail space has increased, the available consumer buying power and wealth has not. The conclusion drawn is that there is not enough new economic activity on Long Island to independently support the

Mall. Instead, if the Mall is opened, it will be tenanted by retailers already existing on Long Island competing for limited consumer dollars--a project clearly failing to qualify as a "regionally significant" initiative.

Table 1 below illustrates the changes in Long Island's retail sector between 2000 and 2010 during which time Taubman was attempting to advance the Mall project. While existing malls often undergo upgrading and modernization to remain competitive in a changing retail market, the following analysis presents data reflecting that the Long Island economy cannot support any more mega mall retail space. This is especially true for the ten mile area of Nassau and Suffolk County where the Roosevelt Field Mall, the Walt Whitman Shopping Center, the Broadway Mall and The Americana Manhasset have collectively nearly 4 million square feet of retail space.

3: LONG ISLAND'S INABILITY TO SUPPORT ANOTHER MALL

Table 1 makes clear that between 2000 and 2010 retail space in Nassau and Suffolk County grew while retail sales and Effective Buying Income of consumers decreased.

Furthermore, 2010 retail sales expressed in 2000 dollars decreased by $9.7 billion or 21.6 percent from 2000 sales. Most of that decrease came during the Great Recession, between 2005 and 2010 when retail sales adjusted for inflation and expressed in 2000 dollars decreased by $6.1 billion or by 14.7 percent as compared to year 2000 retail sales. Additionally, per capita retail sales adjusted for inflation and expressed in 2000 dollars decreased by 17.0 percent from 2000 to 2010 or from $15,021.92 to $12,463.48. Between 2005 and 2010 per capita retail sales expressed in 2000 dollars decreased by 23.8 percent from $16,344.55 to $12,463.48.

The data reveals that two factors contributed to this decrease. The first, illustrated in Table 4, indicates that those Long Islanders employed decreased from 96.2 percent of the civilian labor force in 2000 to 91.7 percent by 2010. The other is Effective Buying Income (EBI) as shown in Table 1. Adjusted for inflation and stated in 2000 dollars, EBI decreased by $2.0 billion or 3.3 percent from 2000 with most of the decrease of $1.7 billion, or 2.8 percent, occurring between 2005 and 2010. Per capita EBI expressed in 2000 dollars decreased between 2000 and 2010 by 6.0 percent from $21,775.23 to $20,461.76 and by 5.5 percent between 2005 and 2010 from $21,658.86 to $20,461.76.

Table 1: Long Island Retail Space (1); Retail Sales (2); and Effective Buying Income (EBI) (3)							
	2000	**2005**	**2010**	**Increase (Decrease) 2000-2010**		**Increase (Decrease) 2005-2010**	
				Change	**%**	**Change**	**%**
Nassau Cty Retail Spce	n/a	51,393,000 sq ft	51,628,000 sq ft	n/a	n/a	235,000 sq ft	.46
SuffolkCty Retail Spce	33,999,500 sq ft	37,412,500 sq ft	39,601,500 sq ft	5,602,000 sq ft	16.5	2,189,000 sq ft	5.9
LI Retail Sales (4)	$41,369,064,000	$52,357,621,000	$46,367,520,864	$4,998,456,864	12.1	($5,990,100,136)	(11.4)
LI Sales (5) 2000 Dollrs	$41,369,064,000	$45,024,620,860	$35,307,554,126	($6,061,509,874)	(14.7)	($9,717,066,734)	(21.6)
(4)Effective Buying Inc	$59,967,099,000	$69,381,316,000	$76,123,326,410	$16,156,227,410	26.9	$6,742,010,410	9.7
(5) EBI in 2000 dollar	$59,967,099,000	$59,664,044,851	$57,965,757,440	($2,001,341,560)	(3.3)	($1,698,287,411)	(2.8)
Retail Sale Per sq ft(6)	n/a	$507.00	$387.01	n/a	n/a	($119.99)	($23.7)
EBI Per SqFt (6)	n/a	$671.85	$635.38	n/a	n/a	($36.47)	(5.4)
Population of LI (7)	2,753,913	2,754,718	2,832,882	78,969	2.9	78,164	2.8
Per Capita Retail (7)	$15,021.92	$16,344.55	$12,463.48	($2,558.44)	(17.0)	($3,881.07)	(23.8)
Per Capita EBI (7)	$21,775.23	$21,658.86	$20,461.76	($1,313.47)	(6.0)	($1,197.0)	(5.5)

Note (1) Nassau County retail space includes the following malls comprising 6,554,450 square feet of retail space: Americana Manhasset (220,000 sq.ft), The Broadway Mall (1,234,450 sq.ft), Green Acres Mall (1,800,000 sq ft), Roosevelt Field Mall (more than 2,000,000 sq ft), and Westfield Sunrise Shopping Center (1,300,000 sq.ft.) (Tagliaferro,2012). The Roosevelt Field Mall will be adding 100,000 sq. ft. for Neiman Marcus. Not available from either the neither Nassau County Planning Department nor industry sources is the square feet of retail space before 2006.

Note(1) Included in Suffolk County shopping space square footage are the following larger malls comprising over 4,919,000 square feet of gross leasable retail space. Smith Haven Mall (1,400,000 sq.ft.), Walt Whitman Mall (968,000 sq.ft. plus 72,000 approved additional space), South Shore Mall (870,000 sq.ft.), Tanger Outlet Center in Babylon (805,000 sq.ft.), and Tanger Outlet Center in Riverhead 876,000 sq.ft.) (Long Island Business News).

Note(2) Long Island Retail Sales are from Long Island Business News - Doing Business on Long Island, 2000 and 2006, and Suffolk County Office of Budget Review (2012)

Note(3) Trade Dimensions International, Inc. defines Effective Buying Income as money income less tax and some non-tax payments and does not include passive income such as capital gains or money from rental property.

Note(4) Effective Buying Income and LI Retail Sales are expressed in nominal terms (current dollars unadjusted for inflation).

Note(5) Effective Buying Income and LI Retail Sales are expressed in real terms which is adjusted for inflation and expressed in year 2000 dollars and based on the Consumer Price Index with year 1984 as the base year, and the New York Area Index as of December 2000, December 2005 and December 2010.

Note(6) Retail Sales and EBI per square foot of retail space are respectively computed by dividing the aggregate Nassau/Suffolk square feet of retail space by the Real Sales and Real EBI as adjusted for inflation.

Note(7) Long Island Population from Table 2. Per Capital Retail Sales and Per Capita EBI are based on Real Retail Sales and Real EBI as adjusted by the New York Area Consumer Price Index and expressed in year 2000 dollars.

Projected Retail Sales to 2014: Not "Regionally Significant."

Table 1 and the accompanying discussion reflect that the downturn of the Long Island economy due to changing demographics and the Great Recession, when adjusted for inflation and expressed in year 2000 dollars, negatively impacted Long Islanders' Effective Buying Income and Long Island retail sales. This has resulted in a Long Island economy where retail sales necessary to support Taubman's Mall have not materialized, leading to the conclusion that retail sales are not and the Mall is not "regionally significant" to Long Island's future economic growth.

Additionally, when projected between 2010 and 2014, Long Island retail sales expressed in nominal terms (current dollars unadjusted for inflation) are projected to increase by an average of only 6.5 percent per year, the lowest of any post-recession period (Long Island Business News, August 16, 2012). The increase in Long Island retail sales between 2010 and 2014 are thus projected to be $12,055,555,424, an increase of 26 percent from 2010 nominal retail sales of $46,367,520,864 (see Table 1).

When expressed in real terms (adjusted for inflation) and stated in year 2000 dollars (Suffolk County Department of Labor, 2012) the nominal retail sales increase of $12,055,555,424 between 2010 and 2014 expressed in real terms decreases to $8,559,444,351 and results in projected 2014 retail sales adjusted for inflation of $43,866,998,477. This is a disappointing increase of $2,497,934,477 from year 2000 Long Island retail sales of $41,369,064,000. Clearly then, retail sales projected to 2014 continue not to be "regionally significant".

4: THE AGING OF LONG ISLAND'S POPULATION

Table 2 illustrates the observations of Christine Chen concerning the shopping habits of an aging population. Chen noted that the falling share of discretionary income on apparel is due to an increase in retiring Baby Boomers because they need fewer clothes or different clothes and that casual clothes are less expensive. Thus, because of these demographic and societal shifts, retail is in period of serious flux (Clark, 2012).

Table 2 reflects that the Long Island population increased by only 2.9 percent between 2000 and 2010. Impacting the retail industry are the demographic changes of the Long Island population who shop for fashions and those whose fashion needs, as explained by Chen, have changed.

Those whose shopping tastes and needs have changed, Long Island's aging and retiring Baby Boomer population over 60 years of age, increased by 86,957 persons or 18.1 percent between 2000 and 2010. Furthermore, in 2010 this demographic group now represents 20.1 percent of Long Island's population--an increase from the 17.5 percent share in 2000.

Those who shop for fashions between 20 and 60 years of age was basically unchanged, growing by only .75 percent or 11,285 persons, while those under 20 years of age decreased by 19,273 or 2.5 percent.

Table 2a illustrates the population and age changes in Nassau County which for the most part remained unchanged with an increase of 4,988 individuals between 2000 and 2010 or a .37 percent increase in population. Those in the prime shopping of ages between 20 and 60 years of age decreased by 1.1 percent--7,744 people. Those over the age of 60 increased by 10.4 percent--26,685 people--while those 20 years of age or younger decreased by 13,953--3.9 percent. As with Long Island as a region, Nassau County grew older while prime shoppers decreased.

Table 1 reflects how these demographic changes in Long Island and Nassau County's population resulted in the decline in retail sales and Effective Buying Income between 2000 and 2010.

Table 2: Long Island Population and Age								
	2000		**2005**		**2010**		**Increase (Decrease) 2000-2010**	
	Long Island	**%**	**Long Island**	**%**	**Long Island**	**%**	**Change**	**%**
Under 20 Years	761,405	27.6	746,640	27.1	742,132	26.2	(19,273)	(2.5)
20-60 Years	1,510,784	54.9	1,510,206	54.8	1,522,069	53.7	11,285	.75
Over 60	481,724	17.5	497,872	18.1	568,681	20.1	86,957	18.1
Total population	2,753,913	100	2,754,718	100	2,832,882	100	78,969	2.9
Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data								
2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey								
2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates								

Table 2a: Nassau County Population and Age

	2000	**%**	**2010**	**%**	**2000-2010**	
					Inc (Dec)	**%**
Under 20 Years	358,923	26.9	344,970	25.8	(13,953)	(3.9)
20-60 Years	718,696	53.9	710,952	53.1	(7,744)	(1.1)
Over 60 Yrs	256,925	19.2	283,610	21.1	26,685	10.4
Total Population	1,334,544	100.0	1,339,532	100.0	4,988	.37%

Note (1) Sources for this data the same as for Table 2.

As the previous discussion of changing shopping habits illustrates, as Baby Boomers age and retire from the workforce, so does their tastes in clothes from the more costly business attire to less expensive leisure attire resulting in the need to spend less. Thus, retail has become less of a Long Island economic energizer and cannot be considered “regionally significant”.

5: LONG ISLAND'S WORKFORCE

Workforce Employment Over 16 Years of Age

Reflecting the static growth of the Long Island population was the workforce employment of those over 16 years of age. Between 2000 and 2010 the workforce grew by 3.6 percent or 46,933 individuals. This is important because the dismal workforce growth, increasing unemployment, and lower real wages provided less disposable income to spend in the Long Island economy, resulting in decreased Effective Buying Income and lower retail sales as illustrated in Table 1.

Table 3: Workforce Employment – Over 16 Years of Age

	2000		2005		2010		Increase(decrease) 2000 -2010		Increase (decrease) 2005 – 2010	
	Long Island	%	Long Island	%	Long Island	%	Long Island	%	Long Island	%
Private Wage and Salary	1,007,966	76.7	1,014,397	76.0	1,040,390	76.4	32,424	3.2	25,993	2.6
Government	230,932	17.6	240,648	18.0	243,761	17.9	12,829	5.6	3,113	1.3
Self-Employed	72,793	5.5	76,815	5.8	76,051	5.6	3,258	4.5	(764)	(1.0)
Unpaid Family Workers	2,559	0.2	2,212	0.2	981	0.1	(1,578)	-61.7	(1,231)	(55.7)
Total Employed in LaborForce	1,314,250	100	1,334,072	100	1,361,183	100	46,933	3.6	27,111	2.0
Total Population over 16	2,128,264	-	2,148,619	-	2,253,779		125,515	5.9	105,160	4.9
Pct. Population in Labor force		61.8		62.1		60.4				

Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) – Sample Data

2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey

2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates

There was little change in the major groupings of the workforce. Private Wage and Salaried workers were 76.7 percent of the total labor force in 2000 and 76.4 percent in 2010. This group of workers grew by 3.2 percent from 2000 to 2010 and remained the largest element of the Long

Island workforce. While government workers' 5.6 percent growth between 2000 and 2010 was the largest, that percentage of the workforce changed little with 17.6 percent in 2000 and 17.9 percent in 2010. Self-Employed workers which represented 5.5 percent of the 2000 workforce and 5.6 percent of the 2010 workforce grew by 4.5 percent between 2000 and 2010

Further indicating an erosion of the workforce, the 61.8 percent relationship between the total employed in the labor force and the total population over 16 years of age in 2000 fell to 60.4 percent by 2010.

Employment by Industry Sector

While Table 3 presents an overview of employment on Long Island, Table 4 that follows illustrates employment by industry sectors.

Between 2000 and 2010 Educational, Health and Social Services continued to be the largest industry sector employing 27.3 percent of Long Islanders, with employment increasing between 2000 and 2010 by 63,556 people or 20.6 percent. Arts, food services and entertainment followed with employment increasing by 12,252 people or 16.6 percent. However except for the higher paying education jobs, healthcare, social services, arts, food services and entertainment sectors traditionally are some of the lower wage paying job sectors in the region. Additionally, these sectors are service related and spin-off a lower level of secondary jobs.

Contributing to the decrease in Effective Buying Income shown in Table 1 are the job losses in the higher wage paying industry sectors including manufacturing, transportation, information technology and finance, insurance and real estate. These sectors have a greater job creating multiplier effect that spin-off more secondary jobs than service sector jobs.

Between 2000 and 2010, manufacturing jobs decreased by 19,935 or 18.8 percent falling to 6.33 percent of Long Island's employment, with half of the job loss occurring between 2005 and 2010. Information technology fell by 15,840 jobs or 29.8 percent between 2000 and 2010 with 8,893 of the job losses occurring between 2005 and 2010. The finance, insurance and real estate industry sector fell by 7.9 percent or 9,979 jobs between 2000 and 2010. However, the greatest job loss in this sector occurred between 2005 and 2010 when jobs decreased by 15,840 or 12 percent.

Table 4: Employment by Industry Sector										
	2000		2005		2010		Increase (decrease) 2000 - 2010		Increase (decrease) 2005 – 2010	
	Long Island	**%**	**Long Island**	**%**	**Long Island**	**%**	**Long Island**	**%**	**Long Island**	**%**
Agriculture, forestry, Fishing Hunting, Mining	3,004	0.23	3,100	0.23	3,774	0.28	770	25.6	674	21.7
Construction	83,545	6.36	91,997	6.90	90,742	6.67	7,197	8.6	(1,255)	(1.4)
Manufacturing	106,111	8.07	94,982	7.12	86,176	6.33	(19,935)	(18.8)	(8,806)	(9.3)
Wholesale	56,524	4.30	56,881	4.26	49,847	3.66	(6,677)	(11.8)	(7,034)	(12.4)
Retail trade	150,514	11.45	152,399	11.42	151,272	11.11	758	0.5	(1,127)	(0.7)
Transportation Warehouse.Utilities	78,492	5.97	74,459	5.58	74,796	5.49	(3,696)	(4.7)	337	0.5
Information Tech.	53,115	4.04	46,168	3.46	37,275	2.74	(15,840)	(29.8)	(8,893)	(19.3)
Finance, Insurance, Real Estate	126,452	9.62	132,313	9.92	116,473	8.56	(9,979)	(7.9)	(15,840)	(12.0)
Professional, Scientific, Mgmt, Waste Services	145,545	11.07	143,187	10.73	157,940	11.60	12,395	8.5	14,753	10.3
Education,Health Social Services	307,881	23.45	331,409	24.85	371,437	27.29	63,556	20.6	40,028	12.1
Arts, Food Svces, Entertainment, Recreation	73,918	5.62	90,720	6.80	86,170	6.33	12,252	16.6	(4,550)	(5.0)
Other	58,254	4.43	53,757	4.03	63,882	4.69	5,628	9.7	10,125	18.8
Public Admin	70,895	5.39	62,700	4.70	71,399	5.25	504	0.7	8,699	13.9
Total	1,314,250	100.00	1,334,072	100.00	1,361,183	100.00	46,933	3.6	27,111	2.0
Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data										
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The last sector reflecting job losses are the wholesale and retail industry sectors and correspond to the losses in retail sales revenues illustrated in Table 1. These lower wage paying jobs which spin-off fewer secondary jobs both reflected job losses between 2005 and 2010. The wholesale sector contracted by 12.4 percent or 7,034 jobs with the retail sector shrinking by 1,127 jobs or .7 percent. By 2010 both sectors represented a combined 14.77 percent of Long Island's workforce or 201,119 jobs, a decrease of 2.9 percent from the 207,038 jobs in 2000.

In order for the Long Island economy to grow, there have to be innovative, progressive uses for the remaining developable properties such as the Cerro Wire site. Such properties have to be developed in a manner that will generate quality jobs and significant positive secondary economic impacts. With Long Island's decreasing Effective Buying Income and aging population, it is clear that there is insufficient disposable income to support another mega mall.

In fact, the stagnant Long Island Effective Buying Income leads to the conclusion that any retail sales that the Taubman Mall will gain will be at the detriment of existing malls and retail centers.

Instead of the Mall sapping economic activity from existing Long Island retail centers, better uses of the Cerro Wire property should be explored. The potential uses would add value to the Long Island economy and bring industry sectors and higher paying jobs to Long Island such as high tech corporate headquarters, health and bio-tech business development, light manufacturing, housing for Long Island's future workforce, and initiatives that create higher paying jobs similar to the joint venture between New York City and Cornell University.

Male and Female Employment Status

Between 2000 and 2010 males represented a higher percentage of those employed. In 2010, 52.7 percent of those employed where males while 47.3 percent were females. However, each gender reflected important workforce changes during the same period.

Females demonstrated a much greater percent change than males. Between 2000 and 2010 employed females increased by 39,325 or 6.5 percent with 73.7 percent of that growth occurring between 2005 and 2010 where employed females increased by 28,971 or 4.7 percent.

Males employed between 2000 and 2010 increased by 7,608 or 1.1 percent, while between 2005 and 2010 employed males decreased by 1,860 or .26 percent. This is important because males tend to earn higher wages than females and this trend contributed to the decrease in Effective Buying Income as illustrated in Table 1.

Table 5: Employment Status - Civilian Male and Female, 16 Years of Age and Older										
	2000		**2005**		**2010**		**Increase (Decrease) 2000-2010**		**Increase (decrease) 2005 – 2010**	
	Long Island	**%**	**Long Island**	**%**	**Long Island**	**%**	**Long Island**	**%**	**Long Island**	**%**
Males Employed	709,880	54.0	719,348	53.9	717,488	52.7	7,608	1.1	(1,860)	(0.3)
Females Employed	604,370	46.0	614,724	46.1	643,695	47.3	39,325	6.5	28,971	4.7
Population 16 and Over	2,128,264	-	2,148,619	-	2,253,779	-	125,515	5.9	105,160	4.9
Population in the Civilian Labor Force	1,366,389	-	1,394,587	-	1,485,067	-	118,678	8.7	90,480	6.5
Employed Population	1,314,250	100	1,334,072	100	1,361,183	100	46,933	3.6	27,111	2.0
Pct. Labor Force Employed		96.2		95.7		91.7				
Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data										
2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey										
2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates										

Table 5 illustrates a significant trend in employment status of Long Islanders. That is the decreasing percentage of employed Long Islanders to the total population in the civilian labor force. In 2000, 96.2 percent of the population in the civilian labor force was working. This percent decreased to 95.7 percent in 2005 and 91.7 percent by 2010. If this trend continues, retail sales and Effective Buying Income will also continue their downward trend suggesting that there will be fewer consumer dollars to support Long Island's retailing infrastructure.

Unemployment Status

Table 6 reflects those Long Islanders who were unemployed between 2000 and 2010. The unemployed in the workforce rose 137.6 percent from 52,139 in 2000 to 123,884 in 2010. There were, however, differences between the genders.

In 2000, the 27,275 unemployed males represented 52.7 percent of all unemployed. By 2010, unemployed males increased 41,839 or 152.3 percent. Today, the 69,314 unemployed males increased to 56.0 percent of all unemployed.

The 24,664 unemployed females in 2000 represented 47.3 percent of Long Island's unemployed. While female unemployment increased 29,906 or 121.3 percent by 2010, the 54,570 unemployed females had fallen to 44.0 percent of Long Island's 2010 unemployed.

With males' increasing unemployment comes reduced family income and reduced family wealth and net worth, both of which are illustrated in Table 7.

Table 6: Unemployment Status - Civilian Male and Female, 16 Years of Age and Older

	2000		2005		2010		Increase(Decrease) 2000-2010		Increase(decrease) 2005 – 2010	
	Long Island	%	Long Island	%	Long Island	%	Long Island	%	Long Island	%
Males Unemployed	27,475	52.7	32,585	53.8	69,314	56.0	41,839	152.3	36,729	112.7
Females Unemployed	24,664	47.3	27,930	46.2	54,570	44.0	29,906	121.3	26,640	95.4
Total Unemployed Population	52,139	100.0	60,515	100.0	123,884	100.0	71,745	137.6	63,369	104.7

Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data

2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey

2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates

6: LONG ISLANDERS' DISAPPEARING FAMILY WEALTH

As the previous tables have reflected, Long Islanders are aging, fewer young people are staying and the workforce of those between the ages of 20 and 60 have basically remained unchanged. The unemployed have increased, fewer who can work are actually working, and the Long Island economy is restructuring the workplace where technological improvements have machines replacing employees resulting in increased employee productivity and lower real wages.

With the 2012 Long Island economy still struggling to recover from the Great Recession, aging Long Islanders forced into retirement with fewer dollars to spend, and the decrease in Long Island family wealth caused by the recession induced lower home values, pension fund and investment losses--what we have on Long Island is a sluggish economy with consumers spending less.

The Federal Reserve in its recent Survey of Consumer Finances focusing on savings, income, debt, assets and investments owned by American families found that median family wealth had declined by nearly 40 percent to levels of the early 1990's, with the greatest decline between 2007 and 2010. American family median net worth declined by a staggering 39 percent from $126,400 in 2007 to $77,300 in 2010. The results were brought on by the financial crisis and ensuing Great Recession (Riley, 2012).

The median homeowner who had net worth of $246,000 in 2007 saw that the housing value collapse had cost them more than $70,000 on the average with their 2010 net worth now approximating $174,000 (Riley, 2012). People who don't feel financially secure don't spend money. It will take years for housing values to reach the pre-Great Recession values, if they ever will.

Furthermore, those over 65 years of age, with changing retail tastes as discussed, and hoping to retire on a lifetime of savings and fixed retirement income saw their net worth decrease between 2005 to 2010 by $25,762 or 13 percent from $195,890 to $170,128. Much of the decrease in net worth to 1992 levels was attributable to housing values' sharp decline (Riley, 2012).

Complementing the Federal Reserve's Survey on Consumer Finances was the United States Census which found that between 2005 and 2010 the nation's household net worth decreased by 35 percent from an inflation adjusted $102,844 in 2005 to $66,740 in 2010. However, when home equity was excluded, the result was a modest eight percent increase in net worth from $13,859 to $15,000 (Winslow, 2012).

In terms of median family income and mean per capital income, Table 7 illustrates that, expressed in nominal terms (current dollars unadjusted for inflation), between 2000 and 2010 median family income in Nassau County grew by $25,592 or 31.5 percent and in Suffolk by $21,052 or 29.2 percent. However when median family income is adjusted for inflation and stated in year 2000 dollars, median family income grew by only $108 or .1 percent in Nassau County and in decreased in Suffolk County by $1,170 or 1.6 percent.

Table 7: Median Family Income and Mean Per Capita Income (Expressed in Nominal and 2000 Dollars)										
	2000		2005		2010		Increase(Decrease) 2000-2010		Increase(Decrease) 2000-2010	
Family Income	**Nassau County**	**Suffolk County**	**Nassau County**	**Suffolk County**	**Nassau County**	**Suffolk County**	**Nassau County**	**%**	**Suffolk County**	**%**
Median (nominal)	81,246	72,112	91,349	86,677	106,838	93,164	25,592	31.5	21,052	29.2
Median (2000 $)	81,246	72,112	78,555	74,537	81,354	70,942	108	.1	(1,170)	(1.6)
PerCapita (nominal)	32,151	26,577	37,195	33,222	39,935	34,582	7,784	24.2	8,005	30.1
PerCapita (2000 $)	32,151	26,577	31,986	28,569	30,407	26,333	(1,744)	(5.4)	(244)	(.9)
Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data										
2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey										
2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates										

Mean per capita income expressed in nominal terms between 2000 and 2010 increased in Nassau County by $7,784 or 24.2 percent and by $8,005 or 30.1 percent in Suffolk County. When adjusted for inflation and expressed in year 2000 dollars the mean per capital income in Nassau County actually decreased by $1,744 or 5.4 percent and in Suffolk County the decrease was $244 or .9 percent.

CONCLUSION

The Mall Is Not a Regionally Significant Economic Development Initiative

Table 7 clearly shows that when adjusted for inflation, Long Island median family income and the related Effective Buying Income has actually decreased between 2000 and 2010 resulting in decreased retail sales. Without any new Effective Buying Income, retail sales for Long Island will remain unchanged and the Mall cannot possibly generate more retail sales for the region but will simply redistribute existing sales. Consumers on Long Island just don’t have the resources to energize any recovery.

Ben Casselman, writing in the Wall Street Journal, concluded that the consumer recovery was never as robust as it first appeared, especially with the Commerce Department revising its 2012 first quarter spending growth down to 2.5 percent from original estimates of 2.9 percent. In fact inflation adjusted spending fell in March 2012 and hardly increased in April and May 2012 (Casselman, 2012).

Furthermore, consumer spending will not have a sustained recovery until the job market improves. The United States, three years into the recovery from the Great Recession, still employs five million fewer people than before the recession and 12.7 million Americans still remain out of work (Casselman, 2012).

The sustained unemployment and the large numbers of Americans have kept wages down, and adjusted for inflation, the hourly earnings are lower than they were when the recession ended in June 2009. Job growth has been dismal, so much so that the latest government reports show that while jobs are being created the unemployment rate increases. The reality is that this will not be enough to send consumers back to the malls (Casselman, 2012).

The Mall fails to meet LIRPC's Project of Regional Significance Criteria

Of importance is that the economic impact of the Mall fails to meet any criteria established by the LIRPC for a Project of Regional Significance other than the Economic Development factor and the Mall doesn't even meet that criteria when the economic impact of the Mall as originally presented is no longer accurate. This is because the economic projections for the Mall included two high end retailers, Neiman Marcus and Barneys New York, who are no longer part of the Mall proposal. Neiman Marcus is now committed to the expansion space at the Roosevelt Field Shopping Center and Barneys New York is no longer committed to the Mall. Thus, the anticipated consumer draws these retailers may have had for the Mall are gone. With the space they would have occupied now filled by smaller retailers, the Mall will no longer be unique as Taubman had proposed and be just like other Long Island malls competing for the same shoppers, not the new shoppers as promised.

As Tables 1 and 7 indicate, the adjusted for inflation real Effective Buying Income and family incomes have actually decreased resulting in no new consumer dollars to support another Long Island mall.

As previously noted, but worth repeating is LIRPC council member, North Hempstead Town Supervisor Jon Kaiman, voiced concerns of the negative impact that he felt the Mall would have on North Hempstead town businesses (Winslow, 2012).

The Mall fails to meet "Project of Regional Significance" Criteria of LIREDC

Lisa S. Lim, Senior Counsel to Empire State Development, when asked under the Freedom of Information Law for the scoring by the LIREDC in designating the Mall as a "regionally significant" provided the following response. "The Taubman Mall Project did not submit an application under the Consolidated Funding Application ("CFA)" process and therefore was not scored". Thus, the obvious question is under what method or process did the LIREDC evaluate the Mall and conclude that the project was "a project of regional significance"? Of equal importance is that LIREDC has not even adopted any criteria for designating a project "regionally significant".

However, the LIREDC has adopted criteria for designation of a "Transformative Project" (LIREDC, 2011). To the extent such criteria are relevant to a determination of "regional significance" the Mall simply does not qualify.

First, retail is not part of the region's strategic plan. Second, the Mall makes no fundamental contribution to achieving that regional vision. Third, there is little measurable collaborative support for the project. The Town of Oyster Bay for 15 years has opposed this project, as well as the communities, civics, and school districts surrounding the Cerro Wire site (Winslow, 2012). While the construction trades support the project, the community's Alternate Development Plan will employ as much construction labor as the mall. Construction jobs are not the issue in as there will be plenty of work for Long Island's construction trades under the Alternate Development Plan.

While leverage of other funds is a criterion for LIREDC for designation as a "Transformative Project" and proponents of the Mall say that it will be self-financed, financing alone can't be a determining factor of a project's worth if the community, civics, and local government oppose the project.

The Mall also fails to meet the LIREDC "workforce development and quality jobs" criteria. Taubman, by its own FEIS filings at the Town of Oyster Bay reflect that while the project is expected to lead to direct long-term employment measurable jobs, those jobs will not have improved jobs skills and higher-paying jobs for Long Island residents.

With major anchor tenants, the Mall effectively shuts out small businesses and minority business enterprises. The project fails to encourage equity and investment in underserved neighborhoods, fails to create significant resources that fosters commercialization of new technologies, and advances the equity for people and communities of color.

Thus the conclusion of this evaluation is that the Mall should never have been designated as "regionally significant" and that designation should be rescinded.

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Dr. MARTIN R. CANTOR, CPA
Director, Long Island Center for Socio-Economic Policy

28 Woodmont Road, Melville, New York 11747
www.martincantor.com

Tel: (631) 491-1388 - Fax: (631) 491-6744-E - Mail: EcoDev1@aol.com

Martin R. Cantor has a Bachelor of Science Degree in Accounting from Brooklyn College of the City University of New York, a Master of Arts Degree in Interdisciplinary Studies from Hofstra University focusing on the socio-economic relationships between education, household income, community and workforce development, and a Doctor of Education Degree from Dowling College. He has served as Suffolk County Economic Development Commissioner (New York State's largest suburban county), brought Computer Associates to Suffolk County, and created over 23,000 jobs with an estimated $1.4 billion annual payroll economic impact. He has served as: Chief Economist-New York State Assembly Subcommittee for the Long Island Economy; Senior Fellow at the White Plains, New York based Institute for Socioeconomic Studies - a public policy think tank concentrating on poverty in America and senior citizen quality of life; Chair and Chief Economist of the Long Island Development Corp; a building trades labor/management arbitrator; a consultant to the Nassau Interim Financial Authority; a faculty member in the Brooklyn College Department of Economics; Executive Director of the Patchogue Village Business Improvement District; and Director of Economic Development and Chief Economist for Sustainable Long Island, and the Long Island Fund for Sustainable Development, providing financial, technical assistance to businesses and not-for-profit organizations His work is included in the *National Tax* Rebate-*A New America With Less* Government, and has prepared downtown revitalization plans for Long Island and New York City neighborhoods featuring arts districts, economic restructuring, waterfront projects and community organizing. He was the architect of the Nassau County Comptroller's debt restructuring plan for resolving Nassau County's fiscal crisis; has been a Long Island Business Journal columnist; has authored: federal, state and local legislation; economic impact analyses; analysis of Long Island's economic, demographic, employment, tax, and educational bases; a convention center feasibility study; taxpayer cost of acquiring open space; and health care reform; and Director of Dowling College's Long Island Economic and Social Policy Institute; and an Adjunct Associate Professor of Economics

He is a Certified Public Accountant in private practice; Director of the Long Island Center for Socio-Economic Policy, a consulting economist and economic development consultant to public officials, counties, towns, villages, Industrial Development Agencies, and communities; and Chairman of the Suffolk County Judicial Facilities Agency which financed the acquisition of the Cohalan State Court Complex and the construction of the Suffolk County Jail in Yaphank. He provides economic and business commentary on television and radio; is Co-host of Focus 55, a public affairs program on Channel 55, is a columnist for the Long Island Business News, Long Island's largest business weekly, and Networking Newspaper for Women, has appeared in the New York Times, Newsday, and LI Pulse, and has been syndicated nationally by Newsday, Bridge News and Knight-Ridder/Tribune News Service. He is an Honorary Member of Delta Mu Delta - The National Honor Society in Business Administration and has been recognized by the National Association of Counties for innovative uses of Industrial Revenue Bonds, for international trade promotion initiatives, for downtown revitalization policies, and for minority business incubator initiatives. He was invited by Dr. William Julius Wilson of Harvard University's John F. Kennedy School of Government to present his paper entitled *Race Neutral Sustainable Economic Development*. He is the author of *Long Island, The Global Economy and Race: The Aging of America's First Suburb.*