

December 20, 2006

In This Town, Even a Mall Rat Can Get Rattled

By [KEN BELSON](#)

Correction Appended

PARAMUS, N.J., Dec. 15 — It is fitting that the first store drivers heading south on Route 17 see as they enter town is a Stop & Shop. After all, Paramus is one of the nation's strongest shopping magnets, generating roughly \$5 billion a year in retail sales, an amount about equal to the gross domestic product of Cambodia, Nicaragua or the sultanate of Brunei.

There are larger malls and there are fancier malls elsewhere, but few places rival the sheer concentration of stores in this otherwise unremarkable suburb 18 miles northwest of Times Square. In an already densely populated state, Paramus has more parking spots than people.

Four major malls and dozens of smaller shopping centers are packed into 10 square miles. Paramus is home to Garden State Plaza, [New Jersey's](#) largest mall, whose two million square feet of stores attract 20 million shoppers a year. The town has 27,000 residents, and about 2,700 stores. There is a Saks Off 5th and a Sears; at least two dozen chains, including Borders, Old Navy and Macy's, have more than one outlet within Paramus's boundaries.

It is a Faustian bargain that brings 200,000 cars a day into town during December, turning the roads into virtual parking lots, but also keeps property tax rates in Paramus relatively low — \$1.55 per \$100 of assessed value, compared with \$3.88 in Maywood, the next town over.

And there is no sign of letup: two of the four malls are spending \$100 million each to spruce themselves up, big-box stores are sprouting where strip malls and bygone department stores once sat, and traffic seems to get worse each year. All of which has made residents like Paul Gibling III seem a lot like Scrooge.

Growing up in Paramus, a bedroom community with many white-collar workers, Mr. Gibling considered the malls a playground. Later, he saw them as a convenient place to get a lot done at once. But this year, the stores and roads have become so packed that Mr. Gibling, a 30-year-old financial adviser, said he was buying half his gifts online and the rest at smaller shops.

"I don't have the time to deal with the traffic and the malls," he said over chicken fingers and fries at the Suburban Diner on Route 17. "My wife lives to shop, but she didn't go to the malls this year, either."

Residents have groaned about the traffic for years, but largely put up with it because of how much money visitors spent in the town's stores. They also won reprieves on Sundays, when the town prohibits sales of practically everything, making Paramus a virtual ghost town.

Over all, analysts expect retail sales this season to be up about 4 percent over last year; owners of the Paramus malls would not provide specific figures about how they are doing. Yet while nearly all the available construction space in Paramus has been exhausted, developers keep adding movie theaters and restaurants in hopes of getting consumers to spend more during each visit.

Among the attractions is that New Jersey has a lower sales tax than New York City (7 percent compared with 8.375 percent), and none on clothing and shoes — New York has no state sales tax on clothing and shoe purchases of less than \$110. And Paramus sits in wealthy Bergen County, where the average household income is \$71,000 a year, 41st in the nation for counties with more than 65,000 residents.

“Other than New York and Beverly Hills, where else do people go to shop as their profession? Paramus,” said Marshal Cohen, a retail industry analyst at NPD Group, a market research firm. “You can go there on a Wednesday afternoon and still see people shopping.

“For the last 20 years, the industry has felt that the area was saturated,” Mr. Cohen added, “but to everyone’s amazement, it still grows and attracts people from all over.”

Paramus has no town center per se, but it seems to have a mall to suit every shopper’s personality.

Visitors from New York traveling west on Route 4 first hit Bergen Town Center, with a middle-market collection of shops, like the discount clothier Century 21. Upscale outfits like Brooks Brothers and [Abercrombie & Fitch](#) are among the 285 stores at the huge Garden State Plaza, where Wall Street analysts and investors flock for hints of how well the Christmas shopping season is going.

A bit north on Route 17 is a 45-acre plot featuring Ikea, Sports Authority and Bed, Bath & Beyond — and room for 2,800 cars. And a mile up the road are the Fashion Center and Paramus Park malls, the latter with a sweeping second-floor food court overlooking child-friendly [Build-A-Bear Workshop](#), Lego and [Disney](#) stores.

While outsiders gravitate to the malls, residents try to avoid the congestion. Irma Weishaupt and her husband, Lou, who have lived in Paramus for 45 years, say they stick to side streets and sometimes leave town to shop.

“Rule No. 1 is to avoid Route 17 in either direction,” Mrs. Weishaupt said. “It’s the worst around Thanksgiving, but we’re always questioning what’s happening because it is getting worse.”

Though a headache for residents, traffic has a silver lining for retailers: If cars crawl along at half the 50 mile-an-hour speed limit, potential customers have more time to size up the stores, and are more likely to stop someplace they might have otherwise passed.

The mayor, James J. Tedesco III, considers the malls “a double-edged sword.”

“For the benefit of almost 50 percent of the taxes being paid for by the business community, we have to put up with congestion,” Mr. Tedesco said. “You can say during the holiday season, the traffic is exasperating. It’s a constant battle.”

The battle began in the 1950s, when both the Bergen Mall, which was recently renamed Bergen Town

Center, and Garden State Plaza were built. The suburbs in northern New Jersey were growing, and the main roads that crisscross Paramus and head in every direction were a retailer's dream.

But the traffic the malls generated swamped the roads. They have been widened repeatedly to accommodate the cars, with recent improvements to off-ramps and intersections, but it never seems to be enough.

And the building continues. The Westfield Group, which manages Garden State Plaza, is expected to finish a \$100 million renovation, adding shops and entertainment options, early next year; Vornado, which bought Bergen Town Center last year for \$146 million, is just starting a \$100 million overhaul of its own.

Already, Paramus has 320 stores with more than \$1 million in annual sales each, second in the country only to the 10021 ZIP code on the East Side of Manhattan. The vacancy rate for stores is 3 percent, several percentage points below the rate for similar real estate elsewhere. Some properties are filled even before the previous tenants move out.

"Paramus is a town with a waiting list," said Chuck Lanyard, a commercial real estate broker at the Goldstein Group in Glen Rock.

One sign of the malls' success is the booming valet services in their parking lots. Pro Valet Event Parking, which has 50 spots near the Papa Razzi restaurant in the Garden State Plaza, doubled its prices to \$10 this holiday season.

While the traffic is overwhelming for some in Paramus, the commercial frenzy has its rewards — chiefly, businesses that pick up much of the tax burden. That has created a measure of jealousy in Maywood.

A half-century ago, developers wanted to put a mall in Maywood and the parking lots in Paramus. Eager to preserve their town's character, Maywood residents rejected the proposal and instead got the lots, which generate little tax revenue. The town also has to grapple with the occasional stolen car, and for a fee, sewage from Bergen Town Center.

"We have gotten the short end of the stick for 50 years," said Thomas H. Richards, mayor of Maywood, which unlike Paramus still has something resembling a small-town Main Street.

Maywood recently approved Vornado's plan to build three stores in Bergen Town Center on its side of the border, a decision that could add \$250,000 to the town's tax rolls, Mr. Richards said, calling it "a dream come true."

"We'd like our share of the pie," he said.

Correction: December 27, 2006

A front-page article last Wednesday about the profusion of malls in Paramus, N.J., referred imprecisely to a Saks store in one of the malls, the Bergen Town Center. It is a Saks Off 5th, a discount outlet — not a Saks Fifth Avenue.