



The
RIDGEWOOD
Chamber of Commerce
experience ridgewood

TO THE EDITOR:

There is a parking problem in Ridgewood. Yes, I know, my keen insights have taken me far in life. There is also a property tax problem in Ridgewood (When will my wife realize that my pearls of wisdom are far more valuable than those on a necklace?). Did you know, however, that these two issues are connected?

Ridgewood's Central Business District (CBD) is, essentially, an outdoor mall. And like the malls in Paramus, it shoulders a fair share of the Village's tax burden. As we all know, property taxes in Paramus are comparatively low because these malls--also known as ratables--shoulder a disproportionate share of that municipality's tax burden. By doing so, the residents of Paramus enjoy the benefits of lower property taxes.

The reason that Paramus' malls pay a higher proportion of property taxes is that they have a higher assessed valuation. Their valuation is higher because the rents are higher—the value of a commercial building is based on its potential rental value. This is a very good thing for the resident taxpayers in the municipality. Higher rents mean the commercial building has a higher assessed value, which translates into higher property taxes for that building.

By contrast, the rental value of the commercial buildings in Ridgewood's CBD are comparatively low. The rents are low because the CBD is struggling. That's because Ridgewood's CBD lacks adequate parking. Ample parking is central to the success of every retail center. Parking is as critical to a retail center as water is to a farmer. With a little water a farmer can grow a few crops. With abundant water that farmer can feed the world.

The same is true of parking. Abundant parking, along with a good selection of top tier stores and a strong economic demographic, combine to create a thriving retail center. If the retail center is thriving—doing strong business—rents in the commercial buildings located therein go up.

When a commercial center in a municipality pays higher taxes, it shoulders a disproportionately larger share of that municipality's tax burden, as is the case in Paramus. The Village's ratables in the CBD have the potential to do for Ridgewood what the malls do for Paramus—keep our taxes under control. If that is ever going to happen we need to create enough parking to allow our CBD to thrive once again. We have the opportunity to do that on November 3 by voting for the parking deck referendum. I urge you, as a fellow resident and taxpayer, to support this referendum. It doesn't just benefit the CBD, it benefits everyone.



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Paul Vagianos

President

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