



Testimony of  
Staten Island Chamber of Commerce Vice President – Patrick Hyland  
NYC City Council Economic Development Committee  
Oversight – Staten Island Ferry Terminals  
November 16, 2007, 1:00 p.m.

Good afternoon, my name is Patrick Hyland, Vice President of the Staten Island Chamber of Commerce. On behalf of the Staten Island Chamber of Commerce and our 900 members, I would like to thank you for the opportunity to address the NYC City Council Economic Development Committee regarding the status of the Staten Island Ferry Terminals.

As we all know, the Staten Island Ferry is often seen as an iconic symbol of Staten Island. This 102 year old service carries over 19 million passengers per year; an average of over 65,000 people per day. The ferry, the most reliable form of mass transit on Staten Island (especially these days), has seen gradual rider-ship growth over the past few years. In the Chamber's opinion, this growth can attributed to the reliability of the service, the recently renovated terminals, and the new Molinari Class ferries (The Guy Molinari, The John J. Marchi, and the Spirit of America). These three new ferries along with refurbished terminals all arrived in 2005, and have definitely made the daily hour plus commute for the Island resident a more enjoyable (or tolerable) experience. The Chamber would like to thank Mayor Bloomberg and the Council for their investment in these terminal improvements and new boats. They were much needed and the investment is appreciated. We would also like to thank the Mayor for working with the City Council; especially Councilman McMahon on increasing the amount of daily ferry trips to and from Staten Island. The increasing rider-ship I mentioned earlier shows that these extra trips were certainly warranted.

The issue that brings us here today is the lack of any progress whatsoever regarding the retail space in the recently refurbished terminals; especially the St. George Terminal. There is 20,000 square feet available in the St. George Ferry Terminal – but yet there is only one tenant. When we received word of this hearing last week, it spurred the Chamber to ask why once again. We have spoken to prominent developers and business owners over the past few days; especially those in the St. George area and on the North Shore. The first item that was unanimously brought up was the cost of the lease agreements that the city has been pursuing in the past (\$40 per sq./ft. and up). Every person we spoke with felt that it was exorbitant for a new business; especially when factoring in build-out costs of the site(s) which developers felt could run anywhere from \$50,000-\$100,000 depending on the square footage obtained.

Over the past few years, St. George has begun to see a renaissance. A mixture of public and private investment has started bringing more people to the area and there is much more on the horizon. The Stapleton Waterfront Development project and the Lighthouse Museum site are two projects being overseen by the NYC EDC that have changed people's outlook on the area; and in my opinion these projects have triggered the private investment taking place in the surrounding areas. When these projects are completed, there will be over 1,000 new luxury condominiums within walking distance to the terminal. In addition, plans for a new St. George Courthouse will bring additional business professionals and residents to the area on a daily basis.

All of these projects sound great to the Chamber and other community and civic groups on the Island. But I find they are often viewed with skepticism by our member businesses and residents. They have read about these projects for years now and yet the Homeport still stands, the Lighthouse Museum project inches along, and the residential complexes are not yet completed for varying reasons. Any business owner I speak with feels that they would be taking a huge leap of faith going into the ferry on the assumption that the City is going to complete these projects in the time frames they have set forth. You know what, they are right. The City should be willing to take a huge leap of faith with them as well. The lease agreements in the ferry should be structured so that they are business owner friendly; especially in the beginning. The term "breakpoint lease" with phased or tiered increases that reach "market rate" over a few years was brought up to me on more than one occasion.

It makes sense to us. We are talking about store fronts that have sat vacant for almost three years now. Let's make it enticing for an owner of a dry cleaner, coffee shop, pizzeria, souvenir shop, drug store, restaurant, etc. to put up their flag in the St. George Ferry Terminal. I would hope the goal would be for the business to thrive and become a fixture that Island residents and commuters could call their own; not to just charge exorbitant rents. Another issue regarding the retail space in the ferry terminal is the current parking arrangements. This is critical for what type of business the City would be attempting to recruit to these sites. Presently, the most convenient lot in the terminal is a municipal lot that charges \$5 per day for commuters and it is used extensively. The Chamber does not present a solution here today on where that parking could be provided given the current configuration of the terminal. But this issue was not sufficiently addressed when the terminal was refurbished and definitely needs to be re-visited.

Before I conclude, I would also like to address the failure to get passengers off of our boats to visit our local cultural institutions and local shops or restaurants. This has been a problem for years now and I am sad to say we have not capitalized on the new terminals when it comes to tourism. Hundreds of tourists ride the Staten Island ferry every day only to get off and immediately re-board it back to Manhattan bringing their dollars and euros with them. This statement is not meant to impugn the Council on the Arts & Humanities Association on Staten Island at all. These dedicated individuals that staff the information booth at the ferry terminal every day work tirelessly promoting the Snug Harbor Cultural Center, Staten Island Museum, The Alice Austen House, The Tibetan Museum, The Staten Island Zoo, The Conference House, etc. The list goes on and on. The issue is not their effort; it is the lack of advertising in the terminals.

I have been informed that Borough President Molinaro and his staff are presently working on a promotional video that they hope to display one day in the terminals in an effort to help address this situation. It was also relayed to me that they are presently working with the City on additional information kiosks. These are all worthwhile and exciting endeavors, and we would like to thank him for his dedication to promoting tourism in our borough. But in the interim, the lack of signage at the current information booth at the Whitehall Terminal needs to be addressed immediately. The lighting is dim, COAHSI's banner is hidden in the back of the booth, and the pole obstructs people's views inside. There should be signage upon entering the terminal and at the top of the stairs. There should also be ample signage at the St. George Terminal explaining how to visit the numerous cultural destinations on the Island; many of which are located within 1-2 miles of the terminal. This is an easy fix that the City should be able to execute in a short amount of time.

I conclude my statement by merely stating that the time has come for the City begin looking at the Staten Island Ferry Terminals as possible destination points and not merely just a commuter hub. I reiterate my earlier statement that there are 19 million people traveling through those terminals every year. It would be nice if the powers that be started to look at that number as an opportunity and not merely a statistic.

Thank you once again for allowing me the time to address this important Staten Island issue.

**Testimony by Venetia Lannon, Senior Vice President  
New York City Economic Development Corporation  
at a Hearing of the Economic Development Committee  
of the City Council**

**November 16, 2007**

Good afternoon Chairman White, and members of the Economic Development Committee. My name is Venetia Lannon, and I am Senior Vice President of the Maritime Division at the New York City Economic Development Corporation (NYCEDC). With me here today is Captain James DeSimone, the Department of Transportation's (DOT) Chief Operating Officer for the Staten Island Ferry.

NYCEDC, through its maritime contract with the City of New York, oversees development of the City's maritime assets. In this capacity, we are assisting the New York City Department of Transportation (NYCDOT) to redevelop the retail areas of the Staten Island ferry terminals, which currently fall under NYCDOT jurisdiction. In my testimony this afternoon, I will briefly review the background that resulted in the current lack of restaurants and retail outlets in the new terminals, describe NYCEDC's new retail vision for reinvigorating the spaces, and provide a progress update on the strategy we are implementing to make that vision a reality.

I'll start with some background. In 2005, the City unveiled two new ferry terminals for the Staten Island Ferry, the Whitehall Terminal, located in Lower Manhattan, and the St. George Terminal, located on Staten Island. Constructed by NYCEDC on behalf of NYCDOT, both of these terminals were dramatic improvements over their predecessors, featuring soaring ceilings, an abundance of natural light and seating areas, increased security and state-of-the-art facilities. Each year over 19 million people use these new terminals, nearly 65,000 riders per weekday, including thousands of tourists.

Additionally, approximately 6,500 square feet of retail concession space was created in the Whitehall Terminal, and over 20,000 square feet in the St. George Terminal. In 2004, NYCDOT entered into a 20-year master lease with a privately-owned company to lease, market and sublease the retail and advertising spaces in both terminals, as well as the food concessions and advertising aboard the ferries. In addition, this company was responsible for installing utilities and infrastructure to the retail areas and for general maintenance of the common areas in the terminals.

NYCDOT was dissatisfied with the company's progress, and last year negotiated a restatement and partial surrender of the company's 20-year lease with NYCDOT. That legal work has now been finalized.

In anticipation of the partial surrender of the current master lease, last year NYCDOT requested assistance from NYCEDC to develop a retail vision for the terminals and a new strategy to improve management of the retail spaces. In response, NYCEDC retained a team of economic and retail consultants led by Economic Research Associates (ERA) to conduct a market study and passenger surveys, and to develop a retail strategy for the terminals. This team also included Jeanne Giordano, a retail expert who managed the redevelopment of the retail areas and the public market in Grand Central Terminal on behalf of the MTA. The team completed that study and recommended an overall strategy for the City to follow late last year.

NYCEDC has continued to research best practices by interviewing companies and agencies that manage other transit-related retail areas. These included retail areas at Newark, LaGuardia and JFK airports, and rail stations, such as South Station in Boston and Grand Central Terminal.

Our new retail strategy for both terminals will ensure high quality tenants providing services that ferry riders demand. In addition to high quality restaurants and retail, the strategy calls for developing displays and signage that will encourage the many tourists who ride the Staten Island ferry to get off of the boat and explore Staten Island. The retail in the St. George Terminal will have a “Taste of Staten Island” theme and will feature the best of local Staten Island restaurants and businesses, rather than catering to national fast food chains. The Whitehall Terminal retail will reflect a mix of unique Manhattan retailers that will attract office workers in the area and create a new local meeting spot.

To transform this vision into reality as quickly as possible, NYCEDC and NYCDOT have cooperatively worked out a plan to transfer management of the retail space in each terminal to NYCEDC through a new master lease between our agencies. This will allow NYCEDC to use its expertise as well as that of our consultants to target the procurement of tenants to those that best fit into this vision in an expedited manner. NYCEDC will continue to retain Jeanne Giordano to manage the marketing and subleases of the spaces, in a role similar to the one she played at Grand Central.

I can assure you today that this project is a top priority for our agencies. We have taken time to be thorough and thoughtful in developing a good plan, and things are now moving rapidly. A lease between NYCEDC and NYCDOT is being drafted and is expected to be executed shortly. We have drafted a Request for Proposals (RFP) for new tenants and will release it within the next week. We have assembled a list of prospective tenants who have expressed interest in the terminals or who fit well with our vision for the spaces.

Due to the infrastructure work needed and the outfitting of stores, it is expected that the new stores will be ready to open next summer. Projecting that tenants will need several months to fit out their spaces before opening, the first new stores are expected to open next summer.

While I think we all wish that this could happen faster, I hope that I have provided an overview of some of the obstacles we have faced, and that you will support the strategy we are now implementing. Procuring consultants, transferring management between City agencies, executing leases, and securing capital funds takes time, but we think this more deliberate, strategic

approach is grounded in the realities of the retail marketplace, and will begin to pay off in the near future.

In the meantime, DOT has been adding amenities until the retail spaces are complete. November 6 saw the first Farmer's Market on the concourse level of the Whitehall Terminal, providing a wide variety of plants, fruits, baked goods and local meats.

The U.S. Postal Service is working to conclude an agreement with their contractor to build out a space designated at the St. George Terminal, with construction beginning by mid-December and the Post Office opening this spring.

DOT is also working with a street fair vendor to present a Holiday Fair this year at the Whitehall Terminal, and in the process have both terminals decorated for the Holiday Season. This will provide a pleasant and convenient seasonal venue in which to purchase holiday gifts

Finally, DOT is also exploring ways to bring live music and performances into the Terminal, similar to the well-received MTA "Music Under New

York” program. DOT is planning to utilize the terminals to host a portion of the City-wide Under the Radar Festival for several days in January 2008.

In closing, we foresee attractive, vital new terminals coming on line next summer, which will provide Staten Islanders, other New Yorkers, and tourists with a variety of new retail options that fit their needs, provide healthy local alternatives to the standard chains, and will encourage thousands of tourists each week to get off of the boats and begin to explore all that Staten Island has to offer.

Thank you for your time, and I will be happy to answer any questions you may have.

*Submission by:*

**Henry J. Kennedy and Vincent J. Montalbano**

**New York City Council  
Economic Development Committee  
Hon. Thomas White, Jr., Chair**

**Staten Island Ferry Terminals**

**November 16, 2007**



**soon** \ˈsūn, esp *NewEng* ˈsūn \ *adv* [ME *soone*, fr. OE *sōna*; akin to OHG *ˈsān* immediately] (bef. 12c) **1** *a obs* : at once : IMMEDIATELY **b** : before long : without undue time lapse <~ after surprise> **2** : in a prompt manner : SPEEDILY (as ~ as possible) <the ~er the better> **3** *archaic* : before the usual time **4** : in agreement with one's choice or preference : WILLINGLY <I'd just as ~ walk as drive>

*(Miriam Webster's Collegiate Dictionary - Tenth Edition, 1993)*

**TO THE MEMBERS OF THE COMMITTEE:**

We have attached for your review articles from the Staten Island Advance published over the course of a year concerning the state of economic development at the Staten Island Ferry Terminals. As the articles make clear, and as we personally know, ferry riders, tourists and members of the community at large are frustrated by the lack of stores, restaurants and public amenities at both the Manhattan and Staten Island ferry terminals. The riders' frustrations are compounded by New York City's repeated representations that such stores and services would be "coming soon." It appears today, we are no further along in planning for and attracting businesses to the terminals than we were when the terminals were completed over three years ago. In a city that supports a new drug store daily and the ubiquitous pizza parlor, it is inconceivable that such business enterprises couldn't find homes in our terminals. The answer must be that the City is not interested enough in providing for the Staten Island ferry rider. As long-time Staten Islanders, we share a collective concern for the day-to-day consequences of that sentiment. However, by not appropriately utilizing the ferry terminals, the City is squandering important public property—property that should be providing jobs, generating rent and tax income and attracting tourism. That should be a concern for all New Yorkers.

Economic development is just one of many issues facing the operations of the Staten Island Ferry. There are other issues as well, such as the cleanliness of the terminals and boats, boat schedules, allowing cars on the boats, terminal "pick up & drop off" on Staten Island, and accessibility for those who are disabled and bicyclists.

For too long, ferry riders have not had a forum where these concerns could be addressed. We appreciate the opportunity at this forum to present the following three proposals:

1. That the EDC and DOT form a permanent Staten Island Ferry Riders Advisory Committee comprised of regular commuters and the Staten Island Council delegation. This committee would meet at least quarterly both to consider any service or operational plans of the City and to bring to the City's attention any issues that are noted by the regular commuting public. We believe this entity would improve Ferry operations and serve to build better relationships between the riders and the City.
2. That the EDC immediately seek out stores and services to come to the terminals. The EDC should begin by placing ads in the Advance and by recruiting every commercial realtor in Staten Island, even city-wide, to seek businesses that would be interested. **JUST GET STARTED! NOW!** This should not be the big deal it has become.
3. Finally, that the City stop using "security" as a reason not to put in both terminals the "world class" restaurants we were promised.

We thank you for this opportunity to present our views.

Respectfully submitted,

Henry J. Kennedy

Vincent J. Montalbano



Staten Island  
**Sunday Advance**

SINCE 1886

DECEMBER 24, 2006

\$1.75

# Got time to kill at the ferry? That's too bad

Frustrated commuters  
sound off on the lack of  
stores and restaurants,  
\$300 million later

By MAURA YATES  
STATEN ISLAND ADVANCE

Remember all the talk a while back about white-tablecloth restaurants, grocery stores, gift shops and bakeries opening at the gleaming new St. George and Whitehall ferry terminals?

Apparently, it was just that — all talk.

So what's the deal?

The Ferry Terminal Management Group, which handles the retail leases, isn't talking, but the city Department of Transportation had this to say:

"We're disappointed that there have been delays and we're involved in negotiations which will allow us to partner with a new master tenant to make sure all of the retail

spaces are rented," said DOT spokeswoman Kay Sarlin.

But while DOT goes back to the drawing board, Island commuters are voicing frustrations with the lack of services available in the terminals.

"If you just miss [a late-night] ferry, and you have an hour, there's nothing to do in that ferry terminal," said daily ferry rider and attorney Hal Kennedy of New Brighton. "In the old days, at least there was a bar you could hang out in."

That would have been Pete Smith's, in the old Whitehall terminal, and last week, some ferry regulars were lamenting the loss of the scrappy watering hole. But it's not just after-hours diversions that ferry riders want to see.

Years ago, Whitehall had two pizza places, a liquor store, bookstore and grocery, and St. George had McDonald's, a post office, a dry cleaner and a shoe repair shop, Kennedy recalled.

SEE FERRY, PAGE A 10





STATEN ISLAND ADVANCE/WH LEE

Commuters wait in line inside the Water Edge Cafe in the St. George ferry terminal.

FERRY FROM PAGE A 1

## Riders decry lack of stores in terminals

But more than five years of construction and more than \$300 million later, commuters have less services now than they had then, with most of the 25,000 square feet of retail space left empty.

"I don't know what the city is doing and why they can't lease that space," Kennedy said. "We're all frustrated and we'd like to see something done."

Commuters want convenience, said Steve Reynolds of Westerleigh. "A post office would be nice, or dry cleaning, or a library, where people can pick up or drop off. A lot of space is being wasted."

### LITTLE HAS BEEN DONE

Between the glass-walled rooms that sit empty, save for construction debris, marring the entrance to the St. George terminal, and posters that have been hanging in Whitehall for the past few months proclaiming the impending arrival of a Nathan's Famous hot dog restaurant, little has been done to create the "destination venue" touted last year.

More ambitious plans also called for two saltwater aquariums to be installed on the St. George side.

But regardless of what plans were in the works, there is little sign of any progress now. With just the Water Edge Cafe open in St. George and Aunt Butchie's pastry shop and the American News & Gifts newsstand in Whitehall, the pickings are slim.

"What have you got now? Water and candy," said Philip Canecchia of Rossville. And

the prices are too high, he said.

"They can charge anything they want," one ferry rider said, complaining about orange juice being sold for twice the price it would fetch at a corner grocery. "They're the only thing going."

"Everybody is going to be eating something while they're waiting," and most people want more than just candy bars, said John McNally of New Springville, as he polished off a hot dog in Whitehall next to an advertisement for a pizzeria that hasn't yet materialized.

"They've been proclaiming that a pizzeria is going to open for two years!" Kennedy said.

"Before I die, I would like to see one of those stores open," said Joe Liguori of Huguenot.

The premium rents in the high-traffic terminals might be scaring away new businesses, some said. DOT wouldn't comment on the current rents, but Bob Fitzsimmons Jr. of Gateway Arms Realty in St. George said he would guess the rates are about \$45 to \$55 per square foot. Average rents in St. George outside the terminal are around \$30 to \$35, he said.

### LOSING TOURISTS

But while the stores are empty, "it's not just the inconvenience of the travelers, which is paramount, but the city is also losing revenue," Kennedy said. And Staten Island is losing tourists.

If there is nothing to draw visitors into the terminal it-

self, what would convince them to explore beyond it instead of circling around and immediately boarding the next boat back?

Notwithstanding the tourists and commuters, those who work on the boats and in the terminals for eight or more hours each day said they would appreciate a greater variety of shops to patronize for their coffee and lunch. And, one employee pointed out, there are no ATMs on the Staten Island side.

Other transportation hubs in the city and beyond are blossoming. A French bistro, Metro Marche, recently opened in Manhattan's Port Authority Bus Terminal, serving up lobster Cobb salad and braised pork shoulders. Grand Central Terminal has opulent dining and shopping choices on par with its scale and grandeur.

Even ferry riders in Seattle, Wash., have at least six options to choose from at one dock, including a wine bar, candy store, fast-food restaurant, hot dog stand and wrap-sandwich shop.

The gleaming new Staten Island Ferry terminals, hubs for one of the most iconic boats in the world, would seem to be a natural for such enterprises.

Even current retail tenants say they want to see more shops open.

"Competition is good. You stay on your toes," said a Whitehall shop employee who asked not to be identified.

If a variety of shops were allowed to open, the employee said, Whitehall "could rival Grand Central" in terms of drawing customers other than ferry riders. "The terminal is beautiful," he said, and adding a nice restaurant and bar would be a huge draw for those waiting for the boat, and others in the neighborhood as well.

And he knows plenty of business owners who would love to set up shop in the terminal.

"So many people are interested but the other stores are not ready," he said. "Blocking everybody from doing business? It's dumb."

Misses Yahn covers transportation news for the Advance. She may be reached at [nyahn@staden.com](mailto:nyahn@staden.com).

# EDITORIAL

## OUR OPINION

# Ghost terminals

**THE ISSUE:** Retail space at new ferry terminals lies fallow

**WHERE WE STAND:** Where are the stores and restaurants the city promised?

The designs for the two terminals at either end of the Staten Island Ferry went through a number of changes since they were first introduced in the 1990s, but there was one constant theme of those who advanced them: These ferry terminals would be thriving commercial "destination" venues, not merely functional mass transit facilities. They would be places people would want to go for the buzz, not just to take the ferry.

In all the "architects' renderings" that we saw throughout the process, the images showed glittering structures, full of people happily going in and out of fast-food stores, trendy coffee shops and bookstores, even boutiques and up-market, sit-down restaurants.

Well, the new ferry terminals have been open for a while, and they're certainly a big improvement on the dingy and depressing terminals ferry commuters endured for so many years.

But in terms of commerce and buzz, they're utterly sterile. Miss your off-hours boat, and if you don't have a book or a newspaper or an iPod, there's nothing to do — not even a place to get a burger or a beer — on either side. At least the old terminals, dreary as they may have been, offered that. Between them, they even had pizza places, a McDonald's, a post office, a liquor store, a grocery, a dry cleaner and a shoe repair shop at one time.

You can twiddle your thumbs in far more attractive surroundings, of course, but both terminals are still little more than fancy waiting rooms. The promised buzz of these new "urban centers" has never materialized.

Oh, sure, there is one cafe in St. George, and a pastry shop and a newsstand in Whitehall, but that's it.

There are tens of thousands of square feet of empty retail space in both the glittering new terminals, just waiting for the stores and restaurants and bars to come. A pizza stand and Nathan's have been supposedly on the way for many months now, but there's been no sign of these stores opening any time soon.

That wasn't the plan when the five-year, \$333-million overhaul of the ferry terminals started.

So what happened?

The Ferry Terminal Management Group, which is handling the retail leases for the terminals, wouldn't say.

All Kay Sarlin of the city Department of Transportation would say is, "We're disappointed that there have been delays and we're involved in negotiations which will allow us to partner with a new master tenant to make sure all of the retail spaces are rented."

(over)

Why? Surely the traffic through the terminals during all of the hours of the day and most of the night would be enough to make any retail businessman salivate at the prospect of opening up shop and hearing his cash registers ring.

One Staten Island real estate expert, Bob Fitzsimmons Jr. of Gateway Arms Realty in St. George, surmised that the likely retail space rental rates of around \$50 per square foot in the terminal — higher than the going rate elsewhere in St. George of \$35 per square foot — might have something to do with it.

Still, we'd think the potential market from having all those commuters and tourists passing by your establishment — in addition to having a large, captive, bored audience between off-hours boats — would be enough to offset the rental differential.

That's not to mention all the ferry and Staten Island Railway employees who would like to be able to go into the St. George terminal to get a meal, or all the downtown office workers and tourists in the South Ferry area who might venture into Whitehall to shop or get something to eat. There's not even an ATM in the St. George terminal.

As it is now, there's no point for them in even entering the terminals. There's nothing there unless they want to get on a ferryboat.

Even the relatively few businesses that are there would probably appreciate having more stores and restaurants around them so as to give the terminals a more welcoming atmosphere instead of the feel of a newly constructed ghost town. With more businesses around, all could flourish.

Hal Kennedy of New Brighton, an attorney who has taken the ferry regularly for years, said, "I don't know what the city is doing and why they can't lease that space. We're all frustrated and we'd like to see something done . . . In the old days, at least there was a bar you could hang out in."

He added, "It's not just the inconvenience of the travelers, which is paramount, but the city is also losing revenue."

"Before I die, I would like to see one of those stores open," said Joe Liguori of Huguenot.

So would a lot of us.

Meanwhile, Staten Islanders who travel around the city and elsewhere in the United States can't help but notice that other terminals are graced with all kinds of enticing shops and eating and drinking establishments, ranging from attractive coffee shops to elegant taverns and restaurants to fast-food restaurants to gift shops.

You'd think the the most celebrated ferry in the world would have similar ancillary services to offer — especially with two gleaming new terminals to house them.

So what's the problem? If the city DOT is "disappointed" with how slowly things have gone, why isn't it putting more pressure on the management group that's in charge of the retail space?

Is it that negotiations between the management group and a handful of major, prestige businesses are holding up development of the whole thing? There has to be a much greater interest out there in leasing space in the terminals than the minuscule number of businesses there reflects.

Or maybe, as in so many other instances involving things that primarily affect Staten Islanders, it just isn't a city priority.

The new terminals have been open and fully functional for more than a year and a half now. The commuters and the tourists are looking for something more than waiting rooms and their business is there for the asking.

It's time that the city follow through on its original commitment to make the terminals attractive, exciting space that people want to linger and spend time (and money in) and not just pass through on their way to somewhere else. A world-class ferry line deserves no less.



STATEN ISLAND ADVANCE/CHAD RACHMAN

Ferry riders are greeted by empty retail space as they enter the Whitehall ferry terminal.

# Ferry riders all dressed up, nowhere to go

Ferry terminals have plenty of commuters, but no shops

By SALLY GOLDENBERG  
STATEN ISLAND ADVANCE

Imagine going to the Staten Island Ferry terminal with no intention of crossing New York Harbor.

Instead, picture shopping, grabbing a bite to eat at a restaurant overlooking the water or dropping off a package at a post office inside the terminal.

It might be hard to envision the terminal in St. George — or its sister station at Whitehall Street in Manhattan — as destinations in themselves, but if Island politicians and city officials keep their word,

SEE TERMINALS, PAGE A 5

## TERMINALS FROM PAGE A 1

# City promises improvements

the drab, ghost-town depots will be transformed into a pair of hustle-bustle hubs within the next year.

Island commuters are more than tired of the status quo.

"Years ago we were overrun with bagels. Now we're overrun with nothing," said one longtime employee at the St. George station, who declined to give her name.

She and the estimated 65,000 daily ferry commuters have been waiting for stores and restaurants for years, hyped up on promises from politicians and transportation officials who say the virtually empty terminals represent lost potential. But a series of mishaps, namely the hiring of a consultant the city Department of Transportation said did not live up to its promise to fill the stations with commerce, have stalled the refurbishment.

The St. George terminal has about 20,000 square feet of potential retail space, but only one small shop that sells coffee, sandwiches and newspapers. Roughly half the available space in Whitehall is vacant.

The city says this is about to change. The outfit hired to bring commerce to the terminals, Manhattan-based Ferry Terminal Management Group, was recently fired, and officials at the Department of Transportation and city Economic Development Corp. are about to sign off on a new consultant.

"Our hope is to get this up and operating as quickly as possible. We want the best services for the people in Staten Island," outgoing city Transportation Commissioner Iris Weinshall said last week. "Particularly on the St. George side, we'd like to see more local retailers. On the Whitehall side, probably less local retailers, more national retailers."

Ms. Weinshall pledged a post office in the St. George terminal to accompany the shops and restaurants, and a series of larger stores and places to eat in Whitehall. And the green sign in Whitehall promising a Nathan's is "coming soon" will soon bear truth, the commissioner said.

City Councilman Michael McMahon, a North Shore Democrat, said the two terminals "should be akin to Grand Central Station. It's become a destination in and of itself, rather than a grimy, barren transportation terminal. The ferry should become that as well."

"It has the potential to be much more than what it is, that's for sure," he added.

Many commuters lament days gone by when ample

(Over)

services and commerce were present. They remain skeptical about the guaranteed face-lift.

"I've been riding the ferry since 1967. It's probably one of the best modes of transportation in New York, but at the same time, I think the residents of Staten Island, the daily commuters, deserve more than what we're getting," said Henry Kennedy, a Manhattan attorney who lives in New Brighton.

He scoffed at Ms. Weinsahl's guarantee, saying he's been burned by that empty promise in the past. "They're coming," he mimicked with more than a hint of annoyance. "When? It's like the glacier moving. There's been a sign up on the Whitehall side about the Nathan's coming for a year and a half, two years. Isn't anybody embarrassed?"

Kennedy recalled getting his shoes shined and his shirts dry-cleaned before boarding the morning boat, and grabbing a hot dog and a beer, or browsing through a bookstore while waiting for the ferry back to the Island after a day of work.

The Whitehall retail space was largely destroyed in a 1991 fire, while the stores in St. George were closed over time and have not been reopened since the terminal underwent an \$132 million renovation, which began in 2001.

"I think all of our councilmen and all our elected officials bear a little bit of blame because they haven't kept the city's feet to the fire," Kennedy said.

But McMahon said he pressured DOT for years to no avail.

"Sometimes with this administration, it's their way or the highway. It's their way, or don't take the ferry," he said.

Still, the councilman was heartened by DOT's announcement that the city is about to hire retail consultant Jeanne Giordano Inc. to rejuvenate the terminals. Last month, the agency said it had fired Ferry Terminal Management Group, who responded by saying the city did not clearly communicate its objectives.

The company will continue to lease the space it has already filled in both terminals and on the ferries for two years, according to the city Economic Development Corp., which is working alongside DOT on this project.

— Transportation reporter  
Maura Yates contributed to  
this report.

---

Sally Goldenberg covers City Hall for the Advance. She may be reached at [goldenberg@siadvance.com](mailto:goldenberg@siadvance.com).

---

## IMAGINE THE POSSIBILITIES



STATEN ISLAND ADVANCE/MICHAEL McWEESEY

Commuters walk past several empty store fronts at the St. George Ferry Terminal.

# Ferry terminal should be an easy sale

**Firm that redesigned Grand Central will handle retail space at St. George and Whitehall**

By MAURA YATES  
STATEN ISLAND ADVANCE

The new St. George Ferry Terminal might soon mimic the retail grandeur that is Grand Central Station.

The city has hired Jeanne Giordano Ltd., the firm that revitalized the once-dingy Manhattan transportation hub, which now boasts high-end shops and upscale dining.

The new consultant is reaching out to retailers with experience in operating similar shops and restaurants in rail sta-

tions, airports and other transportation facilities, and hopes to see results within a few months, said Janel Patterson, spokeswoman for the city Economic Development Corporation.

Short term, ferry riders can also expect to see a full-service U.S. Postal Service facility in time for the busy holiday season.

Construction is expected to begin by month's end, said DOT spokesman Ted Timbers.

Two and a half years after the brand-new Whitehall and St. George terminals were opened, more than 25,000 square feet of prime retail space remains empty, and the 65,000 daily ferry commuters

SEE FERRY, PAGE A 6

(over)

**FERRY** FROM PAGE A 1

## Ferry terminal should be easy sale

who pass through must settle for sandwiches, coffee, and magazines sold in the one cafe on the Staten Island side, or the pastries, beverages and newspapers sold at two outlets in Manhattan.

Hoping to fast-track retail development, City Councilman Michael McMahon (D-North Shore) said the Council is planning a hearing this fall regarding the future of the terminals' amenities.

Out of the picture is the

Ferry Terminal Management Group, which failed to deliver on its promise for both terminals: The city canned the company last spring.

After the Water Edge Cafe opened in St. George, Stephen Penn, a lawyer for the ousted group, had painted a picture of bustling stores across the water in Whitehall, including a pretzel and ice cream shop slated to open in August — of 2005.

And there were other

plans that never made it past the design stage: A deli, a sunglasses store, a cafe, a cell phone store.

There was also talk of an Applebee's on the St. George side, as well as a ritzy restaurant with a waterfront view in Whitehall.

They never came to fruition.

Nor did the Nathan's or the pizzeria, despite signs heralding both were "coming soon."

# 65,000 riders: Endless possibilities

**Y**ou don't have to be Donald Trump to see the possibilities.

At the St. George Ferry Terminal, I mean.

Here are all these commuters pouring off the MTA buses and Staten Island Railway trains and streaming into the shiny new building with its floor-to-ceiling windows and clean-as-hospital-ward floors.

For added ambiance, the place now even has two rather large fish tanks of the decorative variety sitting in the middle of the waiting area. They're soon to become home to some saltwater species, I understand, as yet unnamed.

Sixty-five thousand is the number given of ferry riders each day.

That's something like 19 million per annum, according to the city Department of Transportation. And they should know. They run the place, and employ a lot of smart and educated people to gather such statistics.

But numbers mean different things to different people. Take Vinny the pie man, for instance. While the DOT sees bounding travelers at the terminal, Vinny pictures starving hordes.

"That's a lot of slices of pizza," he whistled yesterday on hearing the 65,000 figure.

Vinny has a little food shop on Henderson Avenue in West Brighton.

"Vincent's Bagels Deli Pizza," the sign reads above the space that used to be a candy store (back in the days when there were such places).

He never studied statistics. Or much of anything else, truth be told. Not in a school setting, anyway. But he is wise enough to have turned an empty and deteriorating storefront into a going concern over the last



STATEN ISLAND ADVANCE/MICHAEL McWEENEY

Currently, the St. George Ferry Terminal offers commuters snacks and such at the Water Edge Cafe.



CORMAC GORDON

decade.

Customers come and go all day at Vincent's. Not 65,000, mind you.

"In my dreams," he says.

But the Consolidated Edison folks from down the street and the teachers from St. Peter's Boys High School are in for coffee most days. And the local Sanitation workers, already half through their workdays, eat Italian heroes at Vinny's tables at nine in the morning.

At lunchtime, Richmond University Hospital around the corner calls in orders.

The place bustles.

Because he has built something well, there are jobs at Vincent's. And there are taxes being paid. In fact, Vincent's story could be a lesson plan for what any municipality could only hope becomes of its empty retail space.

What was the secret in his case?

"Nothing secret about it," Vinny insists. "I worked six days a week, 16 hours a day. In the beginning, sometimes I didn't even get to go home at night. I just stayed after closing and kept working."

That brings us back to the subject of the ferry terminal in St. George. There is plenty of empty retail room in there. Some say as much as 20,000 square feet of available space. Two years after the opening of the great building with its waterfront views and captive audience, almost no one has moved in.

Why, you ask? The answer must be, because the city doesn't want them to. Otherwise, they'd be there.

Look at it this way:

The terminal is clean and safe and new. And, of course, has this built-in potential customer base, namely all those commuters who ride back and forth from Manhattan on the ferryboats all day and night.

The Islanders who walk past the empty store space at the terminal in their suits and dresses take their clothes somewhere to be dry-cleaned, you'd have to guess.

And the vast majority of them have a cup of coffee in the morning, or tea.

(No matter what the doctor says.)

Some even like a beer or a glass of wine during the commute, just like the folks in the Metro-North club cars heading to Westchester County every night. And a whole bunch of those 65,000 are hankering, at least every once in a while, for a nice slice of gooey, hot pizza.

But the city of New York seems to have priced the space out of the competitive range for potential businesses. Small-business people come, and they look around. They're interested. They see what might be. But in the end, they're scared off.

Some insiders say the rent demanded is an unrealistic \$10 or \$15 per square foot above nearby spaces in St. George. And added to the financial figures are the usual bureaucratic hurdles only NYC can think of, like forcing retail workers (lunch delivery people, for instance) to undergo checks by Homeland Security.

It's a huge issue, the empty spaces. So I looked around for someone to help the city and came up with Vinny.

He did his own analysis of the situation. No textbooks, mind you. No calculators. Just simple, unsophisticated business common sense.

And he has a plan.

"Let someone open a pizza shop," he suggests. "He has to pay rent, of course. But the city has to be reasonable, too."

Since the space has no history, no track record and, so far, has been unrentable, Vinny opines that a rental discount is appropriate for the terminal space.

(over)

"Give someone two years at a reduced rate to help them get on their feet," he says. "If things work out, renegotiate the contract so the city gets more."

Sounds pretty simple, doesn't it?

Like, maybe, some of the smart folks over at DOT should have considered it already. But you know how that goes in a big agency like that, with everyone pulling and pushing at the taffy.

And what if the 65,000 commuters decide all at once that pizza isn't for them anymore?

No problem, Vinny insists.

"The city didn't lose anything," he says. "They weren't collecting any rent in the first place."



Staten Island

# Sunday Advance

SILVE.COM

SEPTEMBER 30, 2007

PUBLISHED SINCE 1896 | \$2

## Latte at the ferry? Not for a while

Planners have big ideas for both terminals, but it's one delay after another

By MAURA VATES  
STATEN ISLAND ADVANCE

After nearly three years of sitting vacant and unfinished, there is finally a vision for the retail future of

the Staten Island Ferry terminals. And it's going to be delicious.

Someday, the city's retail consultant finished a go-page project report nearly a year ago, but the spaces set aside for restaurants and shops at the St. George and Whitehall Ferry terminals seem no closer to getting new leases or new life. And while the

city is biding its time, millions are being lost in sales from a retail and restaurant-hungry crowd of locals and tourists alike, who flood the terminals each day.

The Advance has obtained a copy of the report, dated Oct. 30, 2005, and subtitled by Jeanne Giordano Ltd. and Economics Research Associates. It outlines a host of workable suggestions, stressing the im-

portance of food sales at both the St. George and Whitehall terminals.

Based on a rider survey conducted last year, the report found that the average ferry rider comes to the terminal with \$5 to \$7 to burn, mostly on food or newspapers.

In St. George, the report said, ferry riders should expect a home-grown flavor. Picture steaming slices of

Denino's pizza, cold cups of Ralph's Ices or scoops from Egger's Ice Cream Parlor. How about pastries from Alfonso's Bakery, or a kielbasa from Schaffer's Tavern? And for those with more corporate tastes, yes, commuters, there should be a Starbucks Coffee.

On the Manhattan side, the Whitehall terminal

SEE FERRY, PAGE A 10

(over)

## LOCAL NEWS

FERRY FROM PAGE A 1

# Big plans for ferry terminals, but so far, little action

would have more of a cosmopolitan vibe, with an "upscale and distinctive food court," featuring brands like Au Bon Pain, Panera Bread, Hale & Hearty Soup and Così.

Carla Denino, owner of Denino's Pizzeria in Port Richmond, said her brother got a call from the consultants about a year ago, inquiring about a possible new terminal restaurant.

"I think it's a great idea," she said. "We were thinking about it, but there has been no decision yet." Her family hasn't heard from the consultants since the initial call, she said.

Following the ouster of Ferry Terminal Management Group, which had been responsible for leasing the spaces at both terminals, Janel Patterson, a spokeswoman for the city's Economic Development Corp., said her agency will issue requests for proposals for a new operator to take over leasing activities and day-to-

day operations "within the next few months." But she could not offer a specific timeline of when that might happen. EDC is handling the terminal leases on behalf of the city's Department of Transportation.

Meanwhile, Jeanne Gior-dano has studied the terminals' retail spaces, done marketing analyses, surveyed riders and looked at retail operations at other transportation facilities, Ms. Patterson said. "She will be making final recommendations about ongoing marketing and leasing activities soon," Ms. Patterson said.

Though some steps have been taken, Councilman Michael McMahon, who has long pushed for a larger retail presence in the terminals, is incredulous that such a comprehensive study has yet to bear any tangible fruit.

"If they had a report for close to a year, why hasn't it been out there, and why hasn't action been taken to a winning strategy.

"Over the past year, we have investigated different options for the ongoing management of the retail spaces between city agencies," Ms. Patterson explained. "Some of those options involve transferring jurisdiction of the retail spaces, and there were legal issues that needed to be addressed. We've also been securing city funding and executing contracts for consultants who will be helping with the project going forward."

In addition, she said, the city must fund the installation of utilities in the vacant and unfinished retail spaces, before tenants would consider moving in.

"While these items have resulted in delays, we feel that they will result in a much better and more attractive retail facility for Staten Islanders," Ms. Patterson said.

Staten Island Ferry passengers might not be drawn toward high-end retail while

waiting to catch the 8 a.m. boat, but ferry riders are clamoring for a wider variety of shops and restaurants to spend their money.

The hiring of Jeanne Gior-dano Ltd. had been hailed as an exciting sign of change, owing to the company's experience turning Manhattan's once-dingy Grand Central Terminal into a vibrant, upscale shopping venue.

A carefully tailored retail mix could not only lure in those passengers, but could also tap into the collective \$315 million in spending potential for the 29,000 residents near the St. George terminal and the 18,000 Manhattanites who live within walking distance of Whitehall.

The consultants suggested the selection of new tenants should adhere to a marketable theme, such as "A Taste of Staten Island," on the St. George side, to lure tourists off the boats to sample some of the borough's most

sought-after restaurants, Staten Islanders, too, would be attracted by such popular fare, and would likely be drawn to the terminal for outdoor dining with a waterfront view.

The poll also found that, in addition to grab-and-go and "slow food," riders clamor for a pharmacy. A Rite Aid is a possible addition to St. George.

Services like a dry cleaner, laundry drop-off service, clothing stores and video rental business are least likely to be used by commuters, the survey found.

Movable kiosks, such as the carts in the Staten Island Mall, could share the vast terminal floor space, and offer ferry riders shopping options during the holidays, or during other gift-buying times of year, like Mother's Day. Another idea being mulled is a farmer's market, offered during select days of the week.