

MOVING PEOPLE, MOVING MONEY: NYC Ferry as uneven economic development

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NYC Ferry wields a both nimble and burdensome structure to prioritize a form of uneven economic development over conventional transportation goals, and in doing so reproduces inequities that privilege private actors and the already well-served.

CONTEXT

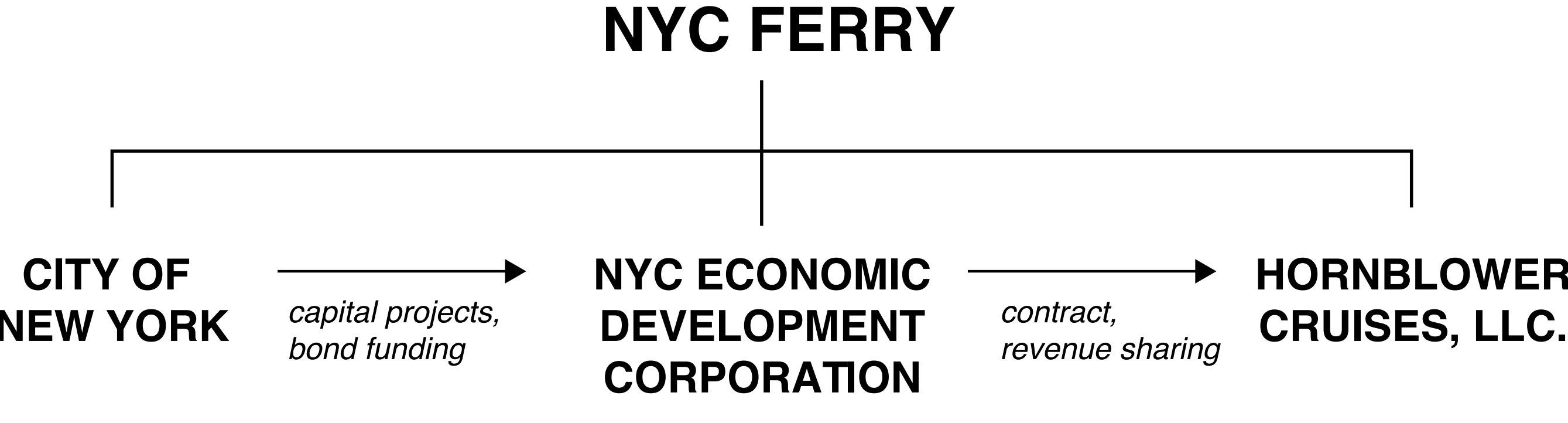
Ferries in and around New York City have long been used to not only move people, but also boost property values. In the 1980s, for instance, developer Joseph Imperatore founded NY Waterway to raise the value of his waterfront real estate in New Jersey.

New York City, through its Economic Development Corporation, launched the East River Ferry in 2011. This pilot eventually grew into NYC Ferry in 2015. The ferry connects the five boroughs for \$2.75 per ride - though the cost to the city is far greater.



STRUCTURE

The NYC Economic Development Corporation (EDC) chiefly manages NYC Ferry, in partnership with the City of New York and a private operator named Hornblower Cruises. Generally, EDC pays for operating costs, including the contract with Hornblower, while the City pays for larger capital projects. Critics suggest that the contract unfairly compensates Hornblower at the expense of taxpayers.



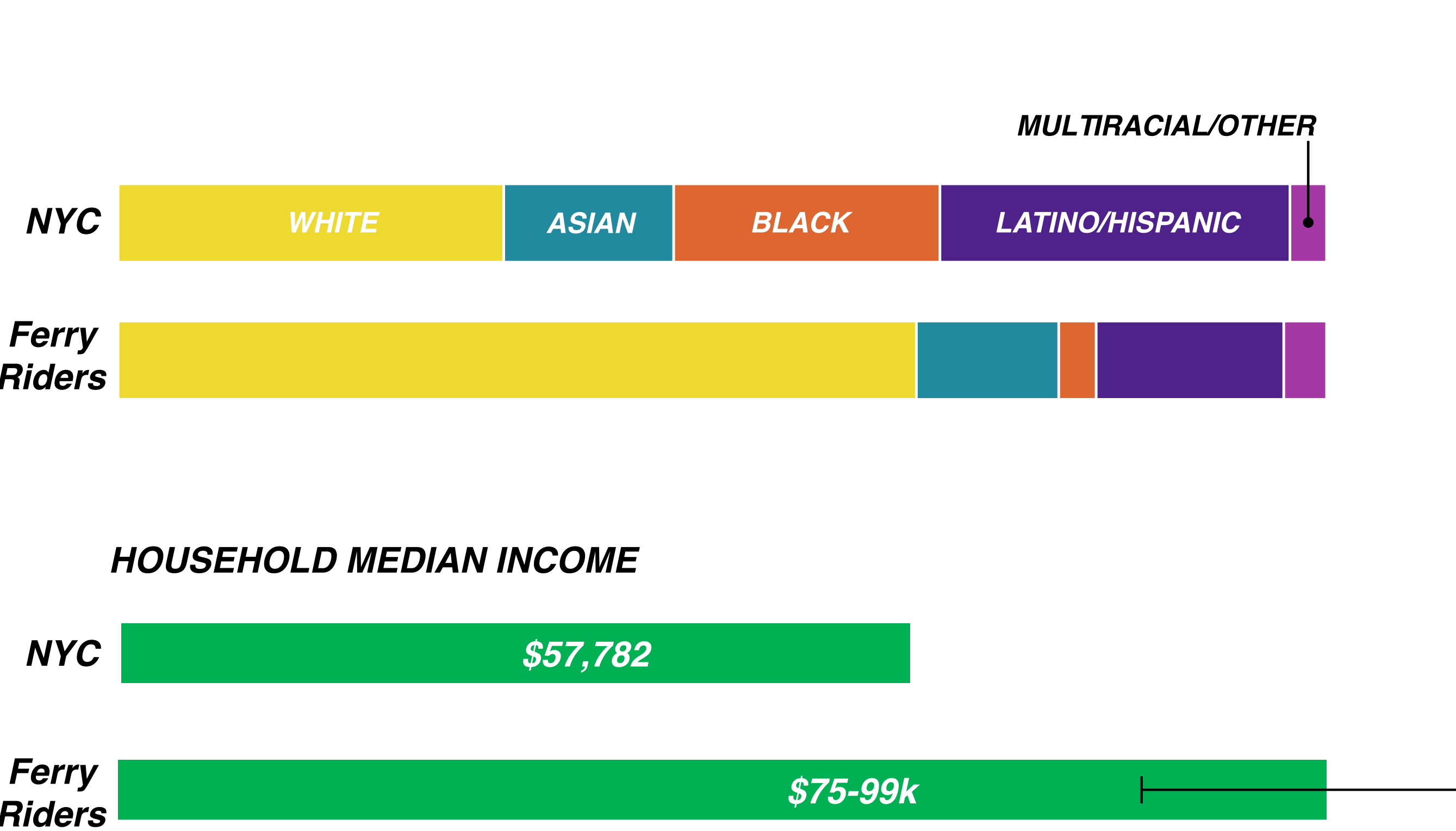
ECONOMIC DEVELOPMENT

Increasing real estate values, particularly along the recently rezoned Brooklyn waterfront, was an explicit goal of the East River Ferry (NYC Ferry’s pilot program). By these measures, the pilot succeeded:

“**Residential property values** within 1/8 mile of East River Ferry stops in Brooklyn and Queens **increased 8.0%** over comparable property values farther from the stops...For all residential properties within one mile of a ferry stop in Brooklyn and Queens, ferry service **increased total property values by \$0.5 billion**” --EDC, Citywide Ferry Study, 2013

INEQUITY

Rising real estate values raise concerns of gentrification and residential displacement due to higher rents. Moreover, the ferry directly serves wealthier and whiter New Yorkers at a disproportionate rate.



LINGERING QUESTIONS

How might NYC Ferry more equitably spread its costs and benefits? Can an economic development scheme meet transportation goals?

