

## **Gone with the Breeze Addendum**

(Released June 12th, 2007. Addendum copyright © 2007 Larry Dickens)

The \$29.8 million deal between the City of Rochester and Euroferries of the United Kingdom which was announced by Mayor Bob Duffy on May 3rd, 2006 – four months after he announced an end to ferry service – never did happen. Negotiated by City Corporation Council Tom Richards, the deal dragged on throughout the summer and into the fall.

There was so much certainty about the sale of the ferry in the spring of 2006, that a delivery crew had been assembled in mid-April – even before the Mayor's announcement – in preparation of a vessel movement. No one, including Mayor Duffy, would know that the ferry would be sitting in Charlotte throughout the rest of the year (except, perhaps, the owners of Euroferries), nor did he expect that there would be so much difficulty in closing a deal.

In a June 8th, 2006 city press release, Euroferries offered to pay the city \$6,000 per day retro to June 1st for the cost and expense of keeping the ship tied up to the ferry terminal in Charlotte. In addition to this daily reimbursement, the City would receive additional reimbursements from Euroferries at closing for things like fuel, lubricants and other legitimate costs the City is owed. At the time, the deal was expected to close within ten business days.

Sometime during the month of June, Euroferries dispatched a captain and a chief engineer from England to Rochester to prepare the *Spirit* for its journey to Dover. Upon arrival in the Flower City, the pair of seafarers found that no hotel accommodations had been booked for them nor had a bank account been established for their use while in town as promised. They found themselves sleeping in the crew quarters in the ferry terminal's Link Building. The only asset of value available to both seafarers (besides their own credit cards) was their round-trip flight tickets and, after five disappointing days, both men quit Euroferries and returned to England without a ship or a paycheck. This story was eventually featured in a three-part BBC investigative report on British ferries which aired in October, and was reported here locally on WHAM-TV13 by Rachel Barnhart.

On July 27th – a week before *Gone with the Breeze* was released – came the release of the long-awaited audit of the ferry service from the New York State Comptroller's office. This audit was a result of requests sent by Assemblymen Brian Kolb (R-Canandaigua, Ontario County) and Joseph Errigo (R-Conesus, Livingston County) to the Attorney General's Office and Comptroller's Office. Shortly after the City had bought the ferry at a federal auction on Feb 28th, 2005, the two legislators had asked for a probe of the former ferry operator, Canadian American Transportation Systems.

The state comptroller's office led by Alan G. Hevesi investigated possible mishandling of public funds involved with the ferry. Entitled *City of Rochester Involvement With the Fast Ferry Operation*, or simply known during the summer of '06 as "the Hevesi report," it scathed the City for their lack of properly vetting the two CATS founders and raised questions about how much of their own money the two businessmen actually had invested in their operation. It implied that the two men were doing nothing more than a shell game with public money while having little of their own money

involved. Also, it criticized the City for improperly using monies in excess of one million dollars for the ferry without properly accounting for its use.

Former Mayor William Johnson angrily responded to the Hevesi report by questioning the state's own vetting of the two CATS founders when it came to the state providing monies to them (a state aid package which totaled \$14 million). To date, the state has not publicly responded to the former mayor's charge and has not explained their own vetting process.

No doubt some of Rochester's politicians, angered with the Hevesi report's conclusions, found themselves privately snickering when a few months later the comptroller found himself thrust in the middle of his own nasty scandal involving a different mode of transportation. It was discovered the comptroller was using several state employees as aides and chauffeurs to ferry around his wife for a period of time.

On December 22nd, 2006, he pleaded guilty to a felony charge and resigned, just ten days before the inauguration of incoming governor Elliot Spitzer.

Meanwhile, the Euroferries deal continued to drag on into the late fall. City Corporation Council Tom Richards continued to stick with the company, despite the fact that Euroferries was a new upstart with virtually no assets. News10 NBC reporter Berkeley Brean reported that "leading European business information provider, Graydon, classifies Euroferries as a company that's an 'above normal risk.' Graydon lists Euroferries' credit line as 2,000 pounds, which is less than \$4,000 US, which is still not a lot of credit for a company that wants to buy and operate a ferry."

Or, for that matter, *three* ferries.

Despite all of their troubles raising financing for just the *Spirit of Ontario 1* and its promised four-digit daily reimbursements to the city, the owner of Euroferries, oddly enough, also made huge claims that he was planning to purchase *two* additional ferries for the run across the English Channel even though he was unable to lock in any docking space in Dover or provide so much as a nickel to the City of Rochester as a down payment on the *Spirit*. Euroferries continued to rack up a bill of \$6,000 a day for every day the ship sat in Charlotte. Despite all of the rhetoric and problems from the other side of the Atlantic, the City chose to hang in there with this nearly non-existent company.

In addition to these disturbing reports, a visitor to the Euroferries website would find nothing more than a bare bones, one-page notice proclaiming that ferry service was coming soon. The site was never updated during all of 2006.

The delivery crew assigned to the *Spirit* back in April was still waiting with bated breath for any news of an impending ship movement.

Given the City of Rochester's previous experience with two ferry startup companies (CATS and themselves), one would have thought that the City would have known better than to deal with *another* startup company.

In early December the City reported that there was suddenly hopeful signs that the long-awaited deal was finally coming to a conclusion. With the closing of the St. Lawrence Seaway looming only weeks away and the threat of the *Spirit* being locked away in Lake Ontario for three months, there appeared to be some progress. The St. Lawrence Seaway was set to close on December 30th and it was important to finalize the deal and get the ship out of the lake.

December 21st was the longest night of the year for reasons beyond it simply being the day of the winter solstice and the first day of winter. With still no deal in hand, there was suddenly a new urgency for City Hall to consider. A rapidly deteriorating weather condition was moving in from the west. Along with it, a week's worth of winds which would prohibit the ultralight fast ferry from safely transiting the Seaway locks. The closure of the Seaway waits for no one and if the *Spirit of Ontario* didn't depart on this very day, she would be stuck here for another winter. With few, if any, options Mayor Bob Duffy ordered the ship to set sail from Rochester, transit the Seaway, and take shelter in Nova Scotia until the deal could be finalized. From Nova Scotia, she could proceed to any port in the world.

At a 4 p.m. press conference, Duffy announced the ferry would be departing at 6:30 p.m. He had promised to give the public 24 hours notice so that those who wanted to see the ship off would have time. However, the impending weather left him with no choice and the public was given two-and-a half hours.

Incredibly, even with the short notice, nearly one thousand people traveled to Charlotte and were on hand to see the *Spirit of Ontario I* leave one last time. Men, women, kids, and families turned out in the chilly, low 40-degree temperature. The news crews from all of the local stations were on hand as well with their camera lights flooding the area and their telescoping satellite antennas reaching for the overcast sky. The parking lots on both sides of the Genesee River were full. The ferry had not generated such massive crowds since the day it first arrived in April of 2004. Camera flashes sparkled along both sides of the river.

Inside the ferry terminal there were holiday decorations, a large Christmas tree, and lots of people. Local resident Bill Briggs found his Lakeside Floral Shop was busy with customers for the first time in months.

If only the interest in Rochester's fast ferry had been this great throughout its brief life here, perhaps this night of its departure would not have come.

The U.S. Coast Guard's 47-foot motor lifeboat was poised to escort the great ship out through the Rochester piers one last time. Finally, at 6:40 p.m., line handlers cast off the *Spirit's* mooring lines and the ship pulled away from the terminal, blowing her whistle as she left. Across the river at the Rochester Yacht Club, members fired off their cannon, just as they had done when the ferry first arrived in April 2004. They were saying goodbye to the great ship and wishing her a safe voyage to wherever her new home would be.

A week later the *Spirit* arrived in Halifax, Nova Scotia.

In addition to clearing the Seaway, the vessel was required to go to a shipyard for both inspections and repairs. Two particular repairs which would have prevented it from making a transatlantic trip were cracks in both engine room hulls which were discovered in July 2005. These cracks were leaking lake water into the engine rooms at a rate of one gallon per minute. The engineers at the time effected temporary repairs and stopped the leaks. The regulatory agencies allowed the *Spirit* to continue running during the remainder of the 2005 season, but under the strict condition that these cracks would be permanently repaired before she resumed service in 2006. As there was no service to resume in 2006, those repairs never took place.

With a voyage across the winter North Atlantic imminent, there was serious concern that the temporary repairs to the two hull cracks would not stand up to the potentially heavy seas. As a result, the ferry was required to be repaired before it could make the transatlantic crossing to wherever she might be going. In the Halifax shipyard those repairs were reportedly conducted.

The negotiations with Euroferries continued to drag into the winter.

In mid-March 2007, a frustrated Mayor Duffy sent chief negotiator Tom Richards to Nova Scotia for a first time face-to-face meeting with Euroferries officials. It was there that the deal finally collapsed and the City began to seriously entertain other offers.

Tom Richards was quoted by the press that he was looking for a credible buyer, "companies with existing routes and money." Given their experience with ferry startup companies, it seems the City should have been looking for buyers with those necessary qualifications from the beginning.

In the end a lot of time was lost and the \$6,000 per day retro to June 1st, 2006 that was promised by Euroferries was gone with the breeze.

On the bright side, as a result of Tom Richards's Nova Scotia trip and with Euroferries finally sidelined, the door was opened for Foerde Reederei Seetouristik GmbH u. o. KG (or, FRS) to make an offer.

On April 2nd, the Flensburg, Germany-based ferry operator and the City of Rochester struck a deal and shortly after announced the purchase of the fast ferry for \$30M for use in its prospering Spain-Morocco service. According to an FRS press release, the renamed *Spirit* will commence operation on the Tarifa-Tangier route in July. FRS Managing Director Goetz Becker said, "Carrying 800 passengers and 238 cars, she will become the largest high speed-craft ever doing the service between Spain and Morocco. Also the speed of 45 knots turns her into the fastest ferry in the Mediterranean Sea."

The next day on April 3rd, *Democrat & Chronicle* reporter Brian Sharp quoted Richards as saying, "Euroferries, quite frankly, became a sideshow. Now, they were useful to us because they held the price up." The trip (to Nova Scotia) was meant to "force the hand" of all interested buyers, he added.

Finally, on Thursday, April 19th, 2007 – 16 months after the ferry made its last voyage – the deal was closed in New York City. The *Democrat & Chronicle* reported Mayor Duffy as saying, "This chapter has ended. The ferry is sold. We have possession of the money. FRS has possession of the boat."

The *Spirit of Ontario I* was renamed the Tanger Jet II by her new owners. With her new name painted on her bows and stern, she sailed from Nova Scotia for Bremerhaven, Germany on April 21st, 2007 and arrived about a week later. There she reportedly will undergo repairs and modifications to make her ramping system compatible with her future passenger terminals in Morocco and Spain in preparation for her re-entry into service in July.

As of this update, there are no reported plans to restart the Rochester to Toronto ferry service, though, given both the public interest in a smaller ferry service and the

establishment of the two new ferry terminals on both sides of the lake, I have no doubts that some day the *Spirit* will rise again.

Larry Dickens  
June 2007

For additional information on the *Spirit of Ontario 1* and its history, visit the Resources and Updates section at **www.LarryDickens.com**. Also, for never before seen photos of the *Spirit of Ontario 1*, visit the ***Spirit of Ontario 1* Photo Gallery**.

### **Resources for this Addendum**

Rochester *Democrat & Chronicle*

City of Rochester Government website, ferry press releases  
(<http://www.ci.rochester.ny.us/>).

WHEC-TV News10 NBC website

WHAM-TV13 website

*City of Rochester Involvement With the Fast Ferry Operation* ("the Hevesi report"). For a copy, visit <http://www.osc.state.ny.us/localgov/>

*Why Didn't the Fast Ferry Run During the Summer (2006)?* article, by Larry Dickens. For a copy, visit [www.LarryDickens.com](http://www.LarryDickens.com).