

Cranley: Streetcar budget was 'cooked'

Sharon Coolidge and Jason Williams, jwilliams@enquirer.com 8:24 p.m. EST December 11, 2014



(Photo: Enquirer file)

After spending more than an hour with the city's streetcar team Thursday discussing why the project's contingency fund is already running out, Cincinnati Mayor John Cranley said he was left with one presiding feeling: "The budget was cooked from the beginning."

It was a packed room at City Hall on Thursday afternoon as the [streetcar \(/search/streetcar/\)](#) project leaders walked through the contingency budget line-by-line with Cranley, City Manager Harry Black, City Council members Amy Murray and Kevin Flynn, and Cranley staffers Jay Kincaid and David Laing.

No personnel changes were made during the meeting, but [Cranley is miffed](#)

[\(/story/news/politics/2014/12/10/cranley-to-streetcar-bosses-put-up-or-shut-up/20209159/\)](#) in the wake of this week's news that [nearly all of the \\$9.7 million fund has been spent or accounted for \(/story/news/politics/2014/12/09/streetcar-savings-account-almost-empty/20148573/\)](#) – some 21 months before the streetcar will carry its first passenger.

Streetcar project executive John Deatrick and project manager Chris Ellerman left the meeting with a directive from Black to cut the scope of the project or get more money from council. Murray, chairwoman of council's transportation committee, said the latter is not an option.

"They need to look at the remaining scope to see what is needed and what is desired," Black said. "We all know most of these projects have things that are desired, things they aspire to. This is about what is needed to deliver this project."



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Documents obtained by The Enquirer this week revealed the contingency fund was tapped from Day 1 and has been used for basic items that probably should have been included in the project's regular budget. Among them:

- \$300,000 for security cameras and alarms in the streetcar maintenance facility.
- \$300,000 for computer network and phone wiring in the building.
- \$100,000 for bike racks on the rail vehicles.

Another \$492,933 came out of the fund right away, a result of the previous City Council's delay in signing the original contract with Messer Construction.

For all that, Cranley is placing the blame on the administration of former Mayor Mark Mallory, often a source of Cranley's sharp criticism of the project. Deatrick did not lead the project when the budget was set.

"The previous administration essentially acted like these were not expenses to keep cost figures down for political reasons," Cranley said.

Said Murray: "I don't think it is that they are coming clean now; those items were left off so the cost would not appear to be more."

Mallory did not return a message from The Enquirer seeking comment.

Others say Cranley and some council members are partly to blame for helping to drain the contingency fund, which is down to its last \$80,443. After arriving at City Hall last December, the new mayor and council voted to stop work on the streetcar while they debated the project's costs and merits and decided whether to kill it permanently. That three-week work stoppage cost nearly \$1 million, including \$637,108 for contractors and \$250,000 for an independent audit of the project's finances.

Some \$4.4 million of contingency money has been spent – with another \$5.2 million either pending or projected to be used.

"A full 25 percent of the contingency fund expenses paid to date were caused by the pause last December," City Councilman Chris Seelbach said. "Under John Deatrick's worst-case projection, we still have \$80,000 in the contingency fund even after the streetcar is finished.

Seelbach added: "We need to end the divisive, political language like 'put up or shut up' (Cranley's comments Wednesday) and work – as council member Amy Murray has – on solutions to make sure the streetcar is built on time and on budget."



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Problems with the contingency fund surfaced this week in the wake of council members' voting to use \$1 million from the account for the streetcar's start-up costs. On Tuesday, however, Deatrick told them there is not enough cash to cover those costs.

Cranley is calling for council to use Haile/U.S. Bank Foundation money, promised as contingency last December to help restart the project but not yet allocated. The deep-pocketed Haile Foundation's financial commitment helped save the project, but it hasn't quelled Cranley's concerns that the streetcar will be a long-term drain on the city's budget.


"I am interested in the public being told the truth," Cranley said. The mayor mentioned several ways he contends the previous administration misled the public, including:

- 50 percent of the project was supposed to be covered by federal money; one-third actually is.
- The Federal Transit Administration was supposed to cover operating costs; they aren't.
- The project was supposed to cost \$110 million; it now stands at \$148 million.
- Duke Energy was supposed to pay \$15 million [\(/story/news/politics/2014/12/02/duke-wins-streetcar-cost-fight/19775651/\)](/story/news/politics/2014/12/02/duke-wins-streetcar-cost-fight/19775651/) to move utilities for the project; a judge earlier this month ruled the city must pay those costs.

Work on the 3.6-mile route through parts of Downtown and Over-the-Rhine is a little more than a third done. The project remains scheduled to open to passengers in September 2016.

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Jason Williams



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