

The Oregonian

PDC takes right step in seeking tram inquiry

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That was a shrewd decision that the Portland Development Commission made to obtain an independent review of the aerial tram project. The PDC needs a cost estimate that the agency -- and the public -- can rely on going forward. But the city must go forward. The city has promised to do so.

Some day, the tram will be regarded a farsighted investment that leveraged a relatively small amount in urban renewal funds to trigger a \$1.9 billion extension of the downtown.

Without the tram, this area would still be a rusted-out riverfront, considered prime real estate only by nutria.

The bulk of the tram's cost -- now estimated at \$45 million -- will be borne by Oregon Health & Science University, and that is appropriate: Most of the tram's riders will be people affiliated with OHSU.

When the Portland City Council approved the tram in 2003, the cost estimate stood at \$15.5 million. "Stood," loosely speaking. As The Oregonian's Ryan Frank reported last week, the number started crumbling from the moment that a city employee and consultant (then working with Oregon Health & Science University) pulled it from a hat. They knew it wasn't really even a solid guess.

A few penetrating questions from the Portland City Council -- even a few puffs of hot air -- would have blown it down. All who suspected the number was faulty should have spoken up, repeatedly if necessary, and ensured that a more accurate number was put before the public. The problem, unfortunately, is that people wanted to believe this estimate. Some people who should have known better thought that if they kept quiet and kept their fingers crossed they could somehow make the tram come in at this price.

You'd think a city embarked on a unique project would go to extraordinary lengths to nail down the project's cost. But, amazingly, the tram's uniqueness actually seems to have helped insiders rationalize their lack of precision. The whole process was breathtakingly irresponsible.

Yet it's also irresponsible for some city commissioners to talk now about possibly pulling the plug on the tram. The city has signed contracts and made commitments. Millions of private and public dollars have been committed based on the city's word.

Mayor Potter is exactly right, though, to pursue a detailed accounting of what went wrong in the process of approving the project and in managing its execution. Just as important, the city must apply these lessons in the future.

If the tram is the linchpin of the South Waterfront project, a city government that is both a good steward of public money and a trustworthy business partner is the linchpin of the community's future.