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May 25, 2021

Ms. Lori Kahikina
 Interim Executive Director and CEO
 Honolulu Authority for Rapid Transportation
 1099 Alakea St., Suite 1700
 Honolulu, HI 96813

Dear Ms. Kahikina:

As you are aware, the delays in rail construction and particularly utility relocation on the Dillingham corridor are escalating project costs and created a large funding gap that has our residents and businesses asking their elected officials to explore all alternatives available to HART and the City at the present time. The purpose of this letter is to request that such alternatives be explored by the HART board and staff and documented in a formal report to the City Council. Such a report will allow councilmembers and other public officials, as well as the general public to evaluate these alternatives so that informed decisions can be made in an open and transparent setting.

While I personally support the rail project, I agree with the general public that there has not been a robust discussion on other options, if any, that the Federal Transit Administration (FTA) may find acceptable as well as the corresponding costs of those options. Council staff recently brought to my attention the following statements that were included in a monthly report submitted to the FTA by Jacobs Engineering Group, Inc. which was then serving as Project Manager Oversight Contractor (PMOC) on pages 4-5 in the September 2016 report:

“FTA issued a letter to the Mayor on June 6, 2016 requiring the City and County of Honolulu and HART to submit a Recovery Plan that ‘demonstrates HART is taking every reasonable measure to mitigate the cost overruns and minimize delay in the opening of the Project to revenue operations.’ FTA expects the Recovery Plan by August 7, 2016. The Mayor transmitted a letter to FTA on June 24, 2016 requesting extension of the Recovery Plan deadline to June 2017. The FTA responded to the Mayor’s time extension letter on July 21, 2016 and is amenable to an extension until the end of the calendar year. However, the FTA intends to meet with HART in August 2016 to discuss the immediate milestones and deliverables for an interim plan. **FTA expects the plan by the end of September 2016 that outlines their path forward. If HART cannot complete the project to Ala Moana with its current funding availability, it should nonetheless pursue a viable project with ‘local termini’ and ‘independent utility.’ It is critical that HART provides a system of independent utility, at a minimum.**” (Emphasis added.)

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I previously was under the impression that the FTA has been clear about the City's commitment to completion of the rail project to the Ala Moana terminus, per the Full Funding Grant Agreement executed by the FTA and the City and County of Honolulu on December 19, 2012. However, the PMOC statement above suggests otherwise in light of insufficient project funding, as is presently the case.

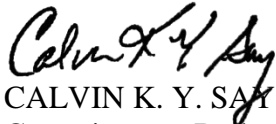
Therefore, it would be very beneficial to me if HART would provide the City Council with information on alternatives that have or will be considered as we work through this funding issue together. Additionally, please provide information on any verbal discussions and/or written communication between HART and the FTA about "[pursuing] a viable project with 'local termini' and 'independent utility'", should completion to Ala Moana prove fiscally unrealizable with presently available funding.

The financial liability and legal exposure to the City are substantial should HART ultimately default on its obligations or not fulfill its contractual agreements, and it is our responsibility to resolve this current dilemma in a reasonable, equitable and perhaps sobering manner that both serves and protects the best interests of our City and its residents.

I've been pleased and encouraged by your expressed willingness to reach out to both the City Council and the Mayor's administration and seek our advice and assistance in addressing your agency's challenges.

Mahalo nui loa for your consideration of my request. If you have any questions, please feel free to give me a call at (808) 768-5005.

Sincerely yours,



CALVIN K. Y. SAY, Chair
Committee on Budget