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March 29, 2010

Memorandum

TO: Councilmember Todd Apo, Chair, and all Councilmembers

FROM: Councilmember Romy M. Cachola

SUBJECT: Meeting with Federal Transit Administration (FTA)

Brief Historical Recap of Transit Project

- August 8, 2006: State Airports deputy director Brian H. Sekiguchi, informs the City that the airport alignment has potential problems. Deputy director Sekiguchi's letter, along with subsequent communications from the Hawaii State Department of Transportation (HDOT), was not provided by the administration to the Council. To view these seven correspondences (from August 8, 2006 to November 3, 2009), please visit: <http://hawaii.gov/dot/railtransit>.
- February 20, 2007: Mayor Mufi Hannemann met with Salt Lake Neighborhood Board members, residents and community leaders in his office and promised that he would support the rail transit alignment line along Salt Lake Boulevard. He shook hands with everyone present at the meeting and gave his firm commitment.
- February 27, 2007: The Council adopted Resolution 07-39 FD1 (C) which approved the Minimum Operable Segment (MOS) for Honolulu's fixed guideway system as the portion of the Locally-Preferred Alternative (LPA) from East Kapolei to Ala Moana Center via Salt Lake Boulevard.
- November 4, 2008: Voters in the General Election approved a steel wheel on steel rail transit system for Oahu. Many voters, particularly those residing in the Salt Lake, Aliamanu, Foster Village and Halawa communities, voted in favor of rail transit believing that the 20-mile MOS from East Kapolei to Ala Moana would be along Salt Lake Boulevard.
- November 6, 2008: Two days after the General Election, Councilmembers Todd Apo and Charles Djou held a joint press conference to announce the Council's support for the rail system to go through the airport instead of Salt Lake.

- November 13, 2008: Councilmembers Apo and Djou co-introduced Resolution 08-261 to amend the MOS from Salt Lake Boulevard to the airport.
- January 28, 2009: During the debate on Resolution 08-261, members of the Salt Lake community and I pleaded to the mayor for his support and reminded him of his earlier commitment. Despite our best efforts, Resolution 08-261 was adopted by the Council and the MOS amended to the airport.

Although disappointed in the lack of support as promised by Mayor Hannemann, the Salt Lake communities moved on and abided by the Council's decision. Now over a year later from the passage of Resolution 08-261, we are several months removed from the city's original deadline of December 2009 to break ground on the transit project. Further concerns have been raised by state officials, foremost of which included the approval of the Final EIS by Governor Lingle, the financial plan for the project and the Programmatic Agreement (PA). Due to conflicting statements from Hawaii Gov. Linda Lingle and Mayor Hannemann, the Council decided it was best to hear directly from the Federal Transit Administration (FTA) on the matter. Thus, Resolution 10-23 CD1 FD1 was approved on February 2, 2010 to authorize the formation of a permitted interaction group (PIG) to investigate transportation matters that relate to official Council business.

Based on chair Todd Apo's memo dated March 1, 2010, PIG members formulated questions which were compiled and provided to the FTA in advance, to allow them to prepare for the meeting. Attached herewith are the questions that I submitted (*see Attachment A*) to Chair Apo, along with a compiled list questions from all PIG members (*see Attachment B*). Please note that PIG members' questions on the airport issue were very limited, since the Hannemann administration failed to disclose HDOT's concerns regarding the airport alignment.

Results of Meeting with FTA Officials

On March 9, 2010 four Honolulu councilmembers—including chair Todd Apo, Ann Kobayashi, Ikaika Anderson and myself—met with FTA administrator Peter Rogoff, Jim Ryan and other FTA staff.

Here are my findings as follows:

- **The FTA won't give special treatment to any jurisdiction that applies for federal funds for transit. Everyone will be treated the same way. Thus, the airport route, until resolved, is unlikely to receive special treatment as hoped for by the administration.**
- **The governor has every right to review the Final Environmental Impact Statement (FEIS) based not only on federal guidelines but also state laws governing environmental review. The FTA stressed to councilmembers that without the governor's approval, the project cannot proceed.**
- **A main sticking point on the Final EIS is that the transit alignment is encroaching too close to the runway protection zone. FTA officials also stressed that the Federal Aviation Administration (FAA) will not sign off on the Final EIS until the airport issue is resolved.**

- **To resolve the encroachment on the runway protection zone, the FTA stated the following alternatives:**
 1. Move the alignment to the mauka side of the viaduct.
 2. Move the alignment onto the median of the viaduct.
 3. Extend the affected runway(s) to the opposite direction (makai) so that it would no longer encroach on the runway protection zone.
- **Based on the FTA's statements, the following may need to be done:**
 - Amending the alignment may require a supplemental EIS to determine the impacts and other considerations.
 - Since Honolulu International Airport is under the state's control, any extension of the runway needs state approval. The state may not agree to any extension until an EIS is completed and approved by HDOT. Without the State's approval, the City will be forced to look at other alternatives.
- **Other issues discussed at the meeting:**
 - The burial grounds issue still needs to be addressed and the Programmatic Agreement signed.
 - Councilmember Ann Kobayashi pointed out that a City ordinance affecting mauka/makai viewplanes also needs to be addressed.
 - The FTA stated that ridership will be a crucial factor in the success of Honolulu's transit project and is reviewing the viability and accuracy of ridership projections provided in the Draft EIS.
 - There are also concerns by the FTA regarding how robust GE tax collections will be in determining the viability of the project's overall financing plan. **FTA officials said that they cannot bank on an extension of the GE tax collection beyond 2022 or an increase in the GE tax from half a percent to a full percent.** FTA stated that they will have to rely on the current financial plan presented by the City.
 - The following are still needed to be satisfied, aside from the Final EIS
 - **The Record of Decision (ROD)**
 - **Final Design**
 - **Full Funding Grant Agreement (FFGA) between the City and FTA.** No construction shall be done until the FFGA is signed, except for portions of the project to be constructed after receiving a Letter of No Prejudice (LONP). The City can only work on portions of the project as spelled out in the LONP.
- **As for the authorization for a bond float (\$917 million in FY 2009 and a proposed \$1.5 billion this year, or a total of \$2.417 billion), the FTA stated that it will analyze the viability of the City's financial plan, which will include the bond floats' debt service.**

Based on a memo I sent to the mayor dated June 5, 2009 (*see attachment C*), here are scenarios **for interest payment only** on both bond floats:

- **The projected interest payments for the \$917 million bond float could range from a low of about \$37 million a year to a high of \$55 million a year, based on a**

4 percent to 6 percent interest. After 10 years, these amounts would be \$370 million and \$550 million, respectively.

- **For the larger \$1.5 billion bond float, the interest would be about \$60 million a year or \$600 million in 10 years based on a 4 percent interest rate. The amount would rise to \$90 million a year, or \$900 million in 10 years, based on a 6 percent interest rate.**
- **If you add the interest payments of the 2009 bond float together with this year's proposed \$1.5 billion bond float, in 10 years at a 4 percent interest rate, the amount of interest paid would be \$970 million. In 10 years at a 6 percent interest rate, the amount rises to \$1.45 billion.**

Benefits of Meeting With FTA

This trip was very important for the Council because we heard directly from FTA officials on the status of the transit project. It was a rude awakening and an eye-opener, especially since we uncovered several important details that the Council was previously unaware of. For instance, the Council was unaware of the concerns by the FTA and FAA involving the runway protection zone. **Had we not met personally with the FTA, we would not have realized the seriousness of their concerns.**

In light of the importance of this trip, I am concerned with Councilmember Charles Djou's political ads that criticize this trip as a waste of taxpayer money. I find his ads and statements as incorrect and short-sighted. I strongly believe that the nominal expenses incurred by the four councilmembers to meet with the FTA is money well spent, especially when compared with the estimated \$5.3 billion price tag of the transit project. In fact, we saved taxpayers' money by coinciding our March 9th FTA meeting with the National Association of Counties (NACo) 2010 Legislative Conference, held March 6-10, also in Washington, DC. I will be submitting a separate report on the NACo conference, since I am a member of NACo's Board of Directors as well as a member of NACo's Transportation Steering Committee.

Conclusion

Since the FTA clearly stated that Gov. Lingle has every right to review the rail transit project, I would suggest to Mayor Hannemann to be patient, cordial and to extend an olive branch, since the governor at this time is holding all the cards, so to speak. Her consent, as confirmed by FTA, will determine whether or not the transit project will proceed.

In a letter to the editor dated March 24, 2010 in the Honolulu Advertiser (*see Attachment D*), DTS director Wayne Yoshioka admitted that the City conducted an airspace analysis of the rail route and Lagoon Drive station and provided it to the Hawaii Department of Transportation (HDOT) in May 2008. However, the consultant and the administration failed to provide a copy to councilmembers.

It seems that the consultant and the administration knew in May 2008 or even earlier (*see attachment E*) of possible concerns involving the airport alignment and runway protection zone, yet failed to inform the general public and the Council during at least two key instances:

- 1. Before the November 4, 2008 election in which voters approved a steel wheel on steel rail transit system for Oahu.**
- 2. During the debate over Resolution 08-261 to amend the MOS from Salt Lake Boulevard to the airport.**

By not disclosing the airport issue prior to the November 2008 election, we may have further eroded public confidence in the project, which is badly needed for the success of rail. In the same token, had the Council been fully informed, perhaps we would have remained committed to the Salt Lake Boulevard alignment, which could have:

- Prevented delays in the issuance of the Final EIS,
- Enabled groundbreaking for the project to proceed in December 2009 as scheduled,
- Saved taxpayers \$220 million, plus additional costs for alternative solutions to the encroachment of the airport runway protection zone.

In hindsight, it seems as though the decision to switch the alignment and lack of transparency by DTS may come back to haunt both the Council and the Hannemann administration, particularly if the airport runway protection zone issue goes unresolved in the coming months.

Then there is the \$100 million-plus that the City paid its consultants to conduct the AA, DEIS and preliminary engineering. These consultants were paid top dollar by Oahu's taxpayers for their experience and expertise and should have been aware of the transit line's encroachment upon the airport's runway protection zone. Having known of the airport issue earlier as reported by the media, not even a mention of the airport alignment problems was included in the DEIS.

It may be in the public's best interest for the Council or City Auditor to investigate whether the consultant and the administration willingly and knowingly withheld crucial information regarding the transit alignment's encroachment upon the runway protection zone, thereby causing a delay in the approval of the Final EIS and added costs to the overall project.

In closing, however, I must commend Mayor Hannemann for publicly stating at a recent "Go Mufi Go" rally that he won't run for governor until the City's budget and the transit project are both resolved. I truly hope that he will keep his word this time, unlike his earlier promise to the Salt Lake community to support the Salt Lake Boulevard alignment and to widen the boulevard concurrently with the transit project. The switch to the airport alignment not only delayed the transit project, but also the long-awaited project to widen Salt Lake Boulevard, which lost \$30 million in construction funds. This widening project is yet another broken promise by the City to Salt Lake residents who have waited 32 years and counting for this project to be completed.

* * *

Questions for Federal Transit Administration
by Romy M. Cachola
March 4, 2010

Full Funding Grant Agreement (FFGA)/ Financial Plan

1. How much money has been allotted by the federal government in its 2009-2010 budget for transit projects nationwide?
2. Based on the last two federal government budget cycles, what has been the maximum or highest amount given to a transit project?
3. How many cities or municipalities have applied for a Full Funding Grant Agreement (FFGA)? Where does Honolulu rank in the list of cities/municipalities that are applying for federal transportation dollars?
4. Is it necessary to have a Full Funding Grant Agreement (FFGA) to guarantee the total amount of federal funds for the Honolulu rail project?
 - a. Is the FTA's commitment of \$1.55 billion to the Honolulu Rail Project a guaranteed amount? Or is the amount still subject to the signing of the FFGA?
 - b. If we break ground on the transit project before securing an FFGA, will Honolulu still be guaranteed the \$1.55 billion commitment from the FTA?
 - c. Are you aware of any transit projects in which construction began prior to the signing of an FFGA?
 - d. Is it advisable to obtain an FFGA prior to starting construction?
5. How can Honolulu prevent cost-overruns and delays as experienced by the Tren Urbano Project in Puerto Rico?
 - a. Will an FFGA help reduce cost overruns? If so, do you advise beginning construction only after the FFGA has been signed?
 - b. If Honolulu begins construction on the rail project but down the line it is stalled or stopped due to funding shortages, will the federal government require Honolulu to meet the shortfall and/or return the federal dollars that have already been provided for the project?
6. Based on the financial plan submitted to you by the City, is it possible to construct the entire project without:
 - a) Having to float approximately \$1 billion in bonds?
 - b) Increasing the half percent GET collection from a half percent to 1 percent up to the Year 2022
 - c) Extending the half percent GET collection beyond the Year 2022?

Any one or a combination of the 3 would further overburden our taxpayers. Options B and C will be debated by the State Legislature, wherein the outcome is beyond the City's control.

7. There are merits to using a single master contractor for the financing and construction of an entire rail transit project.
 - a. What are the advantages and disadvantages of this concept?
 - b. What cities/municipalities have utilized a single master contractor?
 - c. Under a single master contractor, can local contractors be allowed to bid and/or subcontract segments of the project?
 - d. Do you recommend that we use a single master contractor for the Honolulu Transit Project? If so, why?

Programmatic Agreement (PA):

1. During public testimony on Resolution 09-306, the O'ahu Island Burial Council Chair said there was a significant divide between the City's and the OIBC's perspectives regarding how to "best protect *iwi kupuna* (Hawaiian burial grounds)." Has this been resolved? Has the Programmatic Agreement (PA) been signed by the four signatories?
2. Were there substantial changes to the PA? If so, does the PA have to come back before the Council?

Concerns by FAA:

1. It was brought to my attention that the FAA is concerned with the transit alignment's impact on Honolulu International Airport—to the point that one or more runways may need to be relocated.
 - a. Is this possible runway relocation due to security reasons?
 - b. Which runway(s) would need to be relocated?
 - c. What would be the estimated cost of relocating the runway(s)?
 - d. Who will shoulder the relocation costs—the City, state or federal government?
 - e. To what extent will the State DOT have a say in the handling of a runway relocation? Will State approval or concurrence be required before addressing the potential runway(s) removal? Will a change in the alignment address the concerns of the FTA and the State DOT? Will state concurrence as well as a change in the alignment to address the runway issue delay the transit project? If so, in what way?

Ridership:

In my comments to the Draft EIS, I questioned the accuracy of the City's projected daily ridership of 95,310 passengers for the airport alignment. As you know, ridership is crucial to the success of the project. If the numbers provided in the DEIS don't match, Oahu taxpayers will be placed in a financial bind.

During my independent research that I conducted, I discovered that there are:

1. Approximately 12,500 civilian employees with free on-base parking at Hickam and Pearl Harbor. Most military personnel either live on base or within a short driving distance.

2. About 727 state and 15,000 private sector employees at the airport.
3. Over 7,000 parking stalls at the airport, including the new 1,800 stall parking structure for employees and locals to use.
4. Over 7 million annual visitors to Hawaii. 71 percent of passengers go through Honolulu International Airport, with the remaining 29 percent going to the neighbor islands. Asian visitors, the majority of whom are Japanese, total approximately 2 million. They arrive early in the morning and are taken via buses to briefings or tours before checking in at their hotels in the afternoon.

Furthermore, San Francisco's BART system is hard-pressed to meet its projected ridership of 17,800—despite having 34,000 airport workers and higher visitor arrivals than Honolulu. Because the Draft EIS provided little information as to the projected 95,310 ridership, I asked for a breakdown as to how the amount was determined. To date, I have yet to receive a response from the City administration.

Is the FTA aware of this concern that I raised? Is the FTA willing to look into it? How important is ridership and how does ridership affect the level of federal funding for the project?

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Honolulu High Capacity Mass Transit Project
Questions to the Federal Transit Authority
March 8, 2010

1. **How does the FTA examine the impact on rail on residence and businesses along the route?**
2. **What is the FTA role and requirements in examining technologies?**
 - a. A review of competing technologies.
 - b. Cost/benefit and impact analysis for all potential technologies.
 - c. Justification for selected technologies – relative to alternatives
3. **What happens to federal moneys used if the entire project isn't constructed? Assuming the moneys are properly used for any portion constructed, is there a scenario where the moneys would have to be paid back?**
4. **Explain the timeline relative to EIS, ROD, FFGA and Congressional appropriation. Assuming no local delay, what's a reasonable timeframe for completing the FFGA.**
5. **Comment on the EIS disclosure that H-1 traffic will be greater in 2030 than today, even with the rail project. Dow does this factor into FTA's view of Honolulu project. Is this still in the Final EIS?**
6. **Environmental organizations in Hawaii oppose the elevated system. How does the FTA evaluate these comments and does this create issues for Honolulu determining that an elevated system is the preferred alternative.**
7. **Federal Budget Questions:**
 - a. How much money has been allotted by the federal government in its 2009-2010 budget for transit projects nationwide?
 - b. Based on the last two federal government budget cycles, what has been the maximum or highest amount given to a transit project?
 - ✓ c. How many cities or municipalities have applied for a Full Funding Grant Agreement (FFGA)? Where does Honolulu rank in the list of cities/municipalities that are applying for federal transportation dollars?
8. **Is it necessary to have a Full Funding Grant Agreement (FFGA) to guarantee the total amount of federal funds for the Honolulu rail project?**
 - a. Is the FTA's commitment of \$1.55 billion to the Honolulu Rail Project subject to the signing of the FFGA?
 - b. Can construction begin before the FFGA? If so, what are the implications?
 - ✓ c. Are there examples of transit projects initiating construction prior to the FFGA?
 - ✓ d. Is it advisable to obtain an FFGA prior to starting construction?

9. **How does the FTA process and oversight help/require projects to deal with potential cost-overruns and delays as we have seen in other projects (i.e Tren Urbano Project in Puerto Rico)? How does the federal process deal with the situation?**

10. **Based on Honolulu's financial plan, is it possible to construct the entire project without:**
 - a. Approximately \$1 billion in bonds?
 - b. Increasing GET collection from a 0.5% to 1.0%?
 - c. Extending the GET collection beyond the Year 2022?

11. **Master contractor for the entire rail transit project.**
 - a. What are the advantages and disadvantages of this concept?
 - b. What cities/municipalities have utilized a single master contractor?
 - c. Can local contractors be allowed to bid and/or subcontract segments of the project?
 - d. Does FTA opine/recommend use of a master contractor for the Honolulu?

12. **What is the status of Programmatic Agreement ("PA")?**
 - a. Does the FTA address differing opinions on how to best protect iwi?
 - b. Do you know if there have been any changes to the PA since it was approved by the City Council?

13. **What is the status of the FAA concerns and what's FTA role in that process?**
 - a. Is the possible runway relocation due to security reasons?
 - b. Which runway(s) would need to be relocated?
 - c. What would be the estimated cost of relocating the runway(s)?
 - ✓d. Who will shoulder the relocation costs?
 - ✓e. What is State DOT role in runway relocation?
 - f. Will a change in the alignment address the FAA concerns?

14. **What is FTA's view of Honolulu's ridership estimates?**
 - a. Was Honolulu's analysis done consistently with "normal" calculations?
 - b. Does FTA have concerns with Honolulu's ridership estimates?
 - ✓c. How important are ridership calculations to FTA's view of the project?
 - ✓d. Will ridership numbers be required to be updated as Honolulu moves through final engineering and to and FFGA?

15. **Is there any FTA mechanism to allow for the Honolulu City Council to be notified whenever the FTA receives documents of significance from Honolulu's DTS?**

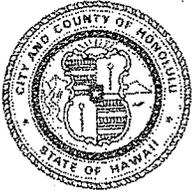
16. **What are examples of elements that what would trigger required revisions to the EIS?**
i.e. route change, financial change, technology changem etc.
 - a. Are elective modifications treated differently than those required due to engineering or construction obstacles?
 - b. Historically, has any project altered its alignment and/or selected technology while approval of the project's FEIS was pending? If so, what was the impact on the project's timeline and eligibility for Federal funding?

- c. What are some examples of elective changes that would likely jeopardize or significantly delay a FFGA for Honolulu's project?
- d. Comment on how changing a portion of our system to an at-grade system would impact the project schedule and the timeline for an FFGA award?

17. Comment on Honolulu's financial plan and how it will be updated and modified as we move through the process from the EIS to Final Design to FFGA. What are the major concerns raised by FTA.

18. Does the FTA have a position on the State's proposal to undertake its own "third party" review of the project's finances – as presented in the FEIS?

- a. What would the FTA do with a conflicting finding by the State's review?
- b. How does FTA view any other financial review by the project sponsor or affiliates (e.g. the State of Hawaii)
- c. Is there any benefit to Honolulu undertaking its own third-party financial review?
- d. Would a delay in the State's approval of the FEIS be of any immediate concern to the FTA? Would such a delay jeopardize or significantly delay an FFGA?



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June 5, 2009

Memorandum

To: The Honorable Mufi Hannemann, Mayor

From: Councilmember Romy M. Cachola

A handwritten signature in black ink, appearing to read "Romy M. Cachola", is written over the "From:" line.

Subject: Funding for rail transit project/ Proposed FD1 for Bill 16 (2009)

Recent media reports about the dire state of our economy have prompted me to again voice my concerns over funding for the rail project.

Just a few years ago, your administration and rail consultants initially submitted a price tag of \$3.7 billion (including FTA funds) for the 20-mile Minimum Operable Segment (MOS). They also stated for the record during previous committee and Council meetings that \$3.7 billion will be enough to build the MOS. In today's dollars, we now need \$5.4 billion, rather than \$3.7 billion, to complete the project.

I believe that to date, our transit funding will be short by about \$2.02 billion as follows:

	\$ 1.7 billion (the difference between \$5.4 billion and \$3.7 billion)
+	220 million (added cost to amend MOS from Salt Lake Boulevard to airport)
+	<u>100 million</u> (added cost for right-of-way acquisition as reported by the media)
=	\$2.02 billion total estimated shortage

In addition, the City may find itself deeper in the red due to the following developments:

1. **The half percent GET collection continues to be lower than what was projected.** From January 2007 to April 2009 (the first 28 months), GET collections were short by about \$70-75 million. GET collections will continue to lag for the next two years, based on future projections by the State Council on Revenues and other economists.

2. **The 79 positions in the City's rail transit division will be funded using the half percent GET increase.** This translates to approximately \$83 million over the remaining 13 year GET collection period (2010-2022), not counting future salary increases and benefits. The \$83 million will further reduce the amount of GET revenues collected.
3. **The administration's proposal to float \$917 million in General Obligation (GO) bonds.** It is being made under the premise that it is only short-term borrowing for cash flow purposes and that the debt service will be paid for by the half percent increase in the GET. This bond float translates to an added cost of about \$37 million to \$55 million per year in interest only, depending on an interest rate of 4 to 6 percent.
4. **Costs for O&M.** When the first segment from East Kapolei to Waipahu is completed, the expected shortfall in ridership revenues will be a further draw on the half percent GET collection. Any O&M costs paid using GET funds will further reduce the half percent tax collection.

In view of the aforementioned statements and for the success of the rail project, I respectfully suggest the following:

- Since GET collections are lagging short of projections, **please refine and submit a revised financial plan for the rail transit system to the Council and especially the public**, for the sake of transparency and accountability. We owe it to our taxpayers to be honest and to tell them upfront that transit funding will fall short and that revenue assumptions and projections have changed. All of these should be done soon in order to still gain the confidence and support of the taxpaying public for the rail project.
- **Delete for now funding in the City's current operating budget for the proposed 79 positions in the rail transit division.** Funding these positions will be a further draw on GET collections. Also, we have professional consultants on board who are already doing the work that the new positions are calling for—positions such as informational officers, secretaries, engineers, planners and others. Furthermore, the public is expecting the administration and the Council to fiscally-tighten the City's belt during these tough economic times.
- **Delete for now the authorization of the \$917 million in GO bonds.** There should be no need to float bonds now. With \$349.3 million in GET revenues for the first 28 months, with four more collection years to go and with FTA New Starts funds, we are well on our way to collecting the amount needed for construction and operation of the first segment which is scheduled for completion in 2013. Delaying this bond float **WILL NOT** affect construction jobs, since construction of the first segment will proceed and still boost the economy.
- **Consider applying for a Full Funding Grant Agreement (FFGA).** Most, if not all, municipalities and/or cities with big transit projects such as Honolulu, have applied for an FFGA prior to construction. Currently, there are at least 20

municipalities and/or cities ahead of us that have applied for an FFGA. Also, the \$1.4 billion that has been reported as the FTA's share for our project is just an estimate until we have applied for and secured an FFGA.

The benefits of an FFGA are that it:

- Defines the project scope
- Establishes a firm date for project completion
- Provides a mechanism for designating funds for future years
- Leads to the development of accurate cost estimates
- Permits the use of state and local funding for early project activities without jeopardizing future federal funding for those activities
- Most importantly, it determines the amount of funding we will receive from the FTA for this project.

An FFGA will also result in better predictability and transparency and prevent cost overruns and delays.

I hope my concerns and suggestions will merit your and the Council's understanding and concurrence. Taxpayers are already coping with the loss of their homes and jobs. Many more face worker furloughs, increased taxes, reduced benefits and are understandably apprehensive about the future given the dire state of our economy.

Speaking of the economy, the City's and State's budget shortfalls total hundreds of millions of dollars—which is small compared to the billion dollar deficit taxpayers may inherit for the rail transit project. I hate to imagine what it would be like for taxpayers when the GET collection ends in 2022 and there is still a substantial debt service left to pay.

It is for these reasons and for the best interest of our taxpayers that I have introduced an FD1 to Bill 16. For the record, I am a firm believer in an efficient mass transit system—but not at the expense of overburdening our city and taxpayers.

In closing, I'm also raising these concerns now so that future mayors and councilmembers, as well as current and future generations of taxpayers, will not look back and blame this Council or the current administration for the financial predicament we will find ourselves in.

cc: All Councilmembers
All Neighborhood Boards

Posted on: Wednesday, March 24, 2010

Airport transit station

CITY, FAA IN CONTACT ABOUT RUNWAY ZONE

The March 20 article "Rail problem flagged in '09" paints an inaccurate picture of the city's communications with federal airport officials and the state Department of Transportation about the airport's runway protection zone for the rail route and Lagoon Drive station.

We have been in regular communication for several years with the Federal Aviation Administration and HDOT about Honolulu International Airport, the rail route and station.

In fact, the city did an airspace analysis of the rail route and Lagoon Drive station and provided it to HDOT in May 2008 and the FAA in mid-2009. Our analysis was based on the Airport Layout Plan, an official document that describes the airport's existing and future physical characteristics. The Airport Layout Plan showed a substantially smaller runway protection zone than that is now required.

Neither the FAA nor HDOT at the time commented about conflicts with the runway protection zone in our airspace study. The issue was actually brought up by a Federal Transit Administration consultant. When we were made aware of this in mid-2009, we moved promptly to work with the agencies to address it. HDOT Director Brennon Morioka agreed with the city's proposed solution in a letter dated Nov. 3, 2009.

In addition, it is far too early to file the Form 7460 with the FAA because the rail system's final design details are still being developed. Design details will not be completed near the airport for several years.

The FAA requires the form to be submitted at least 30 days prior to construction. Needless to say, we intend to follow all FAA instructions and submit the form in advance of rail construction.

Additionally, this form is not required before completing the environmental impact statement for the rail system.

Finally, we are troubled by Gov. Lingle's comments in the article. She states that the FAA will not sign off on our mitigation plan for the airport. To be clear, the governor was not at any meeting between the city, HDOT and the FAA when this matter was discussed.

Furthermore, Mayor Hannemann and FTA Administrator Peter Rogoff are in constant communication. The mayor and administrator, with support from their technical and professional teams, are working on a timely resolution to this issue that all parties can agree on soon.

Wayne Y. Yoshioka | Director, Department of Transportation Services, City and County of Honolulu

Posted on: Friday, March 26, 2010

Honolulu rail planners knew of airport issues in 2006, state says

By Sean Hao
Advertiser Staff Writer

The city's proposed rail-transit project needs to be conducted with "a higher level of transparency," the state Department of Transportation said yesterday as it made public all its correspondence on the issue.

"There is a lot of misinformation out there about the Honolulu rail-transit project and the public deserves to know all the facts," said Brennon Morioka, state DOT director.

The state's release of five letters to the city and two other documents was partially driven by statements from city officials that the rail line's encroachment on airspace at the Honolulu International Airport was not brought to the attention of the city until mid-2009, Morioka said.

The airport encroachment issue must be resolved before the start of construction on the \$5.3 billion, 20-mile elevated rail line from East Kapolei to Ala Moana. The issue with the airport could have been addressed by the city sooner, Morioka said.

"In 2006, our first letter indicated that they should be aware of runway issues in the Lagoon Drive area, so we have continually offered our assistance and



Brennon
Morioka

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The state's letters to the city are available at www.hawaii.gov/dot/railtransit

willingness to meet with the city on numerous occasions ," he said. "There has been more than ample time for these issues to be addressed in the timeframe that the city had hoped to go out to bid and start construction.

"To date, the (project's environmental impact statement) ... has not addressed those concerns."

Under current plans, the elevated train track and a station near the intersection of Aolele Street and Lagoon Drive would be at least four stories tall and about 1,300 feet from airport runways, Morioka said. That encroaches on a runway airspace buffer designed to keep buildings and other obstructions from affecting airplane operations.

City director of transportation services Wayne Yoshioka said yesterday, "The city appreciates the posting of seven letters regarding the Honolulu rail-transit project by the state DOT. As director Morioka correctly points out, the letters show the collaboration and cooperation that has existed for several years now between the city and the state regarding this all-important, voter-approved project. The city has worked to address the state's concerns."

Yoshioka said in a written statement that at a meeting last week the state, federal officials and city discussed "technical issues" that need to be resolved regarding the airport.

"Since that meeting, several discussions have taken place between the city and the (Federal Transit Administration) ... about the plan that should help resolve the runway protection zone issue expeditiously," he said.

'PLEASE BE AWARE'

City Council members have criticized city transportation officials for not disclosing the extent of the airport problem sooner, and for not allowing council representatives to attend last week's meeting.

The city recently said the airspace concerns arose last summer and were the result of changes in federal aviation rules. The FAA has said there were no rule changes affecting the project.

The documents released by the state yesterday show that the airport runway concerns were first raised in an Aug. 9, 2006, letter, when then-DOT director Rodney Haraga told the city that the agency supported plans to build a station near Aolele Street and Lagoon Drive.

"In addition, please be aware of height restrictions, especially at the area near Lagoon Drive which is the runway approach area for runway 4R and 4L," Haraga wrote in a letter to the city Department of Transportation Services.

Another letter to the city dated July 20 of last year warned that the city's draft of its final environmental impact statement for the train did not resolve the airport concerns.

"There are several operational and engineering issues that still have not been addressed," Morioka wrote in a letter to Yoshioka.

COST UNCLEAR

In a letter to The Advertiser this week, Yoshioka said the city conducted an airspace analysis of the route, which was given to the state Department of Transportation in May 2008 and the Federal Aviation Administration in mid-2009.

However, Morioka said the state has not been provided with such a study. According to the state DOT, the city based its initial analysis of the impacts of rail on an outdated airport layout plan. That plan was drafted in the mid-1990s and had not been updated to reflect a 1994 change in runway protection zones.

The airport issue could be resolved by moving the train route farther from the airport or moving two runways. The city has said it prefers that the runways be moved. The city would be responsible for paying the costs of relocating the runways. Just how much that could cost has not been disclosed.