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| **Sent:** | 8/3/2009 11:52:24 AM |
| **Subject:** | Additional items in Honolulu briefing paper |
| **Attachments:** | Mayor Mufi Hannemann bio July 2009.doc |

In addition to the briefing paper, Mayor's bio, I included the article below in Peter's briefing materials.

# Honolulu rail-transit project could cost $117M more than forecast, report says

*Advertiser Staff*

Honolulu's planned elevated commuter rail project could cost $117 million more than the city expects, according to a report by project oversight consultant Jacobs Engineering.

The higher costs were pegged to an increase in the number of vehicles needed and higher-than-anticipated inflation. The increase raises total estimate project costs by 2.3 percent to an inflation-adjusted $5.29 billion.

Overall, the third-party report commissioned by the Federal Transit Administration found that the current project cost estimate is reasonable and acceptable for this stage of the project. The consultant also found that the project was ready to enter the preliminary engineering phase, according to a copy of the report obtained by The Advertiser today.

Earlier this week Honolulu Mayor Mufi Hannemann said the report gave the project "a clean bill of health." However, the city would not release the report because it hasn't been finalized.

"The report independently confirms that our costs and project schedule are sound," Hannemann said in a news release. "It validates that the city has been open and transparent; all of the information we have provided to the public is being confirmed and found to be accurate in this latest federal report."

City officials today said they would release the report this afternoon.

According to the July dated final version of the report there is an 85 percent probability that the system will be completed by Aug. 13, 2019, which is five months later than the city's plan. The city plans to begin construction of the 20-mile East Kapolei-to-Ala Moana train in December.

The FTA report is being conducted as part of the city's application with the FTA to enter the preliminary engineering phase of the project. That would be a major step toward securing an estimated $1.2 billion in federal funding. During preliminary engineering, the city will finalize management plans; refine the route's alignment and project costs; and identify benefits and impacts.

After preliminary engineering is done, which usually takes 15 to 30 months, transit projects enter the final design phase, according to the FTA. If the project passes that phase, the FTA provides a full-funding grant agreement. The city expects to be awarded full federal funds in spring 2011.

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