



HONOLULU AUTHORITY for RAPID TRANSPORTATION

## MINUTES

**Board of Directors Meeting  
August 25, 2011, 10:00 A.M.  
Kapolei Hale Conference Room B  
1000 Uluohia Street, Kapolei, Hawaii**

**PRESENT:**

Carrie Okinaga  
Ivan Lui-Kwan  
William "Buzz" Hong  
Don Horner  
Keslie Hui

Damien Kim  
Glenn Okimoto  
David Tanoue  
Wayne Yoshioka

**ALSO IN ATTENDANCE:**

Toru Hamayasu  
Gary Takeuchi  
Joyce Oliveira  
Frank Doyle  
Jeanne Mariani-Belding  
Bill Brennan  
Matt Derby  
Laura Pennington  
Andrew Magpoc  
Gene Park

Frank Streed  
Darrell Young  
Russell Honma  
Gladys Marrone  
Maurice Morita  
William Spregelberg  
Monty Lopez  
Randy Whattoff  
Joseph Magaldi, Jr.  
Michael Levine

**I. Call to Order by Committee Chair**

At 10:00 A.M., the meeting of the Board of Directors was called to order by Board Chair Carrie Okinaga.

**II. Public Testimony**

Mr. Russell Honma offered testimony on the topic of the Core Systems contract, proposing that the Core Systems Offerors enter into a joint venture. Mr. Honma also testified that rail construction will create opportunities for green energy projects.

**III. Approval of Minutes of August 4, 2011 Board Meeting**

Ms. Okinaga called for the approval of the minutes of the August 4, 2011 Board meeting. There being no objections, the minutes were unanimously approved.

#### IV. Report of the Finance Committee

Finance Committee Chair Don Horner reported that the Finance Committee met on August 11, 2011. He noted that the Financial Policies are organic, and moved that the amended Financial Policies of the Board, attached hereto as Attachment A of these minutes, be approved. Board Member Wayne Yoshioka seconded the motion. The motion passed unanimously, with eight votes in the affirmative and none in the negative.

Mr. Horner moved that the Board adopt the FY2012 Business Plan, attached hereto as Attachment B of these minutes. Board Member Damien Kim seconded the motion. The motion passed unanimously, with eight votes in the affirmative and none in the negative.

Finance Committee Vice Chair Keslie Hui noted that each committee may propose to the Board amendments to the Business Plan.

#### V. Report of the Joint Audit/Legal Matters and Project Oversight Committee Meeting

Audit/Legal Matters Committee Chair Ivan Lui-Kwan reported that a joint meeting of the Audit/Legal Matters Committee and the Project Oversight Committee took place on August 18, 2011 to consider the decision by the DCCA Hearings Officer on the procurement for the Core Systems Contract.

#### VI. Report of the Project Oversight Committee

Project Oversight Committee Chair Damien Kim reported that the Project Oversight Committee met on August 18, 2011 and heard presentations on real estate acquisition and the June 2011 Monthly Project Report.

#### VII. Adoption of Areas of Committee Responsibility

Transit Oriented Development Committee Chair William "Buzz" Hong requested that this agenda item be deferred until the Board's September 1, 2011 meeting.

#### VIII. Report of Interim Executive Director

Interim Executive Director Toru Hamayasu reported that the following took place during the preceding two weeks:

- Project staff met with the Oahu Island Burial Council Transit Task force to discuss the draft consultation protocol for Iwi Kupuna discovery during archaeological inventory surveys ("AIS")
- AIS work was conducted on the Aloha Stadium property.
- Boring and potholing were performed along Farrington Highway near Kahi Mohala, concrete pouring and load testing occurred at Test Shaft #8, and night work for utility relocation commenced on Farrington Highway.
- A property located near Aloha Stadium began to be processed through escrow, and the Kawano family was relocated from the Banana Patch.

- Project staff would be operating an informational booth at the 10<sup>th</sup> Annual Native Hawaiian Convention to provide information to and answer questions from the attendees.

Mr. Hamayasu acknowledged the letter was sent to the HART Board by Sumitomo Corporation of America (“SCOA”) on August 23, 2011, relating to Ansaldo Honolulu JV and the Core Systems contract. Mr. Hamayasu stated that HART is preparing a full report to address the claims made by SCOA. Ms. Okinaga requested that the letter and HART’s report on the matter be discussed at the next Board meeting.

Mr. Hamayasu also acknowledged the letter was sent to the HART Board by Walter Heen, Benjamin Cayetano, Cliff Slater, and Randall Roth (plaintiffs in the lawsuit concerning the EIS for the rail project) on August 23, 2011, and addressed the letter’s claims regarding the rail alignment near the Honolulu International Airport. Mr. Hamayasu provided documentation on how the rail alignment near the airport was selected, and explained the concepts of “landing slopes,” “runway protection zones,” and “object-free zones,” as they relate to construction near airport areas. Mr. Hamayasu noted that the claims that a mistake or negligence had occurred were baseless, and that this had been previously explained at the time press reports first erroneously characterized the matter in that manner.

Mr. Lui-Kwan asked about the other claims made by Messrs. Heen, Cayetano, Slater, and Roth in regards to alleged conflicts of interest. Mr. Yoshioka replied that no conflicts of interest had been found by the Ethics Commission regarding his appointment to serve as DTS Director, and no conflicts of interest were found during his two confirmations by the City Council.

Mr. Lui-Kwan asked about the due diligence on the financial capacity of Ansaldo Honolulu. Mr. Hamayasu stated that Ansaldo Honolulu reported no material changes in their financial capacity since RFP1, and also indicated that HART is undertaking further investigations on Ansaldo’s financial capacity. Mr. Hamayasu also stated that after HART sends Ansaldo Honolulu the contract package, they will have twenty days to return an executed contract with the required bonds.

Mr. Hui requested that representatives of Ansaldo Honolulu come before the Finance Committee at a future meeting.

#### IX. Message from Senator Daniel K. Inouye

Ms. Okinaga introduced Senator Daniel K. Inouye, and thanked him for his support for the rail project.

Senator Inouye affirmed his support for the project, indicated that the Federal Transit Administration stands ready as a partner, and pledged that he will work to secure Federal funding for the project.

Mr. Hui asked how confident the Senator is that Honolulu will receive Federal funding. Senator Inouye expressed confidence that Honolulu will receive Federal funding for its rail project.

Mr. Kim asked the Senator whether he believes the FTA is in support of the project. Senator Inouye replied that FTA Administrator Peter Rogoff is fully in support of the project.

Mr. Hong observed that it is important for Honolulu to have a world class transportation system and noted the public's sense of urgency on traffic alternatives. Senator Inouye thanked the Board members for their work, and urged them to be transparent.

Ms. Okinaga thanked the Senator for his remarks.

The Board recessed at 11:18 A.M. The Board reconvened at 11:25 A.M.

#### X. Public Involvement Update

Project Information Officer Jeanne Mariani-Belding gave a presentation, touching upon the topics of FTA requirements for public involvement, the status of current outreach efforts, means and methods for public outreach, and plans for future outreach efforts.

Mr. Horner stated that he believes HART's obligation is not necessarily to market the project, but rather to provide information to the public. Board Member David Tanoue stated that information should be provided in a balanced manner so the public is aware of plans in advance.

Mr. Hong asked whether the private sector has expressed interest in providing assistance in funding public outreach efforts. Ms. Mariani-Belding replied that the private sector has provided some help.

Mr. Hui asked if there is a way to forward comments from the public to the Board. Ms. Mariani-Belding replied that a database of comments is maintained, and reports on the comments received are provided to the PMOC.

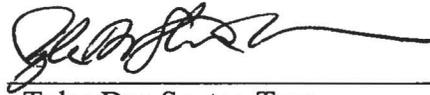
Ms. Okinaga asked about the staffing level of the public involvement group. Ms. Mariani-Belding stated that there are five members of the public involvement group, and that the GEC has two public involvement staff members.

Ms. Okinaga also asked if the FTA has provided feedback on HART's public involvement efforts. Ms. Mariani-Belding replied that she recently had a technical capacity interview with the FTA, and has constantly been in touch with the FTA.

XI. Adjournment

Having no other pending business, Mr. Hui moved to adjourn the meeting. The motion carried without objections, and the meeting was adjourned by Ms. Okinaga at 11:47 A.M.

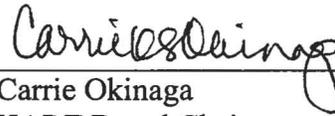
Respectfully Submitted,



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Tyler Dos Santos-Tam  
HART Board Administrator

Approved:



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Carrie Okinaga  
HART Board Chair

SEP - 1 2011

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Date

[ATTACHMENT A]

**APPROVED AUGUST 25, 2011**

**FINANCIAL POLICIES OF THE HONOLULU AUTHORITY FOR  
RAPID TRANSPORTATION**

**I. PURPOSE**

The Financial Policies described herein are designed to provide a comprehensive framework for the management and oversight of the financial resources of the Honolulu Authority for Rapid Transportation (HART). The policies provide guidelines for decision-making by the Board of Directors and management staff on how HART's financial resources shall be utilized to fulfill the agency's mission.

**A. Policy Objectives**

1. Ensure the cost-effective allocation and use of HART's financial resources.
2. Comply with applicable federal and state laws, applicable provisions of the Revised Charter of the City and County of Honolulu, and applicable ordinances of the Revised Ordinances of Honolulu, if any.
3. Utilize sound business and accounting practices in managing HART's financial affairs.
4. Ensure accountability and transparency in the conduct of HART's financial affairs.

**B. Legal Authority**

1. Article XVII, Revised Charter of Honolulu.
2. Federal Transit Administration grant requirements.
3. Act 247 (2005), State of Hawaii.

**II. DEFINITIONS**

<b>Appropriation</b>	Approval to incur expenses and obligations for specific purposes
<b>BANs</b>	Bond Anticipation Notes; repaid from the issuance of longer term debt
<b>Baseline Budget</b>	Approved budget benchmark for a capital project expressed in project year-of-expenditure dollars (YOES) with allocated contingency (see Contingency definition below) included; equivalent to the Baseline Cost Estimate (BCE) in an FTA Full Funding Grant Agreement
<b>Base Year Dollars Without Contingency</b>	Estimated project cost, expressed in dollars for a specified base year, not including contingency (see Contingency definition below), as identified on Page C-2 of the April 2011 Financial Plan
<b>BFS</b>	Department of Budget & Fiscal Services, City & County of Honolulu
<b>Board</b>	Board of Directors, the policy-making body of HART
<b>Budget Transfer</b>	A shift of expense authority from one organizational unit to another or from one expense category to another subsequent to adoption of a final budget by the Board

<b>CAFR</b>	Comprehensive Annual Financial Report
<b>Capital Expenses</b>	Items costing \$5,000 or more and having a service life of more than one year that includes non-recurring costs for equipment purchased for HART's use, or that are required to construct a transit facility or system including costs of land acquisition and relocation; planning and design services; construction and construction management; equipment; and furnishing the facility or system
<b>Capital Project</b>	A planned or programmed physical investment which a scope, schedule and budget resulting in the creation of a tangible asset.
<b>Contingency</b>	Monetary reserves to cover potential cost increases during the development of a capital project due to events that exceed estimated amounts. Contingencies are separately identified in a project's financial plan and included in the capital cost estimates. Contingency amounts fall into two categories for most transit projects: Allocated Contingency which is allocated to specific cost elements of a project and Unallocated Contingency which is held as a reserve for the project as a whole. Contingencies can be established as a specific amount or as a percentage of a budget estimate to cover: areas of the budget estimate not fully defined as well as cost and quantity uncertainties; escalation which exceeds that predicted for material, labor, equipment, services, and rates of exchange; overruns in critical areas during project execution due to unforeseen or changed conditions, design revisions, and/or estimating inaccuracies.
<b>Debt Service</b>	Payment of principal and interest on any debt obligation
<b>Director</b>	The Executive Director of HART or his/her designee
<b>Fares</b>	Operating income derived from the passengers using a transit facility or system whether in cash or electronic form
<b>Fiscal Year</b>	July 1st thru June 30th annually
<b>FFGA</b>	Full Funding Grant Agreement between the FTA and a major investment project sponsor
<b>FTA</b>	Federal Transit Administration of the U.S. Dept. of Transportation
<b>FTE</b>	Full Time Equivalent; the fractional equivalent of one full time employee working a forty-hour work week for one calendar year
<b>GANs</b>	Grant Anticipation Notes; to be repaid from FTA grant funding
<b>GET</b>	State of Hawaii General Excise Tax
<b>HHCTCP</b>	Honolulu High-Capacity Transit Corridor Project
<b>Operating Expenses</b>	Recurring costs associated with the day-to-day operation of HART including the costs of agency operations, the delivery of transit service, debt service, administrative overhead expenses, direct reimbursements and non-recurring equipment costs of less than \$5,000.
<b>Operating Income</b>	Revenue from all sources, including farebox revenues, property rentals, advertisements, parking fees and concession revenues

<b>Operating Ratio</b>	Operating Income from all sources divided by Operating Expenses
<b>Reserve</b>	An account used to segregate a portion of revenues for future use
<b>Organizational Unit</b>	Department, division or office responsible for a specific function or activity within the agency

### III. BUDGETING AND FINANCIAL PLANNING

#### A. Financial Plan

In order to ensure the financial integrity and stability of HART, the Director will prepare and periodically update a long range Financial Plan for implementing and eventually operating the HHCTCP. The Financial Plan will include both capital and operating components. The purpose of preparing and updating the Plan is to demonstrate the financial capacity to implement and operate the HHCTCP. The Plan will include updated forecasts of income from the County GET surcharge; federal and state grants; private sources; contributions from other public entities; agency operations; and operating subsidies and General Obligation bond proceeds from the City and County of Honolulu. The Plan will also include updated information on HHCTCP capital costs and projections of future operating costs. The Plan will project cash flow needs for the agency and the extent and timing of debt financing needed to pay capital expenses. The Plan shall be approved by the Board.

#### B. Business Plan

The Director shall prepare an annual Business Plan which will provide information for the upcoming fiscal year on: activities, projects and contracts; key economic and work program assumptions; performance targets and results; staff and organizational plans; and operating and capital financial information. The annual Business Plan will include a projection of key financial and operating information for a two-year period beyond the subject fiscal year. A preliminary annual Business Plan will form the basis for the Operating and Capital Budgets proposed for the fiscal year as described in sections III.C and D below. A final Business Plan for a fiscal year based upon the final Operating and Capital Budgets adopted by the Board will be issued by the Director each July.

#### C. Operating Budget

The Director shall prepare and submit to the Board by September 15th a proposed Operating Budget for the upcoming fiscal year. The proposed Operating Budget will include all operating expenses and non-capital expenditures listed by organizational unit as well as sources of income to cover these expenses. The proposed Operating Budget will include income and expense information including actual information for the preceding fiscal year; projections for the current year; the proposal for the budget year; and projections for following two years. It will also delineate the number of FTEs proposed for the budget year in comparison to the current approved staffing level. The Board will review this submission, make modifications as it deems appropriate, and approve a proposed Operating Budget by November 1st. If the Board-approved proposed Operating Budget includes revenues from the City and County of Honolulu, the Director shall submit a line-item appropriation request, in the amount of such revenues, for the upcoming fiscal year to the City Council through the office of the Mayor of the City and County of Honolulu by December 1st. The Board will review, and if necessary, revise, the proposed Operating Budget and, following a public hearing, shall adopt a final Operating Budget for the upcoming fiscal year by June 30th.

## **D. Capital Budget and Six-Year Capital Program**

The Director shall prepare and submit to the Board by September 15th a proposed six-year Capital Program and a proposed Capital Budget for the upcoming fiscal year. The proposed Capital Program will include a projection of all capital projects and contractual obligations for the ensuing six year period. The proposed Capital Budget will include all capital expenses and sources of income to cover these expenses in the upcoming fiscal year. The proposed Capital Budget will include at minimum information on the status of the budget for all capital projects being implemented by HART reflecting expenditures to date, contractual obligations outstanding, remaining budget, percent of project completion and schedule information. The Board will review this submission, make modifications as it deems appropriate, and approve a proposed Capital Budget by November 1st. If the Board-approved proposed Capital Budget includes revenues from the City and County of Honolulu, the Director shall submit a line-item appropriation request, in the amount of such revenues, for the upcoming fiscal year to the City Council through the office of the Mayor of the City and County of Honolulu by December 1st. The Board will review, and if necessary, revise, the proposed Capital Budget and, following a public hearing, shall adopt a final Capital Budget for the upcoming fiscal year by June 30th.

## **E. Budget Control and Amendments**

The Director is responsible for ensuring that the Operating and Capital Budgets adopted by the Board are properly managed and adhered to by HART staff and consultants. The Director shall submit to the Board a budget amendment request for any expense or outlay that causes total expenses and outlays to exceed the amounts provided for (1) in either the annual Operating and Capital Budgets adopted by the Board or (2) in the approved Baseline Budget for the HHCTCP or (3) a capital project included in the Six-Year Capital Program.

Within the Operating Budget adopted by the Board, the Director will have the following authority during the fiscal year:

1. Transfer expense budget authority from one organizational unit to another;
2. Transfer expense budget authority from one expense category to another; and
3. Transfer FTE authority from one organizational unit to another provided the total number of FTEs approved by the Board is not exceeded.

The Director shall obtain the Board's approval prior to transferring funds between activities whenever the cumulative amount of transfers between activities exceeds ten percent of the appropriation for either the originating or receiving activity in the Operating Budget.

The Director shall obtain the Board's approval prior to transferring funds between characters of expenditure whenever the cumulative amount of transfers between characters of expenditure exceeds ten percent of the appropriation for either the originating or receiving character of expenditure in the Operating Budget.

Budget or FTE transfers that would result in the adopted Operating Budget being exceeded must be submitted in the form of a budget amendment to the Board for prior approval. The Director shall report to the Board at least quarterly on any budget or FTE transfers he/she has authorized.

The Director will have the following authority in managing the Capital Budget during the fiscal year:

1. Award contracts in accordance with applicable laws and policy provided that the

contract award does not result in the exceedance of the approved Baseline Budget for a capital project;

2. Transfer budget authority from one project element or contract to another provided that the approved annual Capital Budget appropriation and the approved Baseline Budget for the project are not exceeded; and
3. Manage material contract changes in accordance with established procedures for configuration control, change order disposition, risk or contingency management.

#### **IV. ACCOUNTING/FUNDS MANAGEMENT**

##### **A. Major Fund Structure**

All revenues shall be deposited with the BFS Treasury Division in the Transit Fund which is dedicated for use exclusively by HART, and described in Section 17-114 of the Charter.

There will be four types of subsidiary fund accounts within this Transit Fund as follows:

1. Transit Operating Fund (#290) will pay for operating expenses authorized by the adopted Operating Budget.
2. Transit Capital Fund (#690) will pay for capital expenditures authorized by the adopted Capital Budget.
3. Capital Improvement Bond Fund (#695) will pay for capital expenditures authorized by the adopted Capital Budget.
4. Grants Fund (#693) will pay for capital expenditures authorized by the adopted Capital Budget.

##### **B. Use of City Financial Systems**

Until otherwise determined by the Board, HART will utilize the financial systems and processes used by the City and County of Honolulu to manage cash receipts, investing, payroll, accounts payable and receivable, and general accounting. The Director will be responsible for exploring the feasibility and advisability of HART obtaining its own financial system in the future to handle these business activities. HART's financial system must interface with the City's accounting system.

##### **C. Cash Management**

The Director or his/her designee shall determine the timing of cash flow necessary to pay HART's legal obligations. Excess cash shall be invested by the BFS Treasury Division in accordance with City and County of Honolulu policies.

#### **V. REVENUE AND OTHER INCOME**

##### **A. County GET Surcharge**

The County GET Surcharge of 0.5% has been in place since January 1, 2007. It is scheduled to expire on December 31, 2022. The BFS Treasury Division reports quarterly to HART the dollar amounts transferred to the City and County of Honolulu's bank account by the State Department of Taxation. The Director shall report to the Board the dollar amounts transferred to the City and County of Honolulu's bank account by the State Department of Taxation at least annually.

## **B. Fare Policy**

The Board, following a public hearing, shall fix and adjust the rates and charges for the HHCTCP. Fares are required to generate revenue to cover a portion of HART's operating expenses, such that fares, in conjunction with all other revenues received for the HHCTCP, are sufficient or nearly sufficient as possible to support the HHCTCP and HART. Fare types and levels must be rational, understandable and explainable to achieve customer acceptance. They also must be set to help achieve and maintain an Operating Ratio that is consistent with the Financial Plan. Current plans call for fares charged on the rapid transit line being implemented under the HHCTCP to be the same as fares charged on services provided by The Bus. More specific policy in this area will be developed in the future.

## **C. Fare Revenue Handling**

Policy in this area will be developed in the future.

## **D. Other Revenues**

Policy in this area will be developed in the future. The Board reserves the right to retain any revenue derived within a transit facility or system.

## **E. Use and Rental of Property**

Policy in this area will be developed in the future.

## **F. Debt Financing**

In accordance with section VI.B below and upon approval of the Board, the Director may seek City Council approval to issue debt instruments to provide cash as needed to meet HART's obligations related to the implementation of the HHCTCP.

## **G. Federal Assistance**

HART will seek federal financial assistance in the funding of the HHCTCP, other capital projects and its operations. The City and County of Honolulu will be the designated grant recipient for any funds HART receives from the FTA under an FFGA, by specific appropriation or formula or discretionary grant programs (collectively, "FTA funds"). Until otherwise determined, BFS will process drawdown requests for FTA funds, the proceeds of which will be deposited in the appropriate Transit Fund subsidiary fund account.

## **H. Contributions from Private Sources or Other Public Entities**

HART will pursue opportunities with private and public sector interests that will benefit from the implementation of the HHCTCP and HART's capital projects. Such contributions could take the form of direct cash contributions, donation of rights-of-way, structured payments over time or the actual construction of project elements as examples.

# **VI. ASSET AND LIABILITY MANAGEMENT**

## **A. Investment Policy**

In the event that it is decided that HART will manage its own investments, the agency shall follow the investment policy of the City & County of Honolulu except that the investment maturity shall not exceed three years, and investments in financial derivatives are expressly prohibited.

## **B. Debt Management Policy**

HART will utilize a mixture of long-term general obligation bonds and medium- and short-term debt to help finance construction of the HHCTCP. The medium- and short-term debt will be used to bridge the gap between the timing of capital expenditures and the receipt of revenues. The medium term debt will take the form of BANs or GANs. The short-term debt will be in the form of Tax Exempt Commercial Paper. All debt will be issued by the Treasury Division of BFS. All debt shall be retired by fiscal year 2023. The issuance of Certificates of Participation (COPS) is not available to HART under its current financial structure.

## **C. Real Property and Structures**

All real property acquired by HART and all structures constructed or acquired by HART shall be held in the name of the City and County of Honolulu. HART shall be responsible for the use and condition of the real property acquired for the HHCTCP. Property records shall be kept in accordance with FTA requirements for capital assets.

## **D. Equipment**

All equipment acquired by HART shall be properly maintained and records kept in accordance with FTA requirements. Annual reports to the Board shall include all equipment inventories and their condition. If equipment is lost or stolen, a police report shall be prepared.

## **E. Lease Financing of Assets**

HART will consider the desirability of entering into a lease financing arrangement through private placement with a bank or financial institution for assets it acquires such as the rail vehicles being acquired for the HHCTCP. Such an arrangement must provide clear financial advantages to HART in the form of cash management or leveraging of resources, and must be approved by the Board if the aggregate amount of the lease exceeds \$100,000.

# **VII. FINANCIAL REPORTING AND AUDITING**

## **A. Periodic and Annual Reporting**

The Director shall present monthly and quarterly financial reports to the Board covering budget versus actual information for both the operating and capital budgets. In addition, the Director will provide monthly procurement reports to the Board covering contract awards, change order activity and capital project contingency usage. An audited annual financial report shall be presented to the Board, the Mayor and the City Council. HART financial statements shall be submitted to BFS for inclusion in the City and County of Honolulu's CAFR. Internal reports will be on a cash basis consistent with the City and County of Honolulu's system until such time as HART acquires its own financial system that would enable reporting on an accrual accounting basis.

## **B. FTA Reporting**

The Director will submit all FTA-required progress reports and quarterly narrative grant reports on a timely basis.

### **C. External Audit**

HART shall engage the services of an independent certified public accountant to conduct an annual financial audit. The independent auditor will prepare the information to be included in the City and County of Honolulu's CAFR. The audit results will be reported to the Board, the City Council and the Mayor.

As designated grant recipient, the City and County of Honolulu's independent auditor will perform the Single Audit in conformance with OMB A-133 requirements.

### **D. Internal Audit Function**

Policy in this area will be developed in the future.

[ATTACHMENT B]



HONOLULU AUTHORITY for RAPID TRANSPORTATION

**HONOLULU AUTHORITY FOR RAPID  
TRANSPORTATION**

**BUSINESS PLAN**  
for  
**FY2012**

**August 25, 2011**

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# **HART Business Plan**

## **INTRODUCTION**

This document provides a preliminary first year Business Plan for the Honolulu Authority for Rapid Transportation (HART) covering fiscal year 2012 (July 1, 2011 thru June 30, 2012). It has been prepared to help guide the preparations for HART to commence operations effective July 1, 2011 and assume the responsibility for building and ultimately operating the Honolulu High-Capacity Transit Corridor Project (HHCTCP).

This preliminary document will be refined leading up to July 2011 as prospective HART Board members are identified and the agency's organizational framework, policies and procedures are developed. In its final form, the FY2012 HART Business Plan will describe why HART exists as an organization and the goals the agency has; what it will seek to accomplish during the first year of operations; and how it will go about performing its responsibilities. The HART Board will be asked to review and approve the FY2012 Business Plan in conjunction with its review and approval of a FY2012 Budget at its organizational meeting on July 1, 2011.

In the future, it is envisioned that HART will prepare an annual Business Plan with a three year moving timeframe. The annual Business Plan will provide a projection of key operating and financial information for the two years beyond the fiscal year which is the focal point of the Plan in order to provide a look-ahead for management planning and performance trend oversight purposes.

## **HART Business Strategy**

Public transportation is a service business that utilizes both human and physical assets to deliver its product in the market place. A transit agency is in competition with the automobile to increase its share of the travel market. Success in achieving a greater market share requires that a transit agency have a clear and understandable strategy for how it will go about delivering its product to prospective consumers. As a public agency, HART's Business Strategy must not only be easily understandable to the agency's employees and contractors but must also be understandable to the general public.

This section of the FY2012 HART Business Plan describes the basic elements of a proposed initial business strategy for the agency. These elements are described below and include statements on why the agency exists and what it is trying to achieve as well as a framework for how the HART will go about accomplishing what the public has asked it to do. This framework includes goals and performance expectations which will ultimately provide a "scorecard" for measuring how well HART is doing its job. (Note: A later section of the FY2012 Business Plan will describe the organizational development strategy HART will utilize to achieve its Mission and Vision.)

### **Mission Statement** (*why the agency exists*)

HART's Mission is to plan, design, construct, operate and maintain Honolulu's high-capacity, fixed guideway rapid transit system.

### **Vision Statement** (*what HART is trying to achieve*)

In accomplishing its Mission, HART will contribute to the quality of life on Oahu by:

- **Mobility**: Improving mobility for all residents, visitors and businesses on Oahu particularly in the densely populated and congested corridor along the urbanized southern shore of the island.
- **Reliability**: Improving the reliability of travel in the corridor by offering a travel choice that will not be subject to at-grade level traffic congestion.
- **Land Use**: Supporting the City's land development policy by providing access to an area targeted for development of a new urban center and helping create transit oriented development along the rail line.
- **Equity**: Providing people who are dependent on public transportation with an improved means of accessing economic and social opportunities and activities.
- **Sustainability**: Protecting the environment and lessening dependence on non-renewable fossil fuels.

### **Goals** (*how HART will go about accomplishing the Vision and fulfilling the Mission*)

In order to accomplish its Mission and realize the benefits described in the Vision, HART must accomplish the following goals:

1. Project Delivery: Complete the Project on time and within budget while:
  - ensuring the safety and security of the public, HART employees and construction workers;
  - minimizing the impacts on adjacent natural, cultural and built environments and communities; and
  - fulfilling environmental mitigation commitments.
2. Service Delivery: Ensure that the design and actual construction of the project will facilitate the delivery of safe, high quality and cost efficient service in the future.
3. Stewardship of Resources: Maintain public trust through the prudent and transparent use of financial, human and environmental resources.
4. Livability: Support the creation of mixed use, pedestrian-friendly, compact development along the rail line.
5. Partnerships: Pursue partnerships with the private sector to create economic opportunities and generate income and cost savings for the rail transit system.
6. Agency Culture: Foster an organization that is open, accountable, inclusive and delivers better than promised results.

### **Performance Metrics**

Performance expectations and possible metrics flow out of the Vision and the Goals for the agency and are intended to help an organization measure its progress toward achieving the Vision and Goals. Performance metrics for HART will help the Board and agency management, as well as the Authority's stakeholders and the general public, measure and evaluate the agency's progress and will aid in maintaining transparency on what HART is doing with taxpayer money. Management staff will compile and provide periodic reports to the Board on the performance metrics. The information will also be reported to the City Council and the community in an annual report.

The performance metrics will generally fall into two categories based on the status of completing the rapid transit project and the start-up revenue of operations:

- Those measured and tracked monthly and quarterly/annually during the period that the Project is being built; illustrative examples include:
  - Expenditures to date vs. approved budget/Baseline Cost Estimate by contract and for the Project including a cost to complete forecast

- Contingency Index (measuring whether contingency usage exceeds project progress, i.e. index 1.0 or greater)
  - A Change Order metric to report on change orders processed
  - Schedule Performance Index (measuring if contracts are on or ahead of schedule, i.e. index 0.95 or greater)
  - Recordable Injury Rate per labor hours (target: be under national average)
  - Number of community complaints received and their status (i.e. resolved or not)
  - Risk Register Mitigation Status
  - Agency milestones met covering both the organizational development of HART as well as major/notable Project milestones (i.e. staff positions filled; number of contracts awarded; FFGA executed; major construction milestones achieved; environmental compliance milestones completed).
  - Actual vs. budget for the agency operating budget
  - Environmental compliance measures such as:
    - Actual vs. scheduled field observations on construction activities
    - Incidence of non-conformance reports from audits and field observations
  - Hiring of a permanent Executive Director/CEO
- Additional metrics that will become meaningful when actual revenue service begins; illustrative examples include:
    - Ridership level
    - Reliability measures including:
      - On-time departures/arrivals
      - Miles between mechanical failures
      - Elevator and escalator availability (% of time available during operating hours)
      - Fare collection equipment availability (% of time available during operating hours)
    - Safety and Security measures including:
      - Accidents per 100,000 passengers
      - Security incidents per 100,000 passengers
      - Employee on-the-job injuries
    - Financial measures including:
      - Operating Ratio
      - Cost per vehicle hour and vehicle mile
      - Cost per passenger
      - Accident Claims received/closed/outstanding

During FY2012, HART staff will work with the Board to establish a “**balanced scorecard**” arraying performance metrics with the final set of goals the Board establishes for the agency. This “balanced scorecard” will enable the agency to evaluate its progress and to report to its stakeholders and to the community.

## **FY2012 Work Program**

### **Agency Business Operations**

HART came into existence July 1, 2011 and assumed the duties and responsibilities of the Rapid Transit Division (RTD) of the City & County of Honolulu Department of Transportation Services (DTS). Accordingly, FY2012 will be the first year of business activities for HART. **Appendix A** provides a copy of the Charter amendment resolution creating HART. **Appendix B** shows a “roadmap” of the activities undertaken to prepare for HART to commence operations.

HART functions as a semi-autonomous agency of the City & County of Honolulu government. During FY2012, HART will continue to use various City business systems and administrative practices in the conduct of the new agency’s business activities (e.g. DTS procedures and the City’s accounting and payroll systems). In addition, HART will continue to receive services provided by other City Departments (e.g. Budget & Fiscal Services, Information Technology, Corporation Counsel and Human Resources). Memoranda of Understanding with the City departments are being created to set forth the scope and terms of the services to be provided. This support from the City will enable the agency to begin functioning relatively quickly and assume its responsibilities for undertaking the HHCTCP without any negative impact on the implementation of the rail transit project. During FY2012 and beyond, HART will evaluate the extent to which it should develop its own business systems.

HART will need to complete a number of steps during its first year of operations that are needed to develop the organizational capability and capacity to fulfill its Mission as described in the preceding section. Several of the actions that will be taken are designed to insure that HART will be able to establish and maintain eligibility to receive federal funding for the HHCTCP. A preliminary listing of the tasks that will be undertaken in FY 2012 is as follows:

- Adopt Board of Directors operating procedures and practices, including a committee structure and meeting schedule.
- Recruit an Executive Director and other key management, technical and support staff.
- Adopt Board policies guiding agency business activities (e.g. financial policy and procurement policy).
- Develop administrative procedures and practices that are specific to a transit agency in areas such as procurement and contract administration; safety and security; employee relations; and management reporting.
- Develop a management reporting system on key performance metrics.
- Prepare within the first six months a six year capital improvement plan for the agency.
- Begin development of a brand identity for HART.

- Regularly update and communicate with stakeholders, including the Mayor and City Council, to ensure a flow of information regarding the progress of the Project.
- Create an organizational structure and culture that will enable fulfillment of the agency's Mission and Vision.

### **HHCTCP Project Implementation**

#### Project Description:

The HHCTCP is a proposed 20.5-mile light metro rail line in an exclusive right-of-way with fully automatic (driverless) train operation. Most of the alignment is elevated above existing highways and arterial roadways. The rail line includes 21 stations from East Kapolei, in West Oahu, to Ala Moana Center, located in the Honolulu urban core east of Downtown Honolulu and adjacent to Waikiki. Initial service is scheduled to start on the western end of the alignment in 2015 with full service operations to Ala Moana Center starting in 2019. Year 2030 service is anticipated to operate 20 hours per day, with 3-minute headways during peak periods and 6-minute headways in the midday. End-to-end travel time is estimated to be 42 minutes. Service will be provided by a mixture of 3-car and 2-car trains. Average weekday rail boarding's in 2030 are projected to be about 116,000. A peak hour directional maximum load of 8,100 passengers per hour is anticipated in 2030.

The rail line will serve the urbanized southern shore of Oahu, a narrow corridor between the Pacific Ocean and two mountain ranges. The rail line will serve key employment centers including Downtown Honolulu, the Pearl Harbor Naval Base, Honolulu International Airport, and Ala Moana Center. The area served by the rail line includes three different travel market areas. These include West and Central Oahu, Pearl City/Airport, and the Honolulu Urban Core. These three travel market areas contain, today, a population of about 680,000, about 77 percent of Oahu's total. About 40 percent of this population is in the Honolulu Urban Core area, about 40 percent is in West and Central Oahu, and about 20 percent is in the Pearl City/Airport area. These market areas also include about 440,000 employment opportunities or about 88 percent of Oahu's total. Over 60 percent of this employment is in the Honolulu Urban Core area.

**Appendix C** provides a more detailed description of the Project along with background on the planning for the Project.

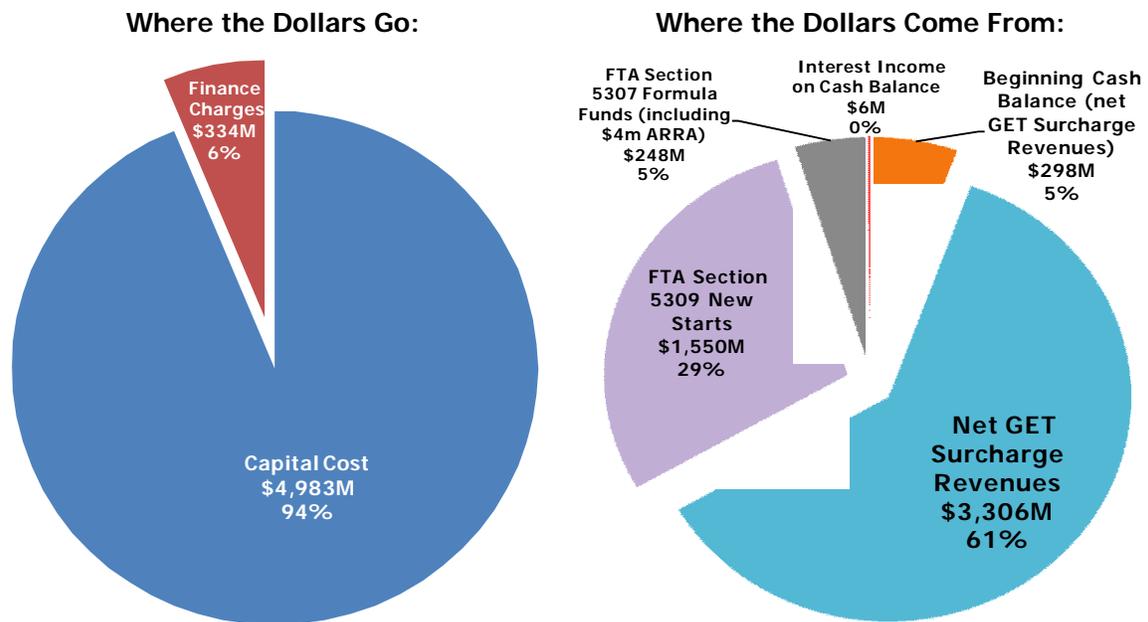
#### Project Status:

- Currently in Preliminary Engineering/Environmental Impact Statement (PE/EIS) phase of project development.
- Contracts have been awarded for Program Management Support, General Engineering and LEED certification services.
- FEIS completed and Record of Decision (ROD) issued by the US DOT/FTA.
- Property acquisition activities have started and initial utility relocation is underway.

- Design-Build (DB) contracts have been awarded for the two initial guideway phases in West Oahu and along Kamehameha Highway and for the Maintenance and Storage Facility.
- Competition for a Design/Build/Operate/Maintain (DBOM) contract for Core Systems & Revenue Vehicles has also been conducted; a preliminary award decision has been made; two protests of the proposed award have been filed and are under review.
- The Project cost estimate has been updated to reflect the status of design and contracts awarded to date. The Financial Plan for the Project was revised in April 2011 to reflect the updated cost estimate and the latest projections for project funding sources. The Financial Plan will be periodically updated as the Project progresses.
- The construction and systems contracts awarded to date have come in a total of \$315 million under budget.
- A Risk Assessment done with the FTA for entry into Final Design has been completed.
- The agency will be seeking a Letter of No Prejudice from the FTA to start limited construction on the initial guideway phase.
- A Full Funding Grant Agreement (FFGA) with the FTA for \$1.55 billion of New Starts funding is expected in the first quarter of FY2013.

### Project Finances

The Project is estimated to cost \$5.3 billion to construct and finance. Funding will come from a combination of General Excise Tax (GET) surcharge revenues and federal financial assistance. The two pie charts below show the sources and uses of funds for the Project expressed in year of expenditure dollars (YOES):



# Project Capital Cost Breakdown

(millions of dollars)

City Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
Guideway & Track Elements	\$0	\$10	\$101	\$269	\$226	\$187	\$199	\$126	\$1	—	<b>\$1,119</b>
Stations	—	—	6	50	80	58	119	147	52	—	<b>511</b>
Yard, Shops, Support Facilities	—	5	32	47	8	—	—	—	—	—	<b>92</b>
Sitework & Special Conditions	31	65	155	141	140	102	67	98	57	13	<b>869</b>
Systems	—	1	2	11	61	60	26	21	27	15	<b>223</b>
Right of Way	2	12	50	50	51	13	—	—	—	—	<b>177</b>
Vehicles	—	—	0	0	35	34	0	50	62	8	<b>190</b>
Professional Services	38	103	160	127	113	112	84	81	75	45	<b>939</b>
<b>Subtotal without Contingency</b>	<b>\$70</b>	<b>\$195</b>	<b>\$505</b>	<b>\$695</b>	<b>\$714</b>	<b>\$566</b>	<b>\$495</b>	<b>\$523</b>	<b>\$273</b>	<b>\$81</b>	<b>\$4,120</b>
Contingency (Allocated + Unallocated)	13	38	109	153	157	115	104	109	51	13	<b>863</b>
<b>Total Capital Cost</b>	<b>\$83</b>	<b>\$233</b>	<b>\$615</b>	<b>\$848</b>	<b>\$871</b>	<b>\$682</b>	<b>\$599</b>	<b>\$633</b>	<b>\$325</b>	<b>\$95</b>	<b>\$4,983</b>

Note: Totals may not add due to rounding.  
Source: HHCTCP Financial Plan for Entry into Final Design, April 2011

A line item breakdown of the updated Project cost estimate using FTA Standard Cost Categories (SCC) expressed in YOES\$ and excluding finance charges is shown in the table below. The table also shows the projected expenditures by fiscal year over the Project implementation timeframe.

From the above table it can be seen that Project expenditures will build rapidly in fiscal years 2011-12; peak in 2013 and 2014 well in excess of \$800 million each year; fall back to around \$600 million in 2015-2017; and then taper off into 2019. This pattern of expenditures is typical for major construction projects. However, the revenue stream from the funding sources for the Project has a much flatter growth curve over the same period. As a result, it will be necessary for HART to borrow money using short and medium term debt instruments to provide additional funds to meet contractual obligations. All of the debt incurred must be paid off by 2023 when the GET surcharge is scheduled to expire. The interest costs for the borrowings to manage cashflow are estimated to cost \$334 million as shown in the earlier pie chart. This cost plus the capital expenditures for the Project elements bring the total Project cost to \$5.3 billion.

## Project Labor Agreements

A Project Labor Agreement (PLA) is an agreement between an owner of a construction project or the contractor or subcontractors on that project and the unions that represent the pools of skilled labor that are needed for that project. A PLA spells out the specific terms and conditions that govern the employment of labor on a project for the duration of the project. The PLA is intended to help foster labor peace on a construction project by avoiding work stoppages or disruptions that can cause delays and add costs to a project.

They establish the rights and obligations of the parties involved and include procedures for resolving grievances and disputes. While the federal government encourages the use of PLA's on major construction contracts, entering into a PLA is not required and is the prerogative of the project sponsor/grantee.

For the HHCTCP, the PLA is called "Rapid Transit Stabilization Agreement" (RTSA). In November of 2009, the City and County of Honolulu entered into two RTSA agreements signed by representatives of fourteen unions that are likely to have members working on various aspects of the HHCTCP. The contractors retained after execution of the two RTSA's to construct or supply Project elements are required to adhere to the tenets of the RTSA's by virtue of the contracts they have entered into with DTS/HART.

#### Land Use Connection: Transit Oriented Development

HART is the steward of a large-scale public investment, which includes important real property assets essential to HART's operation. These assets also contribute to the ongoing financial viability of the transit system. Federal, state and regional policy direction to concentrate growth around transit further enhances the value of these assets. By promoting high quality, more intensive development on and near transit properties purchased or created by HART, the agency can increase ridership, support long-term system capacity and generate new revenues for transit. Also, such development creates attractive investment opportunities for the private sector and facilitates local economic development goals.

The State and City control the planning and permitting authority for most of the land along the 20.5 mile rail corridor. Coordination of these activities between the respective agencies is necessary to successfully leverage public and private investment in the corridor. Both the State and City are preparing station area plans and revisions to the land use regulatory requirements, which will provide the policy framework for private development.

The City's Department of Planning and Permitting (DPP) is responsible for developing Transit Oriented Development (TOD) neighborhood plans and zoning regulations for station TOD areas. HART planning staff will provide support to these planning efforts and will include coordination with various City and state agencies, special interest groups (e.g., disabled, elderly), and the private sector to resolve such issues as modal connectivity, station access, safety and security.

To date, 15 of 21 stations are addressed in the following TOD plans, which are in various stages of the planning process:

- Waipahu Neighborhood TOD Plan (Waipahu Transit Center and West Loch stations)
- East Kapolei Neighborhood TOD Plan (Ho'opili, UHWO and East Kapolei stations)
- Aiea – Pearl City Neighborhood TOD Plan ( Leeward Community College, Pearl Highlands and Pearlridge stations)

- Kalihi Neighborhood TOD Plan (Middle Street, Kalihi, and Kapalama stations)
- Downtown Neighborhood TOD Plan (Iwilei, Chinatown, and Downtown stations)

Development of the Ala Moana Center TOD single-station area plan has been contracted by DPP and will start in late 2011. The Airport TOD neighborhood plan will include the Lagoon Drive, Airport and Pearl Harbor Naval Base stations. The Aloha Stadium TOD neighborhood plan will be a single-station area plan and will be awarded by July 2011.

In addition to providing TOD planning support, HART planning staff will focus its efforts on identifying opportunities for joint development (JD) near or integrated with stations. This work will build upon TOD planning currently underway or planned. HART planning staff will provide advice, planning, urban design services and targeted recommendations to the City in an effort to explore potential JD opportunities (transit agency owned land within an easy walk to transit) at various stations.

During the first year, planning staff will prepare a roadmap for developing a TOD/JD program within HART. This roadmap will be developed in collaboration with applicable City and State agencies and stakeholders, as appropriate.

### **Procurement Plan**

During FY2012 the HART organization will be engaged in procurement activities related to the start-up of HART as an agency and to the implementation of the Honolulu High Capacity Transit Corridor Project (HHCTCP).

### **Agency Business Operations**

The HART Board of Directors will consider and adopt a procurement policy and staff will develop procurement procedures for the agency consistent with federal, state and City & County of Honolulu requirements. The procurement procedures will be set forth in a Procurement Manual for use by the staff and consultants in carrying out procurement and contract administration activities. In addition, HART will conduct procurements for needed services, equipment and supplies related to the start of the agency operations.

### **Project Implementation**

During FY2012, the following HHCTCP contract administration and procurement activities will be underway:

- Ten contracts previously awarded will be in various stages of implementation and under contract administration by HART staff and consultants in FY2012. This includes the following contracts:

#### **Construction:**

1. W. Oahu/Farrington Highway Guideway Design-Build
2. Maintenance and Storage Facility Design-Build

3. Core Systems and Vehicles Design-Build-Operate-Maintain
4. Kamehameha Highway Guideway Design-Build

Design:

1. Farrington Highway Stations (3)

Program Management and Engineering:

1. Program Management Support Consultant
2. General Engineering Consultant 1 (PE/EIS)
3. General Engineering Consultant 2 (successor to initial contract covering next phases of work)
4. HDOT Design Coordination Consultant<sup>1</sup>
5. LEED certification consulting services

- Thirteen additional contracts will be advertised in FY2012 and in the process of being evaluated and decisions made on who will be awarded the contract including the following:

Design:

1. W. Oahu Stations (3)
2. Kamehameha Highway Stations (3)
3. Airport Utility Relocation and Guideway
4. City Center Utility Relocation, Guideway and Ala Moana Center Station

Supply:

1. Project Wide Elevators and Escalators
2. Owner Furnished Plants and Shrubs

Miscellaneous:

1. Owners Controlled Insurance Program
2. Real Estate Relocation Services
3. Environmental Section 106 Programmatic Agreement Oversight
4. On-Call "Job Order" Contractor
5. HDOT Safety Oversight Consultant<sup>2</sup>
6. Professional Services for Executive Director/CEO Search
7. Professional Services for Independent Audit Firm

HART staff will provide the Board of Directors with periodic reports on the status of existing contracts including the progress of the work being performed; change orders executed; and contract budget and contingency status. Staff will also keep the Board informed on the status of the new procurements including who is selected to perform the contract work following the completion of competitive procurement processes.

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<sup>1</sup> Per agreement with HDOT, HART will pay for a consultant who will work for HDOT conducting design reviews of HHCTCP elements for HDOT.

<sup>2</sup> Per federal safety requirements, HDOT is designated as the rail safety oversight agency for Hawaii. HART will pay for a consultant to develop the HDOT program under a three-year contract. On-going cost of the program will be HDOT's responsibility per FTA requirements.

# **HART Organizational Development Strategy**

## **Rapid Transit Division of City Dept. of Transportation Services**

Planning and development of the HHCTCP has for six years been the responsibility of the Department of Transportation Services (DTS) of the City and County of Honolulu. Since July 2007, the Project has been managed thru DTS' Rapid Transit Division (RTD). DTS/RTD managed the completion of the required planning, economic and environmental studies needed to advance the Project thru the stages of project development including: analysis of alternatives; technology and alignment selection; conceptual and preliminary engineering work; the preparation of a Final Environmental Impact Statement (FEIS); and the development of a contracting strategy for actually constructing the Project.

Because of the uncertainty surrounding whether the City would receive the funding and approvals needed to advance the Project, the strategy DTS/RTD employed was to maintain a relatively small staff and hire consultants to perform various aspects of the required work. The City Project staff was supplemented by a Program Management Support Consultant (PMC) that has provided experienced and technically proficient personnel to fill key positions and roles in the Project organization. PMC provided services have included professional, technical, managerial and other support services to initiate and complete the PE/EIS phase of the Project and initiation of final design and construction. PMC personnel have functioned as staff within the DTS/RTD assisting full time City employees in managing and overseeing the work.

In addition, DTS/RTD retained the services of a General Engineering Consultant (GEC) to undertake the planning, economic, engineering and environmental work that was required to advance the Project. As part of this effort, the GEC has been responsible for public involvement activities and conducting engineering and technical studies, including conceptual engineering, to support the preparation of the EIS. The GEC has also assisted the RTD in preparing for competitive procurement of fixed guideway revenue vehicles and developing Design-Build procurement documents. The GEC is also conducting preliminary engineering and New Starts PE and preparing documents to support the City's request to advance into Final Design.

The Project has passed the critical milestone of completing the FEIS and obtaining a Record of Decision (ROD) issued by the US Department of Transportation in accordance with the National Environmental Policy Act (NEPA) and Hawaii state law. Receiving the ROD has given RTD the authority to begin property acquisition and undertake advance utility relocation work. As noted in the FY2012 Work Program section, design - build contracts for initial phases of the Project have already been awarded. The Project is now poised to move into final design on other elements of the Project and for the start of major construction work on the initial phases.

With the start-up of HART on July 1, 2011, RTD ceased to exist and the RTD staff, including the embedded PMC staff, transitioned to become the core staff of the new Authority. In addition, the GEC continued to perform its scope of work under the auspices of the new Authority.

### **FTA Requirements**

Because the Project will be funded in part with federal dollars thru the FTA, HART must demonstrate that it meets FTA requirements for grantees pursuing a major investment project like the HHCTCP. Principal among these requirements is that the grantee must exhibit the “technical capacity and capability to efficiently and effectively” carry out the project. The FTA conducts an assessment of a grantee’s technical capacity and capability by looking at a number of things including the following:

- Organizational structure
- Staff qualifications and experience
- Roles, responsibilities and interfaces among key project team members laid out in a responsibility matrix
- Staffing plan showing labor distribution over the life of a project
- Copies of various key procurement documents
- Description of management processes and procedures including the division of decision-making authority between the board and management staff; financial and procurement policies and procedures; and community outreach and relations efforts
- Resumes of project team members

The above information is embodied in a Project Management Plan (PMP). The PMP is periodically updated as a project moves thru the various stages of project development. The current PMP for the HHCTCP has 17 chapters over 124 pages with an additional five appendices and is in the process of being updated. With each successive update of the PMP the expectations for the technical capacity and capability of the grantee increases. In other words, the grantee must demonstrate a growing capacity and capability to match the increasing scope, complexity and magnitude of the work to be performed in the next project phase in order to receive FTA approval to proceed. In addition, a special assessment of technical capacity and capability is typically performed at the time the grantee is in line to receive a “Full Funding Grant Agreement” (FFGA) for the funding to complete a project. HART is scheduled to be in position to receive an FFGA in the first quarter of FY2013 assuming everything is in order.

As a result, ensuring that first RTD and now HART will meet the FTA’s technical capacity and capability requirements is a major factor in the formulation of the organizational development strategy embodied in the PMP and described herein.

## **HART Start-up Organization**

As HART comes into existence and assumes responsibility for the HHCTCP, work on the Project is in the final stages of preliminary engineering and the Project team is preparing to request approval to commence final design work and start actual construction on portions of the alignment covered by the previously awarded Design-Build contracts. These are major milestones in the project development process and as a result the PMP is being updated to reflect the advancing state of work.

The organizational approach embodied in the revised “final design” PMP includes an expansion of staff to 136 positions and continues the role of the PMC as seconded staff within HART. **Appendix D** provides an organizational chart that depicts what the Authority’s functional structure will look like as a semi-autonomous agency within the structure of the City and County of Honolulu. Also provided is a series of staff organization charts which shows the 136 positions that make up the proposed FY2012 HART staff. Of these positions, 28 or 20% of them are expected to be PMC provided staff.

The GEC’s role will evolve to reflect the start of final design and construction work. The GEC will oversee final design efforts and provide construction management services including resident engineering, office engineering, and inspection. This includes performing quality assurance (QA) inspections of all contractor activities; reviewing all contract document submittals including shop drawings and specifications; reviewing contractor invoices; reviewing requests for information (RFIs); reviewing requests for change (RFCs); conducting inspections, value engineering, reviewing change order estimates, and other items.

The PMP calls for retaining the services of engineering design consultants (EDCs) to develop final detailed designs of the remaining Project elements that will be procured thru open competitive bidding. This does not include the three Design-Build contracts or the Core Systems and Vehicles contract since final design is a function within the scope of those contracts. This does include stations, the Airport and center city guideway phases and various fixed facilities. Fixed facilities design includes the design of civil and structural facilities, trackwork, utilities, the Pearl Highlands parking structure and access ramps, landscaping and some systemwide elements. The GEC will oversee the final design work of the EDCs.

## **Future Organizational Development**

At present and for the next 3-4 years, HART is a project development agency with no daily operating or service delivery responsibilities. This of course will change as the rail transit project gets completed and actual revenue service begins operating initially in 2015 with full service along the entire alignment starting in 2019. The staffing needs and business systems needs of the agency will evolve over time as the change from project development to operations and service delivery occurs. How well this transformation is

accomplished will be important to the success of the agency in accomplishing its Mission and Vision. The strategy for managing this evolution is outlined below:

- Phase out use of PMC and build HART staff capability
  - Identify those positions that HART will need long term for operations and the planning of extensions and seek to fill these positions with direct hires.
    - Examples: Deputy CEO, CFO, COO, Chief Engineer, Internal Audit, Marketing, Planning; Property Management
    - Use PMC to temporarily fill these roles when recruitment is unsuccessful or can't be completed in a timely fashion.
    - PMC employees will mentor and help train HART staff and new hires; this may require some overlapping of positions.
  - Retain the services of a human resource management consulting firm to develop an organizational development plan for HART including phases of organizational development; a classification and compensation structure and recruitment and employee development strategies.
  - Current PMC contract runs out in 2014; the contract may need to be extended for an additional period depending on HART's success in staff recruitment.
  - GEC and EDCs will continue their roles/scope until the project construction; system integration and testing; and start-up work is completed.
- Develop internal business processes and systems that fit the needs of the transit system. Move away from using City processes and systems wherever it makes the most sense for HART to achieve its Mission, Vision and Goals.
- Develop a seamless multi-modal (bus and rail) transit system
  - Engage in joint planning with DTS and "The Bus" management (Oahu Transit Services) for reconfiguration of the bus system to complement rail.
  - Establish a joint bus – rail fare collection system (hardware and software) and a revenue processing set-up to reduce interface problems and achieve economy of scale cost savings.
  - Update/improve the bus fare collection system prior to the start of rail operations.
- Future issues that will need to be addressed:
  - Programming of bus fare collection system improvements to interface with rail needs to be pursued in the very near future.
  - The process for setting fares between the HART Board and the City Council will need to be addressed.

Operating support from the City for the rapid transit operation will be required as delineated in the Financial Plan.
  - The possibility of extending the GET surcharge to cover all transit system operating subsidy needs (bus and rail) should be considered.
  - Development of operating policies and rules and the identification of any implications for Project design and the operating and capital improvement budget.
  - Pursuing opportunities to make joint use of transit facilities and assets to generate income.

## FY2012 Operating and Capital Budgets

Rapid Transit Division (RTD) staff prepared and submitted preliminary FY2012 Operating and Capital Budgets for the Division in September 2010. Following the public vote creating HART in November 2010, these preliminary budgets were then refined through discussions with DTS, BFS and City administration leadership to reflect the establishment of the semi-autonomous transit authority and the advancing work on the HHCTCP. Revised proposed operating and capital budgets were then submitted to the Mayor in January 2011 in preparation for public release with the City Council in March. This section of the preliminary FY2012 Business Plan describes in summary form the Operating and Capital Budgets as presented to the City Council Budget Committee on March 17<sup>th</sup>. This final version of the FY2012 Business Plan reflects the final FY2012 Operating and Capital Budgets adopted by the HART Board on July 1, 2011.

It should be noted that because FY2012 is HART's first year of existence there is no historical data available for the agency to show base expenditure levels or trends over time. Some historical data is available for the Rapid Transit Division of DTS. However, this information is of limited utility given that the HHCTCP is advancing steadily through the project development process and the creation of HART will result in significant changes in how the project is staffed and supported by City departments. The FY2012 Operating Budget has incorporated several functions and associated costs that were previously reflected in the budgets of other City departments.

### **Proposed FY2012 Operating Budget**

The FY2012 Operating Budget has three components: HART staff, consultant and current non-labor expenses; reimbursements to other City departments for services rendered; and equipment costs. The table below provides a breakdown of these three cost components for FY2012:

<b>Proposed FY2012 HART Operating Budget Summary</b>	<b>Amount</b>
HART Direct Expenses	
Salaries and Benefits	\$ 13,302,091
Rent	1,739,355
Procurement Stipend Allowance	1,500,000
Professional Services	300,000
Computer Equipment and Software	137,000
Travel	82,475
Communications Services	80,000
Other	414,160
<b>Subtotal of Direct Expenses</b>	<b>\$ 17,555,081</b>
Reimbursements to Other Departments	3,027,545
Equipment	-0-
<b>TOTAL Operating Expenses</b>	<b>\$ 20,582,626</b>

The proposed FY2012 Operating Budget includes funding for 136 positions. This compares to 110 positions authorized in the FY2011 Budget and 79 positions in 2010. As described in the Organizational Development Strategy section, the staffing level proposed is designed to ensure that HART has the technical capacity and capability to manage the implementation of the HHCTCP and meet the requirements of the FTA for managing major “New Start” projects that are receiving FTA funding. The following chart provides a summary breakdown of the positions reflected in the proposed FY2012 Budget by major job category along with comparable information for the approved FY2011 Budget staffing plan:

<b>Job Category</b>	<b>FY2011</b>	<b>FY2012</b>
General Management	3	3
Engineering/Design/Construction Management	40	43
Project Control, Real Estate and Procurement	32	39
Other Professional	12	19
Administration	11	17
Administrative Support	12	15
<b>TOTALS</b>	<b>110</b>	<b>136</b>

Major expense items in the other direct expense category includes rent for the HART administrative offices in the Ali’i Place office building and funds for possibly providing stipends to prospective bidders on upcoming major construction contracts for the HHCTCP. The rent amount included assumes the rental of additional space in Ali’i Place during FY2012 to accommodate the additional staff proposed for the year.

The following table provides a breakdown of the reimbursements to other City departments included in the proposed FY2012 Budget:

<b>City Department/Purpose</b>	<b>Amount</b>
Corporation Counsel – Staff Salaries & Benefits	\$ 489,314
Corporation Counsel – Consultant Services	1,239,854
Design & Construction – Staff Salaries & Benefits	215,078
Budget & Fiscal Services – Staff Salaries & Benefits	91,231
CASE – General City overhead expense	992,068
<b>TOTAL</b>	<b>\$ 3,027,545</b>

The original proposed FY2012 Operating Budget for HART included \$491,584 in funding for the planning of transit oriented development around HHCTCP stations and coordination between HART and the Department of Planning and Permitting (DPP) for the City. Planning was to be done by DPP staff using consultant services funded by \$300,000 in HART funding. The remaining \$191,584 was funding for two staff positions that were to coordinate with HART engineering and design consultants and HART planning staff. This funding and the two positions were transferred to the DPP FY2012 Budget during the City Council’s review of the FY2012 budget proposal.

### **Proposed FY2012 Capital Budget**

The proposed FY2012 Capital Budget is made up primarily of expenses related to the design and construction of the HHCTCP consistent with the work planned for the year as described in the Work Program section of this Business Plan. There is a small amount of money budgeted for capital purchases related to agency operations and set-up. The following table provides a breakdown of planned expenditures by project budget component for the HHCTCP:

<b>Capital Budget Elements</b>	<b>Amount</b>
Consultant Services	\$ 41,633,800
Design Services	91,541,904
Section 106 Programmatic Agreement	2,850,000
Utility Relocation	7,454,710
Construction	127,843,243
Construction Mgmt./Inspection	7,301,000
Equipment	10,558,000
Land Acquisition	63,351,105
Relocation	2,202,518
<b>TOTAL Capital Expenditures</b>	<b>\$ 354,736,280</b>

While the purposes of most of the elements listed in the above table are apparent, explanations for three of the budget elements shown in the above table are as follows:

- The Consultant Services expense category includes costs (\$30.1 million) for various GEC work activities including planning activities (i.e. update of the Financial Plan and the O&M Plan); oversight and construction management of design-build and design-build-operate-maintain contracts; environmental compliance oversight; and project management and support activities. It also includes costs (\$6.5 million) for the Program Management Support Consultant that is providing experienced personnel in various specialized and technical areas to augment agency staff. Finally, it also includes the costs (\$3.99 million) for consultant services to conduct design reviews for HDOT and management costs (\$0.7 million) for management of the Project's Owner Controlled Insurance Program (OCIP).
- The Design Services line is for final design services related to various design-bid-build contracts including the Airport and downtown guideway phases.
- The Section 106 Programmatic Agreement category covers funding for the Historic Preservation Committee (\$2 million) and for a Parks Program (\$0.75 million) and a Humanities Program (\$0.1 million).

# Appendix A

## Charter Amendment Resolution Creating HART



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 09-252, CD1

### RESOLUTION

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INITIATING AMENDMENTS TO THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED, RELATING TO THE CREATION OF A PUBLIC TRANSIT AUTHORITY.

WHEREAS, the City and County of Honolulu has begun work on the Honolulu High-Capacity Transit Corridor Project, the purpose of which is to design and build a fixed guideway mass transit system for the City; and

WHEREAS, in studying other jurisdictions that have built fixed guideway mass transit systems, these jurisdictions have established public transit authorities to plan, build, operate, and maintain their fixed guideway mass transit systems; and

WHEREAS, it is prudent and in the best interest of the City to establish a semi-autonomous public transit authority in order to timely and efficiently manage the planning, construction, operation, maintenance, and expansion of the City's fixed guideway mass transit system; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu:

1. That it propose, and it is hereby proposed, that the following question be placed on the 2010 general election ballot:  
  
"Shall the revised City Charter be amended to create a semi-autonomous public transit authority responsible for the planning, construction, operation, maintenance, and expansion of the City's fixed guideway mass transit system?"
2. That it propose and it is hereby proposed, that a new Article be added to the Revised Charter of the City and County of Honolulu 1973, as amended, to read as follows:

**"ARTICLE \_\_\_\_  
PUBLIC TRANSIT AUTHORITY**

**Section \_\_-101. Organization --**

There shall be a public transit authority, to be known as the "Honolulu Authority for Rapid Transportation," consisting of a board of directors, executive director, and the necessary staff.



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## RESOLUTION

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**Section \_\_-102. Definitions --**

For the purposes of this article:

“Authority” shall mean the governmental unit known as the “Honolulu Authority for Rapid Transportation.”

“Board” shall mean the policy-making body, consisting of ten members of the board of directors, nine voting members and one non-voting member.

“Executive director” shall mean the executive director of the public transit authority.

**Section \_\_\_-103. Powers, Duties, and Functions --**

1. The public transit authority shall have authority to develop, operate, maintain and expand the city fixed guideway system as provided in this article.

2. To perform its duties and functions, the transit authority shall have the following general powers:

(a) To make and execute contracts, project labor agreements and other instruments requiring execution by the authority on such terms as the authority may deem necessary and convenient or desirable with any person or entity in the execution and performance of its powers, duties and functions.

(b) To acquire by eminent domain, purchase, lease or otherwise, in the name of the city, all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system; provided, however that prior to commencing such action, the authority shall submit to the council, in writing, a list of the parcels and areas to be acquired. The authority shall have the right to proceed with such condemnation action so long as the council does not adopt a resolution objecting to the condemnation within 45 days of such notification. Alternatively, after receipt of the notice from the authority, the council may approve, upon a single reading of a resolution, such acquisition by eminent domain.

(c) To recommend to the council the sale, exchange or transfer of real property or any interest therein which is under the control of the



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## RESOLUTION

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authority. The council shall take no action to dispose of such property without the written approval of the authority, and all proceeds from the disposition shall be deposited into funds of the authority or fixed guideway system.

(d) To direct the planning, design, and construction of the fixed guideway system and operate and maintain the system thereafter.

(e) To establish all fares, fees, and charges for the fixed guideway system.

(f) To maintain proper accounts in such manner as to show the true and complete financial status of the authority and the results of management and operation thereof.

(g) To prepare annual operating and capital budgets for the fixed guideway system and the authority.

(h) To make and alter policies for its organization and internal administration.

(i) To create or abolish positions within the authority and establish a pay plan for those persons holding positions in the position classification plan in accordance with Section 6-1109 of this charter.

(j) To make temporary transfers of positions between subdivisions of the authority.

(k) To adopt rules in accordance with state law, when necessary, to effectuate its functions and duties.

(l) To enter into agreements with any public agency or private entity as it deems proper, including agreements for the joint use or operation of transit facilities with agencies of the city.

(m) To have full and complete control of all real and personal property used or useful in connection with the fixed guideway system, including all materials, supplies, and equipment.

(n) To promote, create and assist transit oriented development projects near fixed guideway system stations that promote transit



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## RESOLUTION

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ridership, and are consistent with the intent of the adopted community plans and zoning.

(o) To apply for and receive and accept grants of property, money and services and other assistance offered or made available to it by any person, government or entity, which it may use to meet capital or operating expenses and for any other use within the scope of its powers, and to negotiate for the same upon such terms and conditions as the authority may determine to be necessary, convenient or desirable.

(p) In addition to the general powers under this subsection, other general or specific powers may be conferred upon the authority by ordinance, so long as the powers are consistent with this article of the charter.

3. The board shall:

(a) Have the authority to issue revenue bonds under the name of "Honolulu Authority for Rapid Transportation" in accordance with HRS Chapter 49, subject to council approval.

(b) Review, modify as necessary, and adopt annual operating and capital budgets submitted by the executive director of the authority.

(c) Appoint and may remove an executive director, who shall be the chief executive officer of the public transit authority. The qualifications, powers, duties, functions, and compensation of the executive director shall be established by the board.

(d) Evaluate the performance of the executive director at least annually; and submit a report thereon to the mayor and the council.

(e) Review, modify as necessary, and adopt a six-year capital program within six months of the creation of the authority and annually update the six-year capital program, provided that such capital programs shall be submitted by the executive director.

(f) Have the authority to enter into such arrangements and agreements for the joint, coordinated or common use with any other public entity or utility owning or having jurisdiction over rights-of-way, tracks,



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## RESOLUTION

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structures, subways, tunnels, stations, terminals, depots, maintenance facilities, and transit electrical power facilities.

(g) Determine the policy for the planning, construction, operation, maintenance, and expansion of the fixed guideway system. Except for purposes of inquiry or as otherwise provided in this article, neither the board nor its members shall interfere in anyway with the administrative affairs of the authority.

(h) Prescribe and enforce rules and regulations having the force and effect of law to carry out the provisions of this article of the charter.

(i) Submit an annual report to the mayor and council on its activities.

(j) In addition to the general powers under this subsection, other general or specific powers may be conferred by ordinance upon the board, so long as the powers are consistent with this article of the charter.

### **Section \_\_-104. Powers, Duties and Functions of the Executive Director --**

The executive director shall:

(a) Administer all affairs of the authority, including the rules, regulations and standards adopted by the board.

(b) Have at least five years of fixed guideway system experience.

(c) Sign all necessary contracts for the authority, unless otherwise provided by this article.

(d) Recommend to the board the creation or abolishment of positions.

(e) Enforce the collection of fares, tolls, rentals, rates, charges and other fees.

(f) Prepare payrolls and pension rolls.



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## RESOLUTION

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- (g) Maintain proper accounts in such manner as to show the true and complete financial status of the authority and the results of management and operation thereof.
- (h) Prepare annual operating and capital budgets.
- (i) Prepare and maintain a six-year capital program.
- (j) Prescribe rules and regulations as are necessary for the organization and internal management of the authority.
- (k) Recommend rules and regulations for adoption by the board.
- (l) Request, and accept appropriations from the city, and request and accept grants, loans and gifts from other persons and entities.
- (m) Administer programs promoting appropriate developments near transit stations, including compilation of city incentive programs.
- (n) Review development projects having significant impact on the operation of the fixed guideway system.
- (o) Plan, administer and coordinate programs and projects of the fixed guideway system that are proposed to be funded, wholly or partially, under federal or state law and required to be transmitted to the Oahu metropolitan planning organization.
- (p) Attend all meetings of the board unless excused.
- (q) In addition to the general powers under this section, other general or specific powers may be conferred upon the executive director by ordinance, so long as the powers are consistent with this article of the charter.

**Section \_\_\_-105. Board of Directors --**

- 1. The board shall:
  - (a) Be the policy making body of the authority;



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## RESOLUTION

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(b) Be responsible for establishing policies for the development, operation, and maintenance of the public transit system; and

(c) Perform other duties and functions assigned to it or to the authority by ordinance in accordance with Section \_\_\_-103.3(j).

The board shall consist of ten members, nine voting members and one non-voting member. All members shall serve part-time. The board shall be governed by the provisions of Section 13-103 of this charter, except that subsections (b) and (e) shall not apply and as otherwise provided herein.

2. Appointed members. There shall be seven appointed members. The mayor shall appoint three members. The council shall appoint three members. The six appointed and two ex officio voting members shall appoint, by majority vote, a ninth member.

The initial appointments of the seven appointed members shall be as follows: One member from each mayoral or council appointment shall be designated to serve a five-, four-, and three-year term. The ninth member appointed by the voting members shall serve a two-year term.

3. Ex officio members. The state director of transportation and the city director of transportation services shall be ex officio voting members of the board. The director of the department of planning and permitting shall be the ex officio non-voting member of the board. The ex officio members of the board shall not be subject to any term limit.

### **Section \_\_\_-106. Rates, Revenues and Appropriations --**

The board shall fix and adjust reasonable rates and charges for the fixed guideway system so that the revenues derived therefrom, in conjunction with revenues received from the general excise and use tax surcharge, from the federal government, and from the revenue-generating properties of the authority, shall be sufficient or as nearly sufficient as possible, to support the fixed guideway system and the authority. The authority shall submit a line-item appropriation request for each of its proposed operating and capital budgets for the ensuing fiscal year to the council through the office of the mayor by December 1st of each year. The office of the mayor shall submit the authority's line-item appropriation requests without alteration or amendment. The council shall, with or without amendments, approve the authority's appropriation requests.



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## RESOLUTION

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**Section \_\_\_-107. Public Hearings --**

The board shall hold public hearings prior to fixing and adjusting rates and adopting a proposed budget.

**Section \_\_\_-108. Receipt and Disbursement of Funds --**

The authority shall make its own collections, but all receipts shall be paid daily into the city treasury and maintained in a fund separate and apart from any other funds of the city.

All moneys expended by the authority shall be disbursed with the written approval of the authority according to the procedures prescribed by the director of budget and fiscal services.

The authority shall have management and control over the moneys made available to the authority in the special transit fund established to receive the county surcharge on state tax.

The authority shall have the authority to receive and expend federal funds authorized for the planning, construction, and operation and maintenance of fixed guideway system projects.

**Section \_\_\_-109. Bond Sales --**

All bond sales shall be subject to council approval. At the request of the authority, the council may, by resolution, approve and the director of budget and fiscal services, when so directed by the board, shall sell such bonds for the acquisition, construction, replacement, rehabilitation, approved extensions or completion of the fixed guideway system in accordance with the procedures prescribed by law for such sales. The proceeds from such sales shall be kept by the director of budget and fiscal services in a separate fund to be used only for the purposes for which the bonds are sold.

**Section \_\_\_-110. Personnel; Purchasing --**

1. Subject to the availability of funds and the creation of positions by and authorization from the board, the executive director may hire personnel necessary to perform the duties and functions of the public transit authority.



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## RESOLUTION

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2. The authority shall be subject to the civil service provisions of this charter.

3. The authority shall be subject to the centralized purchasing and disposal of personal property provisions of this charter.

4. Pensions for officers and employees shall be governed by law.

**Section \_\_\_-111. Audits --**

1. The accounts and financial status of the authority shall be examined annually by a certified public accountant whose services shall be contracted for by the board and whose fees shall be paid as an expense of the authority. The result of such examination shall be reported to the board, the council and the mayor.

2. The authority shall come within the purview of the performance audit conducted by the managing director and such audits as may be required by the council or conducted by the city auditor.

**Section \_\_\_-112. Legal Counsel --**

The corporation counsel of the city shall be the legal adviser of the authority and shall institute and defend, as the board may require, any and all actions involving matters under the jurisdiction of the authority. The corporation counsel may, with the prior approval of the board, compromise, settle or dismiss any claim or litigation, for or against the authority.

The compensation for such legal work shall be as agreed upon by the board and the council and shall be paid from the revenues of the authority.

The authority may employ an attorney to act as its legal adviser and to represent the authority in any litigation to which the authority is a party.

**Section \_\_\_-113. Service of Process; Claims --**

The authority may sue and be sued under the name of the "Honolulu Authority For Rapid Transportation, City and County of Honolulu." Service of process in all matters affecting the authority or any property under its jurisdiction may be made by service upon any member of the board or on the executive director. Any action commenced or prosecuted for the recovery of damages for



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## RESOLUTION

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any injury to persons or property by reason of negligence of the board or of any agents or employees of the authority, shall be commenced and prosecuted against the authority. No action shall be maintained for the recovery of damages unless a written statement verified by oath of claimant, setting forth the nature and items of the claim and the time and place where the alleged injury occurred, has been filed with the authority within two years after the date of sustaining the injury.

**Section \_\_\_-114. Transit Fund --**

There shall be established a special fund into which shall be transferred the county surcharge on state tax and all revenues generated by the fixed guideway system, including interest earned on the deposits and all other receipts dedicated for the fixed guideway system. All moneys collected from the county surcharge on state excise and use tax and received by the city shall be promptly deposited into the special fund. Expenditures from the special fund shall be for the operating or capital costs of the fixed guideway system and for expenses in complying with the Americans with Disabilities Act of 1990 as it may be amended.

**Section \_\_\_-115. Reserve Funds --**

The board may provide for the accumulation of funds for the purpose of financing major replacements, or extensions and additions to the fixed guideway system, the average estimated annual increment to which, for a period of ten years, shall not exceed fifteen percent of the gross revenues of the fixed guideway system of the authority in any fiscal year.

**Section \_\_\_-116. Performance Bonds --**

The board may require an individual or blanket bond in such amount as it shall deem proper for any or all employees, which bond shall be duly conditioned for the faithful performance of duties, and the board may provide that the premium on the bond be paid out of the revenues of the authority.

**Section \_\_\_-117. Personnel --**

The mayor may transfer a civil service position existing on July 1, 2011 within any department to the authority, if the position is necessary for the administration or operation of the authority or the performance of another duty or function assigned to the authority. The civil service employee holding a



**RESOLUTION**

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permanent appointment in a position that is to be transferred shall suffer no loss of vacation allowance, sick leave, service credits, retirement benefits, or other rights and privileges because of the transfer. Nothing in this section, however, shall be construed as preventing future changes in status pursuant to the civil service provisions of this charter.

**Section \_\_-118. Standards of Conduct --**

Article XI of the charter shall be applicable to the authority.

**Section \_\_-119. Fixed Guideway Alignments, Extensions and Additions --**

The authority shall adhere to the fixed guideway system alignment of the locally preferred alternative approved by the council. Any new alignment, extension or addition to the fixed guideway system alignment shall be subject to council approval by ordinance, except that any adjustment of the alignment necessitated by the impact mitigation shall not constitute a new alignment for purposes of this section.

**Section \_\_-120. Applicability of Charter Provisions --**

Except as otherwise provided, no provision of this charter, other than those set forth in this article of the charter, shall be applicable to the authority."

3. That it propose and it is hereby proposed, that Section 6-203, Revised Charter of the City and County of Honolulu 1973, as amended, be amended to read as follows:

**"Section 6-203. Powers, Duties and Functions --**

The director of budget and fiscal services shall be the chief accounting officer of the city and shall:

- (a) Prepare bills for the collection of moneys due the city or authorize the preparation thereof by other executive agencies of the city government under the director's general supervision.
- (b) Collect and receive moneys due to or receivable by the city and issue receipts therefor or authorize other executive agencies to do so under conditions prescribed by the director of budget and fiscal services.



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## RESOLUTION

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- (c) Keep accurate and complete account of receipts and disbursements.
- (d) Maintain the treasury and, with the approval of the mayor, deposit moneys belonging to the city in depositories authorized by law which fulfill all conditions prescribed for them by law.
- (e) Contract for services of independent contractors, purchase materials, supplies and equipment and permit disbursements to be made only pursuant to rules and regulations adopted under the terms of this charter.
- (f) Have the responsibility for issuing, selling, paying interest on and redeeming bonds of the city.
- (g) Prepare and issue warrants.
- (h) Prepare payrolls and pension rolls.
- (i) Be responsible for the management of city funds.
- (j) Sell real property upon which improvement assessments are not paid within the period prescribed and dispose of personal property not needed by any agency of the city, pursuant to policies established by the council.
- (k) Rent or lease city property, except property controlled by the board of water supply[,] and the public transit authority, and award concessions, pursuant to law and to policies established by the council.
- (l) Prepare and maintain a perpetual inventory of all lands owned, leased, rented or controlled by the city.
- (m) Prepare and maintain a perpetual inventory of equipment owned or controlled by the city and materials and supplies in central city storerooms.
- (n) Review assessment rolls for assessable public improvements prior to approval by the council and issue bills therefor after such approval has been given.



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## RESOLUTION

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- (o) Have custody of all official bonds, except the bond of the budget and fiscal services director, which shall be in the custody of the mayor.
  - (p) Review the manner in which public funds are received and expended and report to the mayor on the integrity with which said funds are accounted for and on the financial responsibility of officers and employees administering said funds.
  - (q) Provide information pertaining to the financial affairs of the city and make financial reports at least quarterly to the mayor and the council.
  - (r) Prepare the operating and capital program and budget and necessary budget ordinances and amendments or supplements thereto under the direction of the mayor.
  - (s) Review the operating and capital budget program schedules of each executive agency and make budgetary allotments for their [accomplishments] accomplishment with the approval of the mayor.
  - (t) Review all executive agency requests for the creation of new positions."
4. That it propose and it is hereby proposed, that Section 6-1103, Revised Charter of the City and County of Honolulu 1973, as amended, be amended to read as follows:

**"Section 6-1103. Civil Service and Executive Branch Exemptions --**

The provisions of this chapter of the charter shall apply to all positions in the service of the executive branch. This section shall apply to semi-autonomous agencies as though they are departments of the executive branch. The following positions shall be exempt from the provisions of this chapter of the charter:

- (a) Positions of officers elected by public vote; positions of heads of departments; the position of the band director of the Royal Hawaiian Band; the position of the manager and chief engineer of the board of water supply and the manager of any semi-autonomous agency created by ordinance.



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## RESOLUTION

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(b) Positions in the office of the mayor, but such positions shall be included in the position classification plan. Employees of the civil defense agency and Royal Hawaiian Band, other than the band director, shall not be exempted from civil service.

(c) Positions of deputies of the corporation counsel, deputies and administrative or executive assistants of the prosecuting attorney and law clerks.

(d) Positions of members of any board, commission or equivalent body.

(e) Positions of a temporary nature filled by students.

(f) Personal services obtained by contract where the director has certified that the service is special or unique, is essential to the public interest and that, because of circumstances surrounding its fulfillment, personnel to perform such service cannot be obtained through normal civil service recruitment procedures. Any such contract may be for any period not exceeding one year.

(g) Personal services of a temporary nature needed in the public interest where the need for the same does not exceed one year, but before any person may be employed to render such temporary service, the director of human resources shall certify that the service is of a temporary nature and that recruitment through normal civil service recruitment procedures is not practicable.

(h) Personal services performed on a fee, contract or piecework basis by persons who may lawfully perform their duties concurrently with their private business or profession or other private employment, if any, and whose duties require only a portion of their time, where it is impracticable to ascertain or anticipate the portion of time devoted to the service of the city and when such fact is certified to by the director of human resources.

(i) Positions of one first deputy; and for the Honolulu Police Department one additional deputy; private secretaries to heads of departments and their deputies; and the position of managing director, one first deputy and private secretaries to each; but private secretarial positions shall be included in the position classification plan. The first



**RESOLUTION**

deputy in the department of human resources, however, shall not be exempt from civil service.

(j) Positions or personal services in demonstration programs and joint participation and special projects which serve the community; provided that such exemptions are required by federal law or rules and regulations and then in accordance with procedures established by ordinance.

(k) The following positions of the public transit authority:

(1) The executive director, deputy director(s), private secretaries to the executive director and deputy director(s); and

(2) Positions certified by the director of human resources that require specialized knowledge and experience in fixed guideway system planning, development, operations, maintenance, and management, or transit-oriented development;

provided that, except for private secretarial positions, such positions shall not be included in the position classification plan and salaries for such positions shall be set by the public transit authority.

The director of human resources shall determine the applicability of this section of the charter to specific employment or services in the executive branch."

- 5. That it propose and it is hereby proposed, that Section 6-1703, Revised Charter of the City and County of Honolulu 1973, as amended, be amended to read as follows:

**"Section 6-1703. Powers, Duties and Functions --**

1. The director of transportation services shall:

(a) Plan, operate and maintain transportation[, including transit and bikeway,] systems, including bikeways, except for activities relating to the fixed guideway system as defined in Section -102, to meet public transportation needs, in accordance with the general plan and development plans, and advise on the design and construction thereof.



**RESOLUTION**

(b) Locate, select, install and maintain traffic control facilities and devices.

(c) Provide educational programs to promote traffic safety.

(d) Establish a steel wheel on steel rail transit system, provided that nothing in this subsection shall preclude the director from utilizing technologies other than steel wheel on steel rail technology to complement or extend the rail transit system.

(e) Promulgate rules and regulations pursuant to standards established by law.

2. The director of transportation services shall have no power, duty, or function with respect to transportation systems, facilities, or programs which are under the jurisdiction of the public transit authority."

6. That it propose and it is hereby proposed, that a new section be added to the Revised Charter of the City and County of Honolulu 1973, as amended, to read as follows:

**"Section 16- . Transition Provisions Concerning the Establishment of the Honolulu Authority for Rapid Transportation --**

1. All civil service officers and employees holding positions with the rapid transit division, department of transportation services, on June 30, 2011, shall be transferred to the Honolulu Authority for Rapid Transportation on July 1, 2011. The civil service officers and employees shall suffer no loss of vacation allowance, sick leave, service credits, retirement benefits, or other rights and privileges because of the transfer. Nothing in this subsection, however, shall be construed as preventing future changes in status pursuant to the civil service provisions of this charter.

2. All lawful obligations and liabilities owed by or to the City and County of Honolulu relating to the fixed guideway system as defined in Section -102 of this charter on June 30, 2011 shall remain in effect on July 1, 2011. The obligations and liabilities shall be assumed by the authority.

3. All records, property, and equipment whatsoever of any office, division, department, board, commission, authority, or agency, the functions of



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## RESOLUTION

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which, or some of the functions of which, are assigned to any other agency by the amendments to this charter approved on November 2, 2010, shall be transferred and delivered to the agency to which such functions are assigned.”

7. In Sections 3 to 6 of this resolution, charter material to be repealed is bracketed; new charter material is underscored. When revising, compiling, or printing these charter provisions for inclusion in the Revised Charter of the City and County of Honolulu 1973, as amended, the revisor of the Charter need not include the brackets, the bracketed material, or the underscoring.
8. That if these Charter provisions are amended by any other Charter amendment approved by the electors in the 2010 general election, the revisor of the Charter, in revising, compiling or printing the Charter: (1) may designate or redesignate articles, chapters, sections or parts of sections, and rearrange references thereto; and (2) shall, except as otherwise expressly provided in this resolution or in the other resolution(s) amending these Charter provisions, give effect, to the extent possible, to all of the amendments approved. The revisor of the Charter may also change capitalization or the forms of numbers and monetary sums for the sake of uniformity.
9. That the City Clerk be and is hereby directed:
  - A. To prepare the necessary ballots with the question contained in this resolution and with spaces for “yes” and “no” votes on the question for presentation to the electors at the 2010 general election. The City Clerk may make technical and non-substantive changes to the form of the question presented in order to conform it to the form of other Charter amendment questions presented to the electors at the same election; and
  - B. To publish the above-proposed Charter amendments at length in a daily newspaper of general circulation in the City and County of Honolulu at least 45 days prior to their submission to the electors at the 2010 general election.



**RESOLUTION**

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- 10. That upon approval of the Charter amendment question posed in this resolution by a majority of electors voting thereon, as duly certified, the Charter amendments proposed in this resolution shall take effect on July 1, 2011.

INTRODUCED BY:

Charles Djou

Todd Apo

Ikaika Anderson

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\_\_\_\_\_

\_\_\_\_\_

DATE OF INTRODUCTION:

\_\_\_\_\_

\_\_\_\_\_

August 20, 2009  
Honolulu, Hawaii

\_\_\_\_\_

Councilmembers

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
C E R T I F I C A T E

**RESOLUTION 09-252, CD1**

Introduced: 08/20/09 By: CHARLES DJOU

Committee: EXECUTIVE MATTERS  
AND LEGAL AFFAIRS

Title: RESOLUTION INITIATING AMENDMENTS TO THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED, RELATING TO THE CREATION OF A PUBLIC TRANSIT AUTHORITY.

Links: [RES09-252](#)  
[RES09-252, CD1](#)  
[CR-305](#)  
[CR-398](#)

NOTE: COUNCILMEMBER DUKE BAINUM PASSED AWAY ON TUESDAY, JUNE 9, 2009. ALTHOUGH THERE IS A VACANCY, THE COUNCIL CONTINUES TO OPERATE IN ACCORDANCE WITH THE 9 MEMBERS IT IS ENTITLED TO PURSUANT TO SECTION 3-102, REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED. HOWEVER, THE CERTIFICATE WILL NOT REFLECT THE VACANCY ON THE VOTE RECORDED FOR THIS ITEM.

COUNCIL	08/26/09	RESOLUTION PASSED FIRST READING AND REFERRED TO THE COMMITTEE ON EXECUTIVE MATTERS AND LEGAL AFFAIRS.							
ANDERSON	Y	APO	Y	CACHOLA	Y	DELA CRUZ	Y	DJOU	Y
GARCIA	Y	OKINO	Y	TAM	Y				

NOTE: ANN KOBAYASHI WAS SWORN IN AND TOOK OFFICE AS A MEMBER OF THE HONOLULU CITY COUNCIL ON FRIDAY, AUGUST 28, 2009 REPRESENTING DISTRICT V.

EXECUTIVE MATTERS AND LEGAL AFFAIRS	09/02/09	CR-305 – RESOLUTION REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING.							
PUBLISH	09/05/09	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.							
COUNCIL/PUBLIC HEARING	09/16/09	CR-305 ADOPTED. RESOLUTION 09-252 PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO EXECUTIVE MATTERS AND LEGAL AFFAIRS COMMITTEE.							
ANDERSON	Y	APO	Y	CACHOLA	Y	DELA CRUZ	Y	DJOU	Y
GARCIA	Y	KOBAYASHI	Y	OKINO	Y	TAM	Y		
PUBLISH	09/24/09	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.							
EXECUTIVE MATTERS AND LEGAL AFFAIRS	12/02/09	CR-398 – RESOLUTION REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD1 FORM.							

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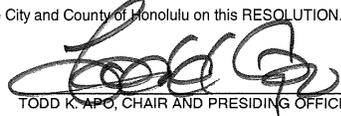
COUNCIL                      12/16/09                      CR-398 ADOPTED AND RESOLUTION 09-252, CD1 PASSED THIRD READING, AS AMENDED.

ANDERSON   Y                      APO   Y                      CACHOLA   A                      DELA CRUZ   Y                      DJOU   Y  
GARCIA   Y                      KOBAYASHI   Y                      OKINO   Y                      TAM   Y

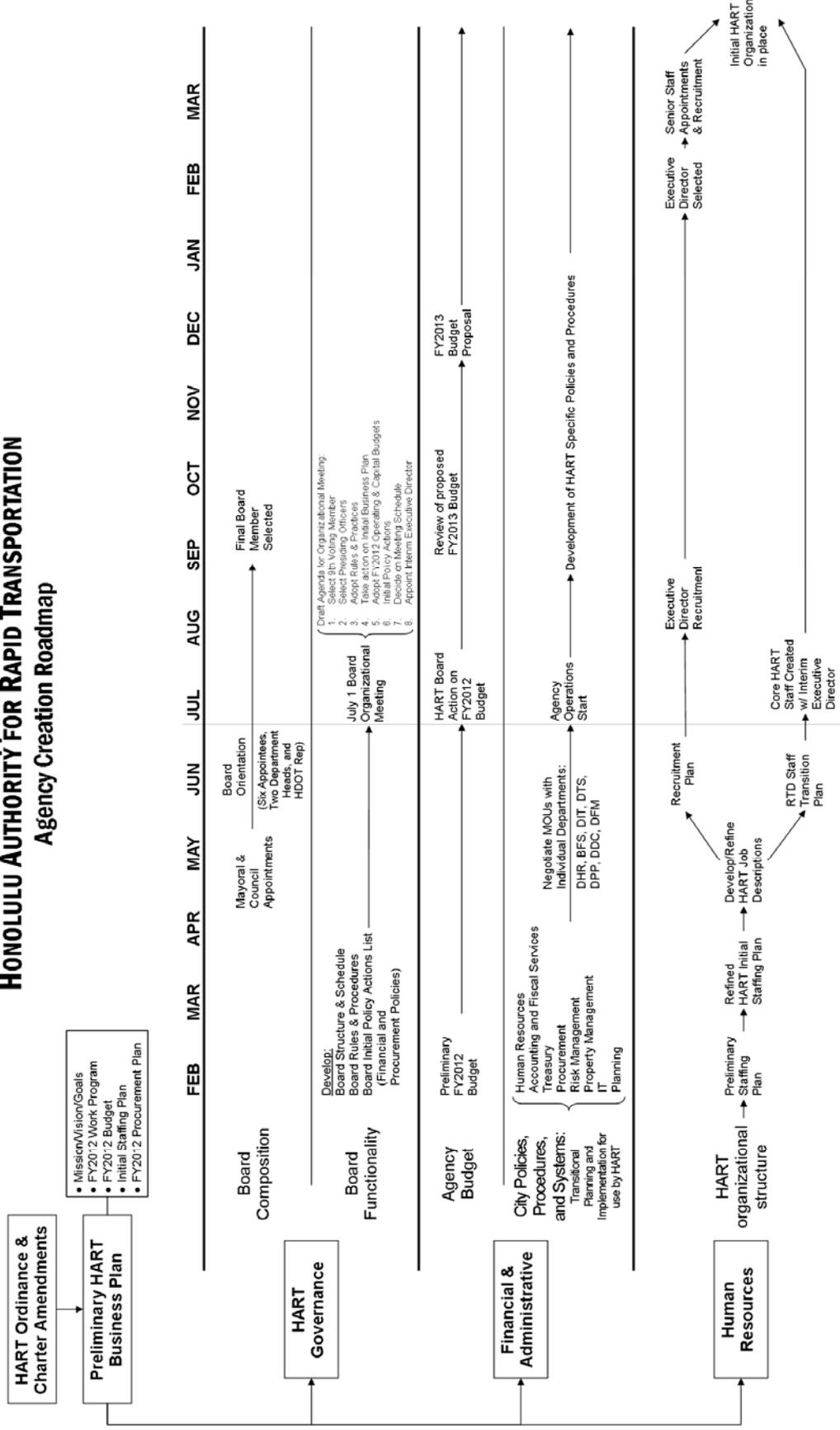
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I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

  
BERNICE K. N. MAU, CITY CLERK

  
TODD K. APO, CHAIR AND PRESIDING OFFICER

# Appendix B HONOLULU AUTHORITY FOR RAPID TRANSPORTATION Agency Creation Roadmap



Updated 08/24/11; 8:55 am

## Appendix C

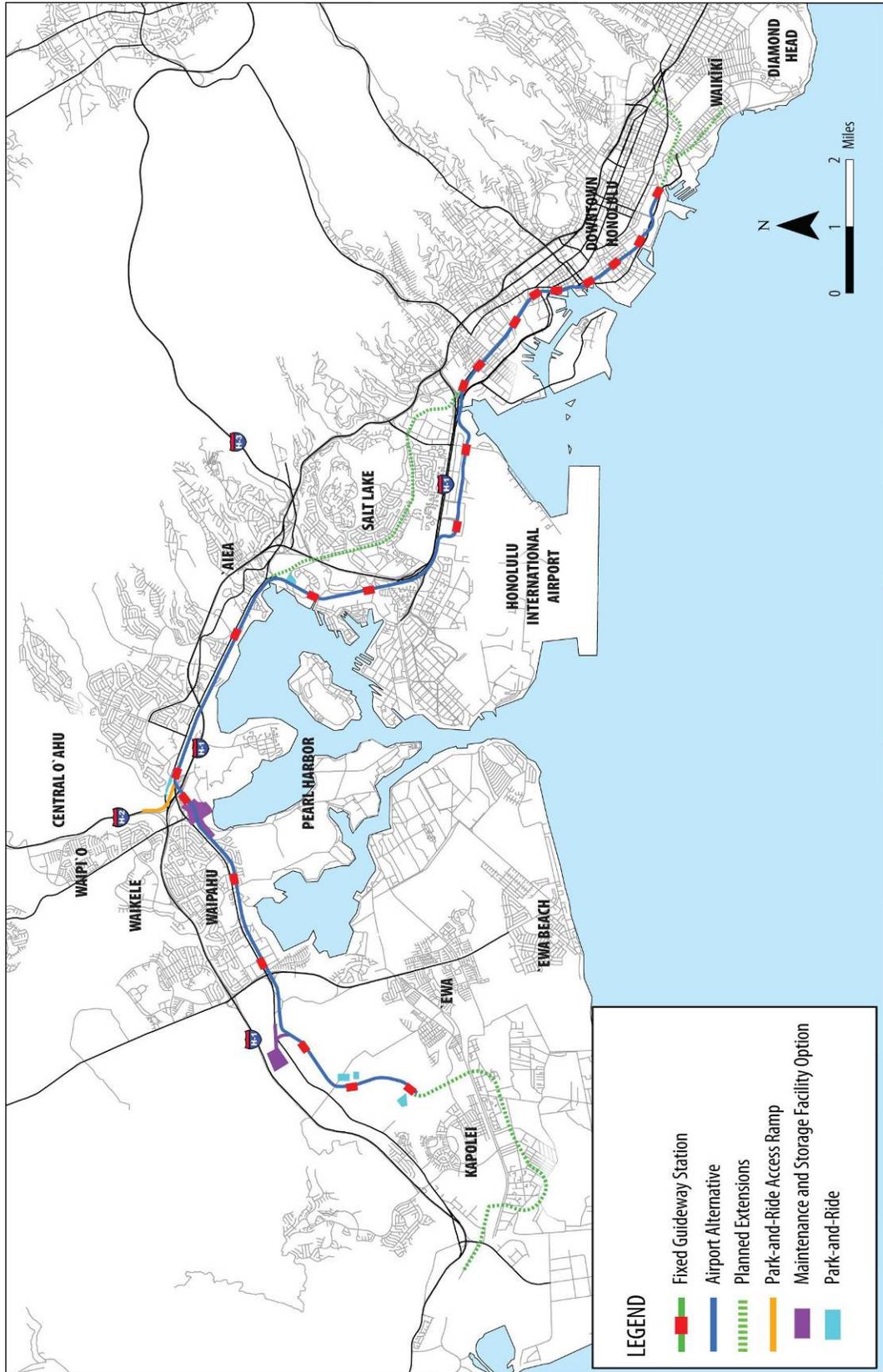
### Project Background and Planning

The Alternatives Analysis (AA) for the Project was initiated in August 2005 and the *Honolulu High-Capacity Transit Corridor Project Alternatives Analysis Report* was presented to the Honolulu City Council in October 2006. The purpose of the report was to provide the City Council with the information necessary to select a mode and general alignment for high-capacity transit service on O`ahu. The report summarized the results of the AA that was conducted following the FTA's planning guidance. It also provided information on the costs, benefits, and impacts of four alternatives: No Build Alternative, Transportation Systems Management Alternative, Managed Lane Alternative, and Fixed Guideway Alternative.

During November and December 2006, public meetings were held on the AA. On December 22, 2006, the Honolulu City Council enacted Ordinance No. 07-001, which selected a fixed guideway alternative from Kapolei to the University of Hawai`i at Mānoa with a connection to Waikīkī as the Locally Preferred Alternative (LPA) for the Project. Ordinance 07-001 identified a specific alignment for the majority of the corridor but left options open in two locations. At the western end of the corridor, the LPA selection identified two alignments (described in the AA Report as Section I – Saratoga Avenue/North-South Road and Kamokila Boulevard), with the notation “*as determined by the city administration before or during preliminary engineering.*” In the center of the corridor, the LPA selection also identified two alignments (described in the AA Report as Section III – Salt Lake Boulevard and Aolele Street), also with the notation “*as determined by the city administration before or during preliminary engineering.*”

The LPA selection was made recognizing that currently-identified revenue sources, including revenues from the 0.5 percent General Excise Tax (GET) surcharge in place from January 1, 2007 through December 31, 2022, and a reasonable expectation of FTA New Starts funds, would not be sufficient to fund the capital cost of the LPA. Thus, a financially feasible project needed to be identified. On February 27, 2007, the Honolulu City Council initially selected a segment of the LPA from East Kapolei to Ala Moana Center, via Salt Lake Boulevard (Resolution 07-039, FD1(c)). However, on January 28, 2009, the Honolulu City Council, under Resolution 08-261, recommended replacing the Salt Lake portion of this initial alignment with a route that includes direct service to Pearl Harbor and the Airport. This segment of the LPA, from East Kapolei to Ala Moana Center, which serves the Airport is referred to as “the Project” and is shown in **Figure 1** and described in Section 1.3, Project Description.

Figure 1: The Project



Segment I includes seven stations: East Kapolei, UH West O‘ahu, Ho‘opili, West Loch, Waipahu Transit Center, Leeward Community College and Pearl Highlands. In addition, it includes one Maintenance & Storage Facility, two park and ride lots, one park and ride structure and two bus transit centers.

Following adoption of Resolution 07-039, FD1(c), the City began discussions with FTA concerning the alternatives to be included in the documents to be prepared pursuant to the National Environmental Policy Act of 1969, as amended, and the joint regulations at Title 23 CFR Part 771 and Title 49 CFR Part 622 (collectively, NEPA). These discussions resulted in the decision that the Draft EIS should examine the LPA with emphasis on the Salt Lake route, since it was considered the Project at that point in time. The Draft EIS (DEIS), which was circulated for public comment between November 4, 2008 and February 6, 2009, evaluated both the Salt Lake and Airport routes. However, during the Draft EIS public comment period, the Honolulu City Council adopted Resolution 08-261 recommending that the initial project directly serve the Airport. On this basis, the City determined that the Final EIS (FEIS) would focus on the Airport route, which is referred to as “the Project.”

## **Project Description**

### **Alignment**

The Project is an approximately 20-mile portion of the LPA extending from East Kapolei in the west to Ala Moana Center in the east (**Figure 1**). The alignment is elevated, with the exception of 3,700 linear feet (0.7 mile) that is at-grade at the Leeward Community College station.

The Project is planned to be delivered in four design and construction segments, as described below.

#### ***Segment I – West O`ahu/Farrington Highway: East Kapolei to Pearl Highlands***

East Kapolei is the western terminus of the Project. The alignment begins at North-South Road north of Kapolei Parkway. The alignment follows North-South Road in a northerly direction to Farrington Highway where it turns east following Farrington Highway and crosses Fort Weaver Road. The alignment is elevated along North-South Road and along Farrington Highway.

The alignment continues in a north-easterly direction following Farrington Highway in an elevated structure. South of the H-1 Freeway, the alignment descends to grade as it enters the Maintenance & Storage Facility, the former Navy Drum Site. The alignment continues at grade to Leeward Community College and then returns to an elevated configuration to cross over the H-1 Freeway. North of the Freeway, the alignment turns eastward along Kamehameha Highway.

**Table 1: Segment I Stations – East Kapolei to Pearl Highlands**

<b>Station No.</b>	<b>Name/Planned Location</b>	<b>Planned Station Type</b>	<b>Planned Station Features</b>
1.	<b>East Kapolei:</b> North-South Road @ East – West Road	Center Platform Concourse	Park-and-Ride lot: 900 spaces
2.	<b>UH West O`ahu:</b> North-South Road @ Campus Drive	Side Platform Concourse	Park-and- Ride lot: 1,000 spaces Major bus interface
3.	<b>Ho`opili:</b> Future street minor east-west street approximately 300' south of Farrington Highway	Side Platform No concourse	
4.	<b>West Loch:</b> Farrington Highway @ Leoku Street	Side Platform Concourse	Major bus interface with Bus Transit Center
5.	<b>Waipahu Transit Center:</b> Farrington Highway @ Mokuola Street	Side Platform Concourse	Major bus interface with Bus Transit Center
6.	<b>Leeward Community College:</b> LCC parking lot	Side Platform At grade	Community college interface Access from below platform circulation space
7	<b>Pearl Highlands:</b> Kamehameha Highway @ Kuala Street	Side Platform Concourse	Park-and-Ride multi-level structure: 1,600 spaces Major bus interface Bridge to adjacent retail

***Segment II – Kamehameha Highway: Pearl Highlands to Aloha Stadium (Airport)***

The alignment continues in an elevated structure and continues in the median of Kamehameha Highway, crossing H-1 and continuing to where the Moanalua Freeway extension joins Kamehameha Highway at Aiea Stream. The route then crosses the westbound lane of Kamehameha Highway past a section with a pocket track and continues to the Aloha Stadium Station.

Segment II includes two stations: Pearlridge and Aloha Stadium and one park-and-ride lot.

**Table 2: Segment II Stations – Pearl Highlands to Aloha Stadium**

Station No.	Name/Planned Location	Planned Station Type	Planned Station Features
8.	<b>Pearlridge:</b> Kamehameha Highway @ Kaonohi Street	Side Platform Concourse	Major bus interface to be provided in the future as a separate project when funds become available
9.	<b>Aloha Stadium:</b> Kamehameha Highway @ Salt Lake Boulevard	Side Platform Concourse	Major bus interface Park-and-Ride lot: 600 spaces

***Segment III – Airport: Aloha Stadium to Middle Street Transit Center Station***

Past Aloha Stadium station, the elevated route reenters the median of Kamehameha Highway continuing to its intersection with Nimitz Highway. The route then runs along the Nimitz Highway turning makai into Aolele Street. The route then follows Aolele Street (Koko Head) to reconnect to the Nimitz Connector along the makai frontage road and continues to the Middle Street Transit Center, after crossing Nimitz Highway. Segment III includes four stations: Pearl Harbor Naval Base, Honolulu International Airport, Lagoon Drive and Middle Street Transit Center.

Even though the Middle Street Transit Center Station is planned to open at the same time as the Pearl Harbor, Airport and Lagoon Stations, it will be constructed in a different station construction contract which also includes the Kalihi and Kapālama Stations which are in Segment IV. Thus the Middle Street Transit Center Station is included in **Table 4** below.

**Table 3: Segment III Stations – Airport**

Station No.	Name/Planned Location	Planned Station Type	Planned Station Features
10.	<b>Pearl Harbor Naval Base:</b> Kamehameha Highway @ Radford Road	Side Platform Concourse	
11.	<b>Airport:</b> Aolele Street @ Alauana Street	Side Platform Concourse	Pedestrian walkways to Airport Terminal
12.	<b>Lagoon:</b> Aolele Street @ Lagoon Drive	Side Platform No concourse	

***Segment IV – City Center: Middle Street Transit Center Station to Ala Moana Center***

The elevated alignment continues southeast following Dillingham Boulevard and crosses Kapālama Canal, leaving Dillingham Boulevard at Ka‘aahi Street, and crosses Iwilei Road. After crossing Iwilei Road, the alignment follows the Nimitz Highway to

Halekauwila Street and continues southeast along Halekauwila Street past Ward Avenue, where it transitions onto Queen Street. At the end of Queen Street, the alignment crosses Waimanu Street and crosses over to Kona Street. The alignment then goes through Ala Moana Center and ends with a tail track along Kona Street.

Segment IV includes eight stations: Kalihi, Kapālama, Iwilei, Chinatown, Downtown, Civic Center, Kaka‘ako and Ala Moana Center. There are no park-and-ride lots planned in this segment.

The Middle Street Transit Center Station in Segment III is planned to be constructed as part of a station construction package which also includes the Kalihi and Kapālama Stations, hence it is included in **Table 4**.

**Table 4: Segment IV Stations – City Center**

Station No.	Name/Planned Location	Planned Station Type	Planned Station Features
13.	<b>Middle Street Transit Center:</b> Dillingham Boulevard @ Middle Street	Side/Center/Side Platform Concourse	Major bus interface with Bus Transit Center Pedestrian Bridge to Transit Center
14.	<b>Kalihi:</b> Dillingham Boulevard @ Mokauea Street	Side Platform Concourse	
15.	<b>Kapālama:</b> Dillingham Boulevard @ Kokea Street	Side Platform No concourse	
16.	<b>Iwilei:</b> Ka'aahi Street @ Dillingham Boulevard	Side Platform Concourse	Entry building off transit plaza
17.	<b>Chinatown:</b> Nimitz Highway @ Kekaulike Street	Side Platform Concourse	Entry building off pedestrian plaza
18.	<b>Downtown:</b> Nimitz Highway @ Alakea Street	Side Platform Concourse	Entry off pedestrian urban courtyard
19.	<b>Civic Center:</b> Halekauwila Street @ South Street	Side Platform No Concourse	Passenger plaza adjacent to entry building
20.	<b>Kaka`ako:</b> Halekauwila Street @ Ward Avenue	Side Platform No Concourse	Entry building adjacent to retail
21.	<b>Ala Moana Center:</b> Kona Street mauka of AMC	Center/Side Platform Adjacent to shopping center	Major bus interface Entry building integrated into existing parking structure.

### System-wide Elements

The selected transit technology is electrically powered, industry-standard steel wheel on steel rail powered from a third-rail system. The selected vehicle is to be capable of a top speed greater than 50 mph. The vehicles will be fully automated and driverless although

train attendants are anticipated to be on the train during an initial burn-in period to provide the possibility of manual intervention in response to malfunctions. The driverless option is possible because the fixed guideway will operate in exclusive right-of-way with no automobile or pedestrian crossings. The system is being designed so that vehicles from more than one supplier could operate on the guideway once they are integrated with the train control system. To this degree, it is intended to be a non-proprietary system.

The traction power distribution system consists of about 14 substations and main line track power distribution facilities. The substations are spaced at approximately one and one-half mile intervals along the alignment. The exact number of substations will be determined during final design.

Train signaling uses automatic train control (ATC) and automatic train operations (ATO) technology. The communications and security facilities include emergency phones, closed circuit television (CCTV), and public address and information display systems.

There will be approximately 65 to 75 guideway vehicles to accommodate 6,280 passengers per hour per direction in the initial years of operations. The exact number of vehicles will be determined upon selection of a Core Systems Contractor who will provide the vehicles. Additional vehicles will be added to the fleet as passenger demands require in the future. Up to 150 vehicles may be accommodated at the selected vehicle Maintenance and Storage Facility

The Maintenance and Storage Facility will be constructed on 43 acres of land at the Navy Drum site, east of Farrington Highway to the south of Leeward Community College, to service and store the transit vehicles.

## **Fare Collection**

A unified fare structure is planned, which will be integrated with the City's existing bus system, TheBus. The Project is contemplated to be barrier-free. Fare vending machines are to be placed in all stations and continued use of standard fare boxes is assumed for TheBus. Fare-collection for the fixed guideway system involves proof of payment procedures. Under the barrier-free concept, no gate or fare inspection points are to be installed at the stations. Part of the station including the platform is designated by signage and floor markings as a fare paid area. Persons entering fare paid areas will need to have proof of having paid a valid fare. Fare inspectors will ride the system and randomly check to verify that passengers have valid tickets or transfers. Violators will be cited and fined as determined by future policies by City ordinance. As of December 2010, studies have not been completed to determine whether the fare inspectors will be City Police, other City employee or contractor employees. These decisions will be made by the City at least 18 months prior to initial operations. Stations are also being designed so that fare gates may be installed in the future with little or no disruption if a different fare collection is desired at any time after systems operations have begun. Conduits and cable raceways are planned to be installed in the system at this time to cover the possibility of future fare gates and related communications (including additional video monitoring, if deemed necessary).

The following assumptions were made for the fixed guideway system:

- Fares for the fixed guideway system will be consistent with the fare structure for TheBus. Pass products will work interchangeably on both modes and transfers between modes will be seamless and at no additional fare.
- Current City policy requires that the bus fares be adjusted so that the farebox recovery ratio does not fall below 27% or exceed 33%. It is assumed that future fare increases will be consistent with this policy.

### **Operating Plan**

The Project is planned to operate in revenue service seven days a week. Weekday service will operate between 4 a.m. and midnight. Saturday service will run from 5 a.m. to midnight, and Sunday service will run from 6 a.m. to midnight. Vehicle headways in each direction will range from 3 minutes during peak periods to 10 minutes from 8 p.m. to midnight. A train will arrive in each direction at the station every 6 minutes during base periods. The system is planned to operate with multi-car vehicles at a maximum train length of 240 feet with each train able to carry a minimum of 300 passengers. The peak capacity in the opening year will be 6,280 passengers per hour per direction. The system will be expandable to allow for a 50% increase in capacity. For further information refer to the Project's Rail Operations and Maintenance Plan (RD-20).

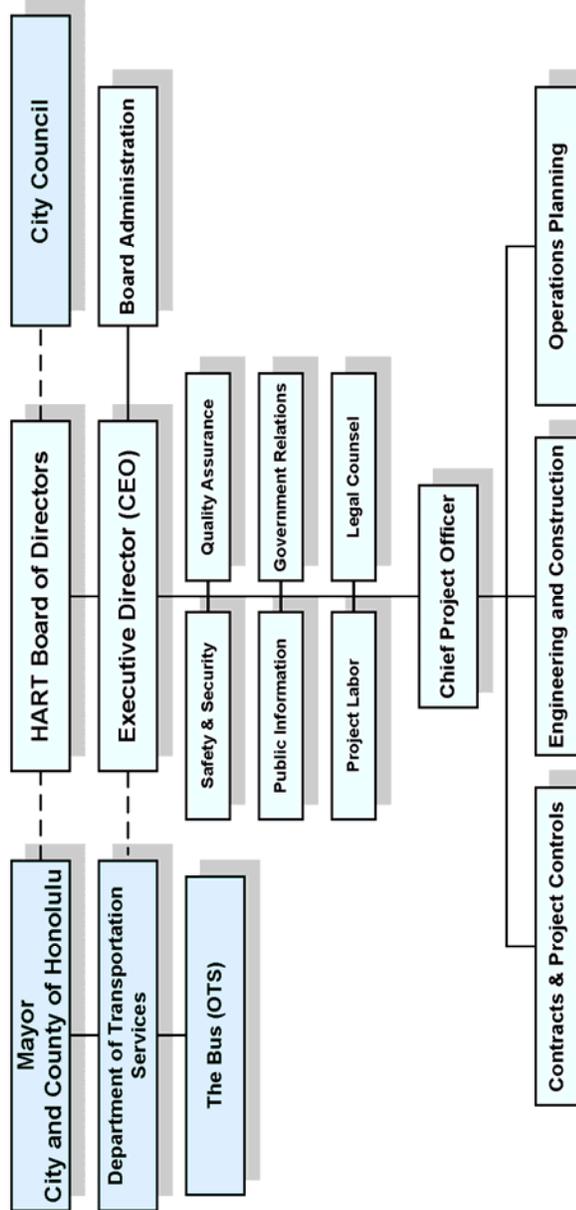
### **Ridership Estimates**

Current 2030 travel forecasts for the Project anticipate 116,000 daily transit boardings. In the initial year of full operations, the Project anticipates approximately 97,500 daily boardings.

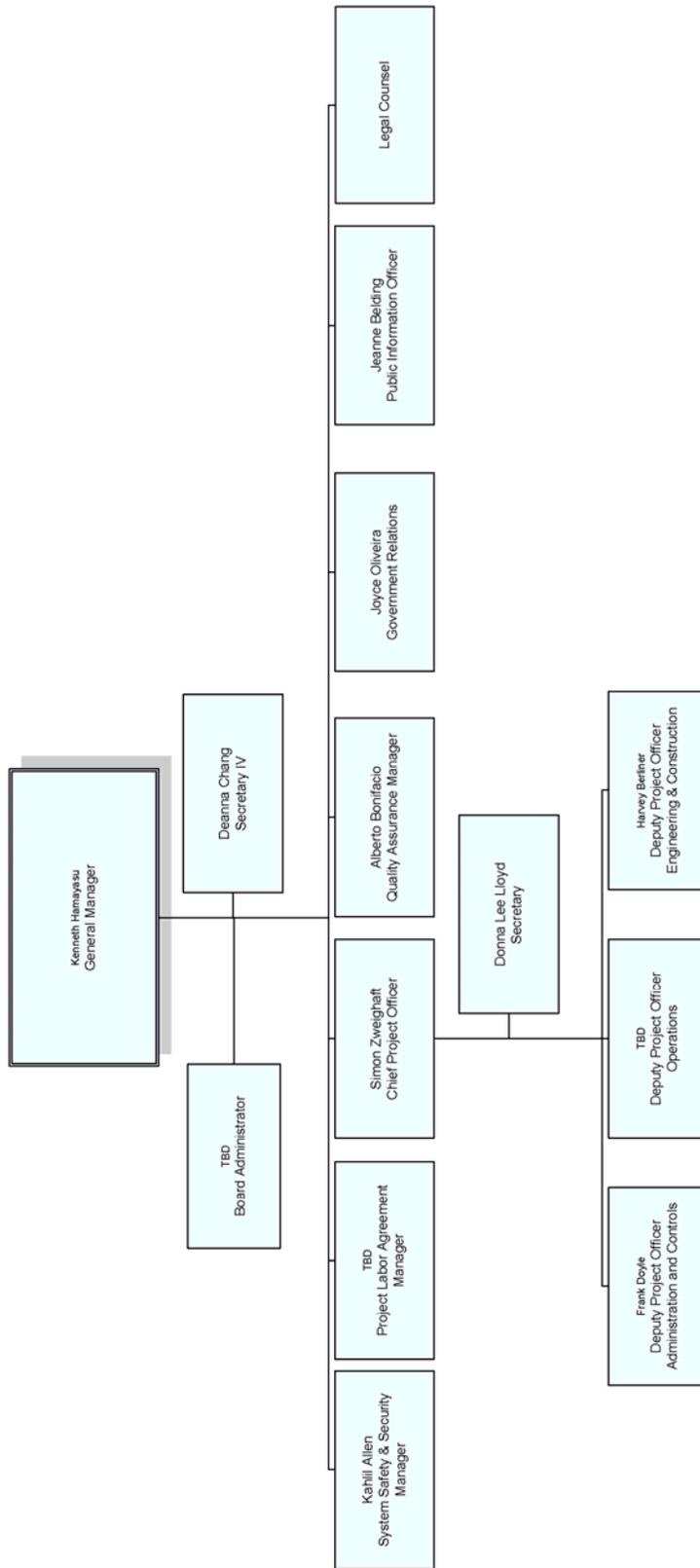
# Appendix D

## HART Start-up Organizational Chart

**HART Organization Chart**  
by functional area as of 7/1/2011

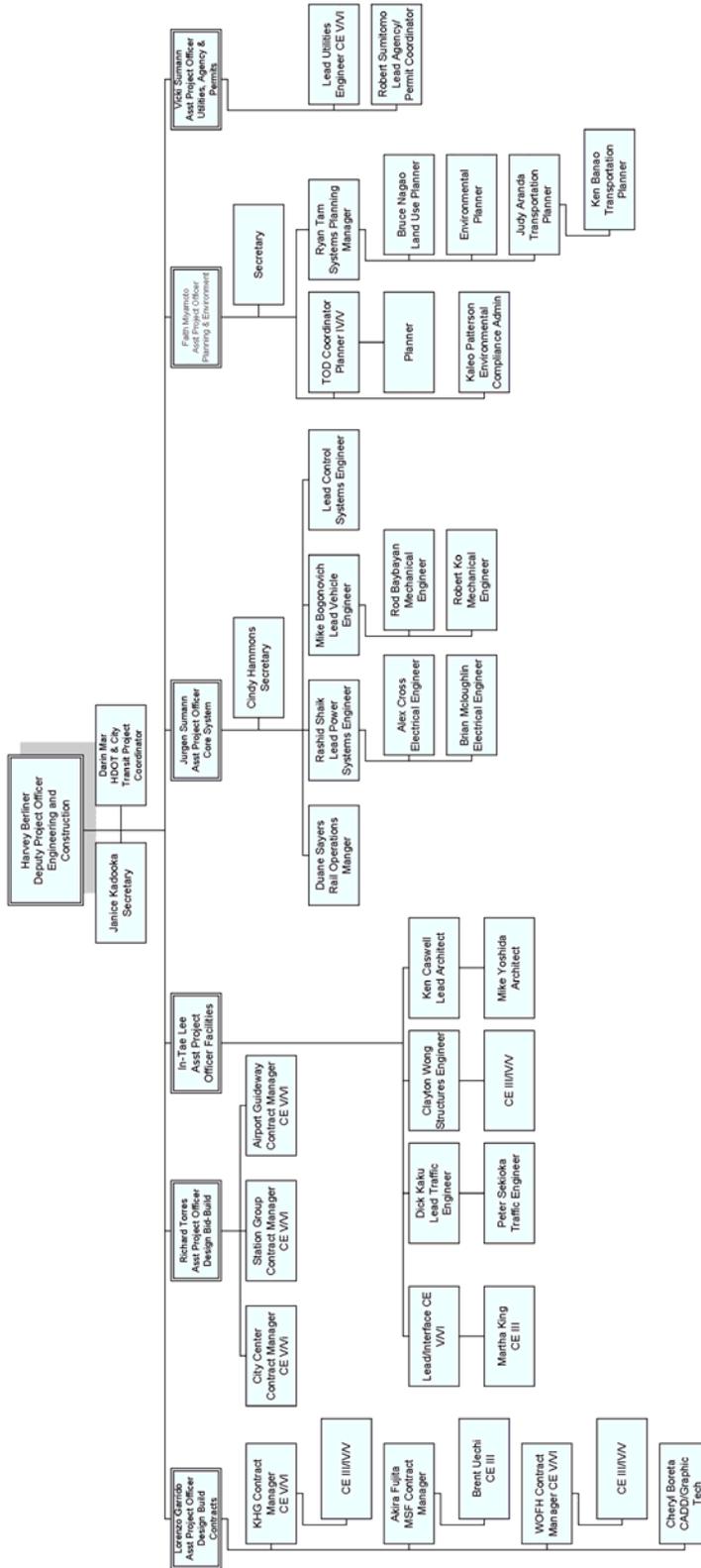


Appendix D  
HART Staff Organization





Appendix D  
HART Staff Organization  
Engineer and Construction



Appendix D  
HART Staff Organization  
Staff Divisions

