



HONOLULU AUTHORITY for RAPID TRANSPORTATION

## MINUTES

**Board of Directors Meeting  
Old Archives - Kana`ina Building  
364 South King Street, Honolulu, Hawaii  
Thursday, September 13, 2012, 8:30 AM**

PRESENT:	Carrie Okinaga Ivan Lui-Kwan Glenn Okimoto Damien Kim	Wayne Yoshioka Don Horner William "Buzz" Hong
ALSO IN ATTENDANCE: (Sign-in Sheet and Staff)	Dan Grabauskas Diane Arakaki Gary Takeuchi Lisa Hirahara Cindy Matsushita Scott Ishikawa Jerry Iwata Laura Ray Jim Van Epps Jeanne Mariani-Belding	Maurice Morita Barbara Gilliland Paul Migloiorato Lori Hiraoka Doug Chun Joe Magaldi Shannon Wood Russell Honma Cliff Slater Joyce Oliveira Andrea Tantoco
EXCUSED:	Keslie Hui Robert "Bobby" Bunda	David Tanoue

### I. Call to Order by Chair

Board Chair Carrie Okinaga called the meeting to order at 8:35 a.m.

### II. Public Testimony

Russell Honma provided testimony about the need for Board members to inform and address the concerns of the public regarding land acquisition.

Cliff Slater testified that automobile traffic will be 21% worse with rail, and 23% worse without rail. Mr. Slater stated the September episode of "Honolulu on the Move," a video on HART's website, is misleading as it depicts the Chinatown station with less traffic than in the drawings.

Board members Don Horner and Wayne Yoshioka both disagreed with Mr. Slater, stating that the data clearly shows that rail is the most beneficial scenario for transportation along the traffic corridor. Mr. Horner pointed to the Environmental Impact Statement (EIS), which states that rail would reduce car trips by 48,000 per day within the corridor, which Mr. Yoshioka added is equivalent to a six-lane arterial highway. He stated that the number of car trips is expressed as "average daily traffic," a two-way calculation.

Mr. Slater replied that Mr. Yoshioka had stated that traffic with rail would be worse than without rail. Mr. Horner clarified that traffic congestion will only be worse with rail if no other traffic mitigation is conducted, and that rail is part of a comprehensive solution to the traffic problem, given that the expected population growth will cause an increase in traffic. Mr. Slater replied that Parsons Brinckerhoff's (PB) Bus Rapid Transit Plan (BRT) would take more cars off the road than rail. Mr. Yoshioka stated that, looking at the overall context of PB's BRT plan, the plan includes a statement that BRT results in the worst level of traffic impact of all alternatives studied because it removes lanes from the roadway. Mr. Yoshioka added that he authored the "Traffic Impact" section of the EIS for the BRT Plan. He stated that the EIS also noted the increased ridership of BRT would be caused only by the worsening of vehicle traffic.

Board member William "Buzz" Hong asked if Mr. Slater agreed that there is a direct correlation between growth and development and an increase in traffic. Mr. Slater agreed. Mr. Slater requested a copy of the minutes of this meeting, and Ms. Okinaga stated that all HART minutes are posted on its website.

### III. Approval of August 30, 2012 Board of Directors Meeting Minutes

Ms. Okinaga called for the adoption of the minutes for the August 30, 2012 Board of Directors meeting. All being in favor, the minutes were adopted.

### IV. FY2014 Operating and Capital Budgets and Six-Year Capital Program

HART Chief Financial Officer Diane Arakaki introduced the Operating Budget for fiscal year 2014, which is required by policy to be submitted to the Board by September 15. She noted that the Operating Budget is level-funded, with no increases to the 139 full-time employees, and approximately \$152,000 less in materials and supplies.

Ms. Arakaki stated that the Capital Budget and Six-Year Capital Program are not being submitted, as staff is currently assessing the impact of the delay in light of the *Kaleikini* decision. The Capital Budget will be submitted to the Board in the next few weeks. Mr.

Horner agreed with Ms. Arakaki's approach to the Capital Budget, noting the need to provide accurate information to the public.

HART Executive Director and CEO Dan Grabauskas stated that as construction has temporarily ceased until completion of the Archaeological Inventory Survey (AIS), the project schedule, contracts, and capital expenditures have been impacted. Staff is working to refine the Capital Budget based on the *Kaleikini* case and the delay pending the Supreme Court and Circuit Court's decisions.

Mr. Horner clarified that the Capital Budget being refined is for FY2014 – next fiscal year. Mr. Grabauskas also stated that the Operating Budget is reduced from the current year, and reflects the \$1.6 million in reductions instituted by the Board this fiscal year. Ms. Okinaga encouraged Mr. Grabauskas to speak with the Council and the Mayor about the effects of *Kaleikini* on the project. He replied that he was meeting with the Council Chair that day.

Mr. Horner stated that he wanted to post financial information on HART's website for the public's benefit. He requested a discussion on the Capital Budget at the next Finance Committee meeting, acknowledging that the impact of the Supreme Court and lower court rulings. Ms. Okinaga asked whether the Operating Budget would also be affected by the *Kaleikini* decision, and Mr. Grabauskas replied that it was possible.

Ms. Okinaga clarified that the Board must adopt its Six-Year Capital Program by the end of the calendar year, but that it need not be adopted with the operating and capital budgets for 2014.

Ms. Okinaga called for a motion to refer the Operating and Capital Budgets and Six-Year Capital Program to the Finance Committee. Mr. Yoshioka made the motion, and Board member Ivan Lui-Kwan seconded. The motion carried unanimously.

#### V. Committee Membership

Ms. Okinaga stated that HART had five standing committees, and invited members to change membership or combine committees. She noted that Board member Keslie Hui had expressed a desire to join the Project Oversight Committee.

Ms. Okinaga also noted that Board member David Tanoue was leaving the City & County of Honolulu's Department of Planning and Permitting (DPP), and that his replacement would be DPP's Deputy Director Jiro Sumada.

#### VI. Gift Policy

Mr. Lui-Kwan stated that at the August 30, 2012 Audit/Legal Matters Committee meeting, the committee had approved the draft Gift Policy after considerable vetting. He

moved for adoption of the policy, and Board member Damien Kim seconded the motion. All being in favor, the motion carried unanimously.

VII. Status of Land Acquisition

Mr. Grabauskas introduced Real Estate Manager Jerry Iwata, who gave a Powerpoint presentation on the real property acquisition process, a copy of which is attached hereto as Attachment A. Mr. Iwata would also address the Star Advertiser article from that day, which focused on the relocation of business tenants.

Mr. Iwata stated that the goals of HART's Real Estate Division are based on the Uniform Relocation Assistance and Real Estate Acquisition Policies Act of 1970. They are:

1. Ensure owners of real property to be affected by Federally funded projects are treated fairly and consistently;
2. Encourage and expedite acquisition by agreement (no condemnations have occurred to date);
3. Minimize litigation and relieve congestion in the courts; and
4. Promote confidence in the acquisition program of the acquiring agency.

Mr. Iwata shared that the Honolulu rail project was recently selected as one of the top ten projects by the International Right of Way Association for its work on the Banana Patch.

He then outlined the steps in real property acquisition. Once a property has been identified for acquisition by the project, a letter of intent is sent to the property owner informing them that their property will be appraised, and providing them with information on valuation methodology and the acquisition process. The owner has a right to attend the appraisal. Mr. Horner asked who selects the appraiser, and Mr. Iwata stated that HART selects the appraiser from a list of approved appraisers.

The second step in the process is the appraisal and review of the property. HART has engaged two appraisal firms: John Child & Company, and Yamaguchi & Yamaguchi. Once the appraisal report is obtained, another independent appraiser reviews the report for conformity with accepted standards. Additionally, any appraisal over \$500,000 must be reviewed and approved by the Federal Transit Administration (FTA).

Board member Glenn Okimoto asked whether landowners could obtain their own appraisals. Mr. Iwata replied that HART encourages landowners to get their own appraisals, as its goal is to be fair and achieve reasonable settlements.

The next step is to determine just compensation pursuant to the mandate in the U.S. Constitution that a person cannot be deprived of private property without just compensation. An offer letter is prepared and presented to the landowner, who is given a reasonable time to consider the offer. Settlement negotiations then take place. If

negotiations are successful, HART takes title to the property. If negotiations are unsuccessful, HART proceeds with condemnation.

Mr. Okimoto asked what the timeline is for the process. Mr. Iwata replied that the entire process takes about three months from offer to acquisition.

Mr. Horner asked whether relocation expenses are required. Mr. Iwata confirmed that the federal government requires HART to pay relocation expenses. Mr. Horner asked if the budget figures in the presentation include relocation expenses, and Mr. Iwata stated they did not. Mr. Horner requested a future presentation on the relocation budget. Mr. Iwata stated that the budget for acquisition and relocation is approximately \$222 million, with the acquisition line item being \$201.7 million. Mr. Horner asked if HART was on budget for relocation expenses, and Mr. Iwata replied that it was. He stated that for business relocations, HART will pay for moving property and equipment to a new location. However, the law does not provide for reimbursement of capital improvements.

Mr. Iwata explained that HART has expended \$29.3 million for land acquisitions leaving \$172.4 million remaining.

Mr. Iwata then summarized the number of properties to be acquired as 38 full acquisitions, 133 partial acquisitions, 13 easements, for a total of 184 acquisitions. He stated that HART is currently working on 58 acquisitions.

Mr. Horner asked Mr. Iwata to define full and partial acquisitions. Mr. Iwata explained that a partial acquisition is when HART does not require the whole property. The property is subdivided, and HART acquires the portion it needs. However, an evaluation of the remainder and the overall impact to the property is done, as a landowner cannot be left with an unusable remnant. In those instances, the entire property is acquired. In the case of partial takings, such as "sliver takings" to widen roadways to accommodate columns, a before and after valuation is performed. The settlement offer contains a statement of just compensation required by the Code of Federal Regulations that details the land value.

Mr. Iwata continued by saying that HART has made a total of 29 acquisitions to date.

Mr. Kim asked if City requirements would be waived if a sliver acquisition rendered the property not in compliance with zoning or permitting requirements. Mr. Iwata replied that HART would obtain the Department of Planning and Permitting's written position in cases regarding setback requirements because the acquisition is for a public purpose. Mr. Horner clarified that the valuation would include a square foot value of the land being acquired, and a separate calculation for the detrimental impact to the property as a whole.

Ms. Okinaga stated that the HART August Monthly Progress Report shows that 93 total relocations have occurred. She clarified that some acquisitions require more than one relocation, as each household or tenant that is displaced is counted as one relocation. Mr.

Iwata gave the example of one property that was acquired that held ten households requiring relocation. All of those households were provided relocation assistance.

Mr. Lui-Kwan stated that he understood the acquisitions began in east Kapolei and moved towards the downtown area. He asked where the acquisition activity is currently occurring. Mr. Iwata stated that the current priority is to acquire property to complete the AIS, although the acquisition process is also ongoing in the Airport section of the alignment.

Mr. Iwata stated that \$35.9 million was budgeted for the 19 properties acquired to date, but only \$29.3 million was expended, resulting in a savings of \$6.6 million. Mr. Horner stated that it is encouraging that HART is about 18.5% below budget, and requested information on each property to reflect budgeted versus actual cost. He also requested that this information be included in HART's Fact Sheet.

Referring to the "List of Properties Acquired" slide, Mr. Horner observed that the average cost per property is 104% of the appraised value, and asked whether that amount includes the negative impact cost. Mr. Iwata confirmed that it did, but that relocation costs were not included.

Mr. Horner noted that a few properties accounted for a large portion of the 4% variance, and asked Mr. Iwata to explain the variance for the property at 94-819 Farrington Highway. Mr. Iwata stated that the appraisal for this property employed the market approach. However, the purchase price was based on the income approach, which shows the income generated by the property. The appraisal went through extensive evaluation by the FTA. Mr. Horner asked what the cap rate for the property was, and Mr. Iwata replied that it was 7%. Mr. Horner opined that the sale price was very fair, considering the cap rate. He stated that a variance of 4% with no litigation shows a very efficient process, and expressed his appreciation of the HART Right of Way section.

Mr. Iwata then addressed the Star Advertiser article in that morning's paper, which addressed the tenants of a building acquired by HART. Mr. Iwata stated that HART has been working with the tenants to relocate them for approximately five months. Although HART has been trying to accommodate them, the tenants are making claims for relocation compensation that cannot be covered by law. However, efforts to secure reasonable leases with the tenants have been unsuccessful, and HART has not received any rent from the tenants since acquiring the building, and continues to pay for utilities. He stated that HART would continue to work with the tenants on relocation.

Mr. Okimoto asked if HART actually tried to find another location for these tenants, and Mr. Iwata confirmed that it did. Mr. Okimoto asked if these efforts were required. Mr. Iwata stated that it is not required for commercial properties, but required for residential properties. He acknowledged that these tenants did not want to be displaced, and stated that the Right of Way division's perspective is that everything must be done to help the displaced.

Ms. Okinaga pointed out that more Right of Way information can be found on page 58 of the August Monthly Progress Report.

VIII. Status of Archaeological Inventory Survey Work

Mr. Grabauskas gave an update on the AIS work, which must be completed along the entire alignment before construction is recommenced, pursuant to the Hawaii Supreme Court ruling in the *Kaleikini* case. A copy of the AIS Status is attached hereto as Attachment B. AIS work for the first two sections of the alignment is done. As of September 14, 2012, five of 40 trenches in the Airport section were complete, and 20 would be complete by the end of the following day. In the City Center section, 59 of 232 trenches were complete, with 68 anticipated completed by the end of the following day. By the end of September, he expects 104 trenches done in that section.

Regarding the impacts to the project schedule, Mr. Grabauskas stated that HART is focusing its attention on the City Center section because any *'iwi* discoveries will likely be in there. The draft AIS schedule is attached hereto as Attachment C. The Programmatic Agreement specifies that the discovery of a burial will trigger a three to six month process. Thus, finding burials earlier will have less impact on the schedule. HART has enough crews and archaeologists to do the trenching work. It had been using one crew, and is now using three.

However, he advised that access to properties to complete AIS trenching represents a constraint. Mr. Grabauskas stated that with the new focus on the City Center section, some property owners have received their initial letters of intent to acquire in the last two weeks.

Without any access constraints, trench work would continue until January or February of 2014. Mr. Grabauskas reported that HART is making progress with ten landowners on whose property about 60 trenches needed to be dug. Until recently, these property owners had been reluctant to provide access. Recently however, one landowner agreed to give HART access to its property, and others have indicated a willingness to engage in conversations on access.

Assuming access, HART is allowing approximately 30 days to issue a new AIS report to the State Historic Preservation Division (SHPD), then 30 days for SHPD's review of the report. This will bring the process to an end in about April or May of 2014.

Mr. Grabauskas then outlined other issues that may impact when HART resumes construction. He stated that there are a couple of permits for which *Kaleikini*'s impacts are still unknown. It is uncertain whether HART would have to go through the permitting process again. HART is in discussions with various government agencies regarding these permits, which will likely come up at the Circuit Court.

Other possible adverse impacts on the schedule include the discovery of *'iwi kupuna*. If discovered early in the process, discussions with the Oahu Island Burial Council, SHPD, and lineal descendants can occur concurrently with trenching and may not impact the schedule. If there is a discovery late in the process, it could delay the schedule by three to six months.

Property acquisition and condemnation may also adversely impact the schedule. HART maintains a continued goal of no condemnations. However, if it has to condemn property, the process can range from 5 – 11 months. Mr. Grabauskas stated that letters of intent to acquire have been sent to the owners of the remaining properties needed, but the goal is to acquire property by agreement.

Mr. Grabauskas stated that the schedule he outlined has many variables, based on the data available today. However, he stated that it was a reasonable schedule that puts the resumption of construction at approximately nine months out.

Mr. Grabauskas then turned to the overall cost impacts of the delay. He stated that there are many variables in determining the cost, such as negotiations with HART's contractors. He posited two scenarios on which costs could be determined:

1. Stand-down: contemplates a delay of shorter duration, during which staff would be paid in preparation to start construction again.
2. Demobilization: applies to a longer delay, where staff and equipment would be assigned to other projects. He stated that although it may be more expensive initially to demobilize, it could be more cost effective over the long run.

Mr. Horner expressed his hesitancy to discuss delay costs in the absence of clarification from the courts on the ramifications of the *Kaleikini* ruling. Mr. Lui-Kwan agreed that it is critical to go through the process in Circuit Court, and also to evaluate HART's contract with Kiewit. Ms. Okinaga stated that the Circuit Court would likely need to know the financial consequences of the Supreme Court's decision.

Mr. Grabauskas stated that the worst case scenario would involve a cost of several million dollars per month of delay, but acknowledged that there are many variables and moving parts that would affect the cost. He stated that HART is operating on nine or 12 month delay scenarios, the timing of which would inform the cost analysis. Mr. Grabauskas stated that analyzing the impacts to the operating budget in real terms, he recognized that Kiewit had just laid off 30 people. Accordingly, he stated that HART was working to complete the AIS trenching as quickly as possible. Mr. Horner asked whether the trenching work was being done on a 24-hour schedule, and Mr. Grabauskas confirmed that work is being done day and night.

Mr. Grabauskas reported that following the *Kaleikini* decision, the FTA has remained supportive. It has indicated that the ruling has provided a different path, but not a roadblock for the project. Mr. Horner asked when a decision from the Supreme Court on the City Defendants' Motion for Reconsideration could be expected. Deputy Corporation Counsel Gary Takeuchi stated that the court had extended its ruling deadline to September 28, 2012. Mr. Horner asked whether the case would move to the Circuit Court, and Mr. Takeuchi replied that it would depend on the Supreme Court's decision on the Motion for Reconsideration.

Mr. Grabauskas stated that HART is also working with the Project Management Oversight Committee (PMOC) to examine impacts to the schedule and budget. He reported that the PMOC has been extremely cooperative. Mr. Horner stated that this type of delay is not unusual, and that's why HART has a contingency fund. Mr. Grabauskas stated the interim opening scheduled for June 2016 is subject to a day-for-day delay. However, there would be no impact on the ultimate opening in 2019, which is what the FTA is concerned with. Mr. Lui-Kwan asked how HART can maintain the opening date of 2019. Mr. Grabauskas replied that HART's schedule contingencies, as well as the fact that it is continuing to work on design and engineering, is allowing it to keep the opening date.

Mr. Horner confirmed with Mr. Okimoto that the *Kaleikini* decision will likely impact other projects such as Department of Transportation, or other City or commercial projects, and he noted that the decision will result in more ground disturbance than the process HART had been undertaking prior to the ruling. Mr. Grabauskas stated that the further along HART is in design, the more confident it could be on touchdown points. When the design is more definitive, only those discrete areas would be disturbed, as opposed to the random sampling that occurs in the absence of design. He stated that HART's previous approach was designed to reduce the number of trenches required.

Mr. Lui-Kwan wondered what the impact would be if a column had to be moved due to the discovery of a burial. Mr. Grabauskas stated that HART has a good degree of engineering latitude to move columns if necessary. Board member William "Buzz" Hong asked whether site-specific drilling could be employed instead of trenching. Mr. Grabauskas replied that HART is exploring alternative methods that may be acceptable under the Programmatic Agreement such as borings, ground penetrating radar, and other methods that would allow data collection with less ground disturbance.

Ms. Okinaga pointed out that as planning and design proceeds further along, even the number of required land acquisitions is being narrowed, referring to the August Monthly Progress Report.

Ms. Okinaga also stated that, regarding the cost for delay, that the media had been reporting an \$8 – 10 million per month cost. She stated that she thought the City Council may believe that to be the cost for delay as well. Mr. Horner again expressed his concern about discussing costs without knowing what the assumptions are. Ms. Okinaga agreed,

and noted that Kiewit may also have its own estimate for the delay costs. Mr. Grabauskas stated that the next few weeks would bring more answers.

Mr. Lui-Kwan asked Mr. Grabauskas to report on the discussions between HART and its contractors. Mr. Grabauskas stated that the process of evaluating the most cost effective way to proceed has begun. He said that there is a point at which it is less expensive to demobilize, as opposed to standing down. However, he reiterated that there are many variables that have yet to be determined. Mr. Grabauskas said he is optimistic based on his conversations with Kiewit, who is being very cooperative in working with HART to minimize the delay costs. He also stated that HART and Kiewit are contractually required to have a conversation when there is a halt in work.

Mr. Horner asked about the status for the land acquisition and construction of the Maintenance and Storage Facility. Mr. Grabauskas stated that only grading work had been done at the time of the ruling. However, he stated there are other locations along the alignment that require some work to shut down safely or mitigate possible damage, such as completing columns with exposed rebars and removing steel plates in the roadway. He stated that a list of these measures has been presented to the plaintiff.

Mr. Grabauskas commended HART staff on its “all hands on deck” approach following the *Kaleikini* ruling.

#### IX. Report of the Executive Director

Mr. Grabauskas stated that he would be traveling to Washington, D.C. the following week with City Council Chair Ernie Martin, Mayor Peter Carlisle, and HART Board Chair Carrie Okinaga. They would be meeting with the FTA, the Hawaii congressional delegation, congressional members of the Appropriations Committee, and members of other committees that would review our application for funding.

Mr. Horner encouraged Mr. Grabauskas to meet with the legislative branch of state government to inform them of the project status as well. Mr. Grabauskas agreed and reported that he would be meeting with the City Council Chair, and the Council Transportation Committee Chair shortly.

#### X. Executive Session

Ms. Okinaga called for a motion to enter in to executive session for the Board to consult with its attorneys for the reasons stated in the agenda. Mr. Horner made the motion, and Mr. Yoshioka seconded. All being in favor, the motion carried unanimously.

The Board of Directors entered into executive session at 10:18 a.m.

The Board of Directors meeting reconvened in public session at 10:57 a.m.

XI. Adjournment

Ms. Okinaga adjourned the meeting at 10:59 a.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Cindy Matsushita  
Board Administrator

Approved:

  
\_\_\_\_\_  
Carrie Okinaga  
Board Chair

OCT 18 2012

\_\_\_\_\_  
Date

## ATTACHMENT A

# HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

H O N O L U L U   R A I L   T R A N S I T   P R O J E C T

[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

**HART**

HONOLULU AUTHORITY for RAPID TRANSPORTATION

# Status Update of Land Acquisition Program As of August 31, 2012

HART Board of Directors Meeting  
September 13, 2012

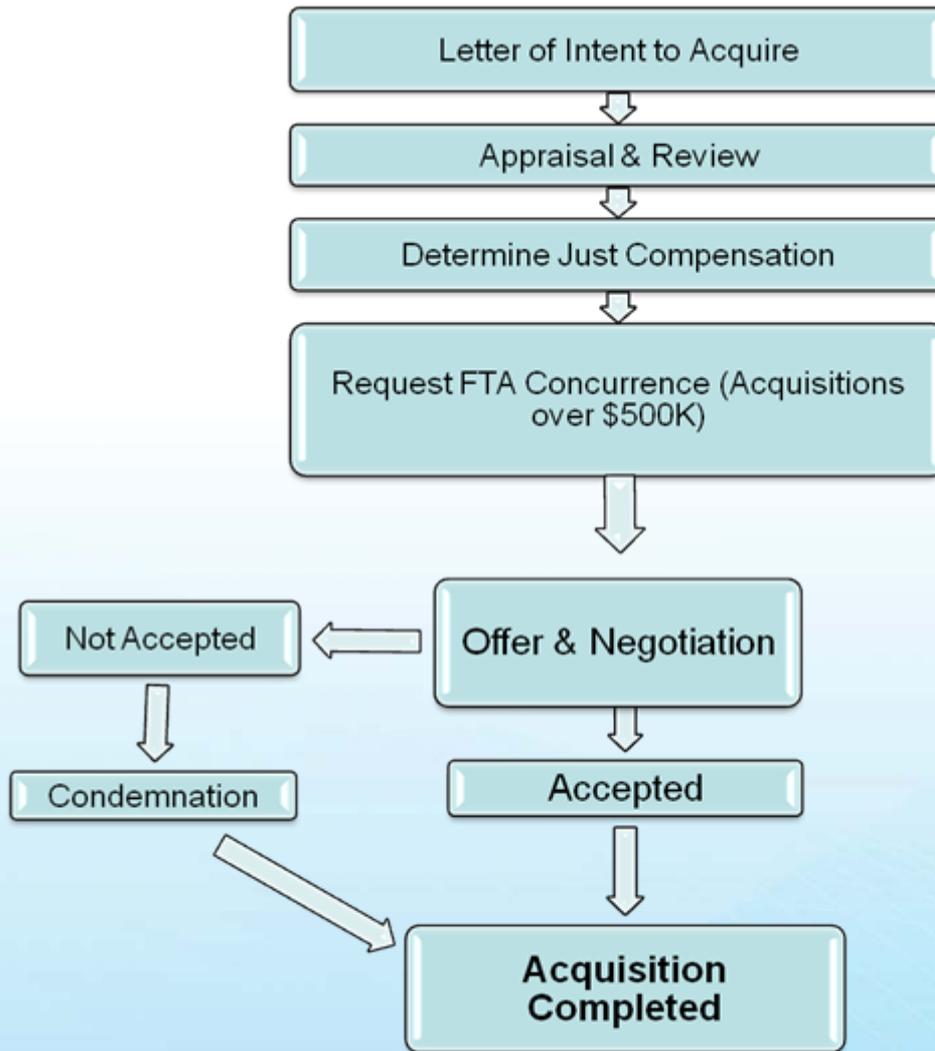
# HART LAND ACQUISITION PROGRAM

## Goals\*:

- Ensure owners of real property to be affected by Federally funded projects are treated fairly and consistently
- Encourage and expedite acquisition by agreement
- Minimize litigation and relieve congestion in the courts
- Promote confidence in the acquisition program of the acquiring agency

\* Uniform Act of 1970

# ACQUISITION PROCESS



# Total Budget for Land Acquisition

<b>Budget Amount</b>	<b>\$ 201.7 million</b>
<b>Expended</b>	<b>\$ 29.3 million</b>
<b>Remaining Balance</b>	<b>\$ 172.4 million</b>

# Right-of-Way Summary

	Properties to be Acquired	Acquisitions Initiated	Acquired by Negotiation/ Agreement *
Full Acquisition	38	32	19
Partial Acquisition	133	23	7
Easements	13	3	3
Total	184	58	29

\* No properties acquired by Condemnation

# Acquisition Cost of 19 Properties Purchased

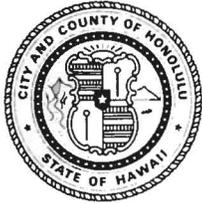
Budget Amount for 19 Properties	\$ 35.9 million
Expended Amount	\$ 29.3 million
Total Savings to Date	\$ 6.6 million

## LIST OF PROPERTIES ACQUIRED as of August 31, 2012

	Address	Acquisition Type	Appraised Value	Final Settlement Amount	Actual v. Appraised	Percent Variance
1	533 Kaahi Street	Full	\$ 2,850,000	\$ 2,850,000	0	0%
2	1156 Waimanu Street	Full	\$ 1,640,000	\$ 1,720,000	80,000	5%
3	1168 Waimanu Street	Full	\$ 2,650,000	\$ 2,650,000	0	0%
4	94-818 Maloalo Street	Full	\$ 840,000	\$ 870,000	30,000	3%
5	94-119 Farrington Hwy	Full	\$ 3,040,000	\$ 3,155,000	115,000	4%
6	94-135 Farrington Hwy	Full	\$ 2,670,000	\$ 2,745,000	75,000	3%
7	96-171 Kamehameha Hwy	Full	\$ 287,000	\$ 287,000	0	0%
8	96-165/169 Kamehameha Hwy	Full	\$ 424,000	\$ 454,000	30,000	7%
9,10,11	96-157/159/149A Kamehameha Hwy	Full	\$ 1,289,000	\$ 1,289,000	0	0%
12	96-149 Kamehameha Hwy	Full	\$ 558,000	\$ 558,000	0	0%
13	96-137 Kamehameha Hwy	Full	\$ 1,015,000	\$ 1,015,000	0	0%
14	96-93 Kamehameha Hwy	Full	\$ 790,000	\$ 790,000	0	0%
15	Vacant Kamehameha Hwy	Full	\$ 50,000	\$ 90,000	40,000	44%
16	99-140 Kamehameha Hwy	Full	\$ 991,000	\$ 991,000	0	0%
17	98-080 Kamehameha Hwy	Full	\$ 5,760,000	\$ 6,010,000	250,000	4%
18	94-819 Farrington Hwy	Full	\$ 450,000	\$ 1,000,000	550,000	55%
19	1901 Dillingham Blvd	Full	\$ 2,800,000	\$ 2,800,000	0	0%
	<b>ACQUISITION TOTAL:</b>		<b>\$ 28,104,000</b>	<b>\$ 29,274,000</b>	<b>1,170,000</b>	<b>4%</b>

# *Mahalo!*





HART **CITY COUNCIL**

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3065

\*12 AUG 29 P2:44

**ANN H. KOBAYASHI**  
COUNCILMEMBER, DISTRICT 5  
CHAIR, COMMITTEE ON BUDGET  
TELEPHONE: (808) 768-5005  
FAX: (808) 768-1227  
EMAIL: akobayashi@honolulu.gov

August 16, 2012

**TO:** MR. KENNETH T. HAMAYASU, DEPUTY EXECUTIVE DIRECTOR AND CEO  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (HART)

**FROM:** COUNCILMEMBER ANN H. KOBAYASHI *AKK*

**RE:** LAND ACQUISITION OF COMMERCIAL PROPERTY IN WAIPAHU

I am respectfully writing to you on behalf of Ms. Son Hui Min regarding her property being acquired by HART for the rail project.

Recently, Ms. Min's commercial property in Waipahu was acquired by HART for only \$1 million. As there was a delay in payment, Ms. Min has since found much difficulty in relocating as cost of surrounding property has gone up.

Therefore, as HART has reported to the City Council that its land acquisition program involves providing relocation assistance to affected property owners, I respectfully ask of you to aid Ms. Min in finding new property that fits within her means and is suitable for her to continue her commercial activities. Further, please provide me with information related to any coordination done between HART and Ms. Min concerning relocation efforts.

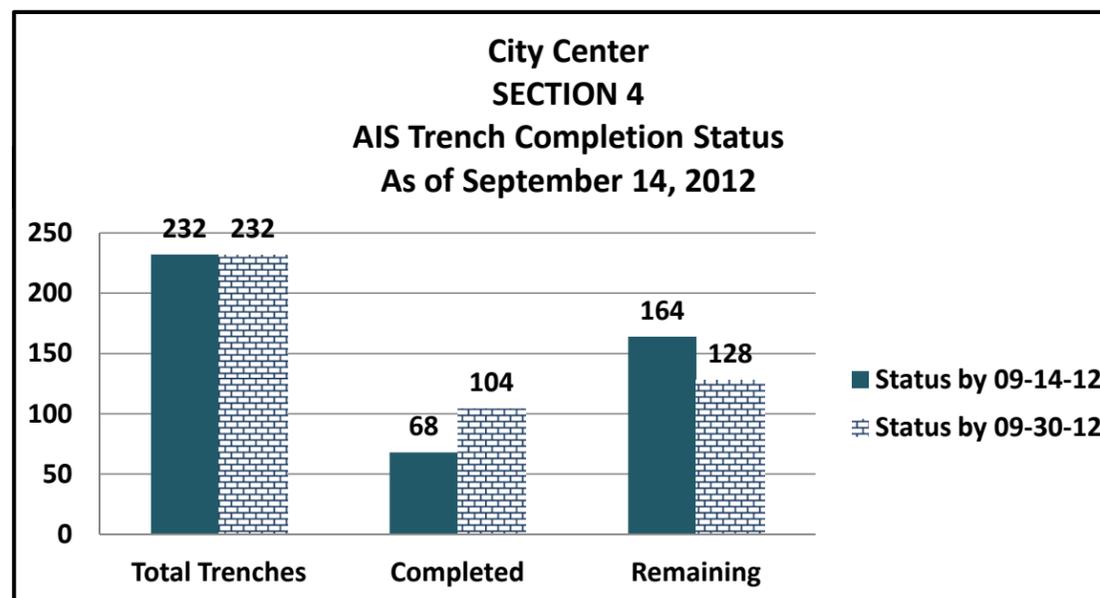
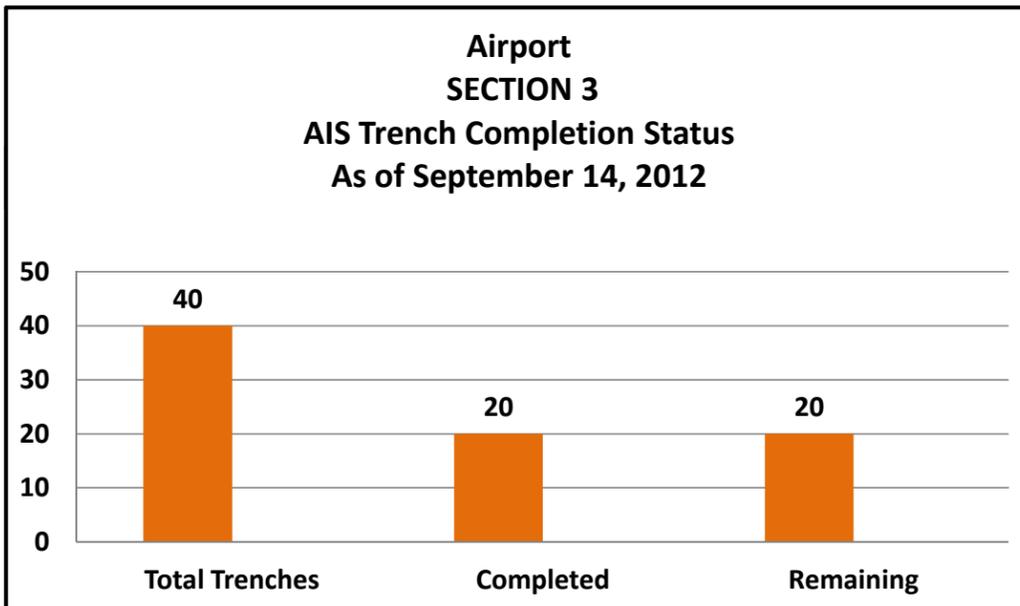
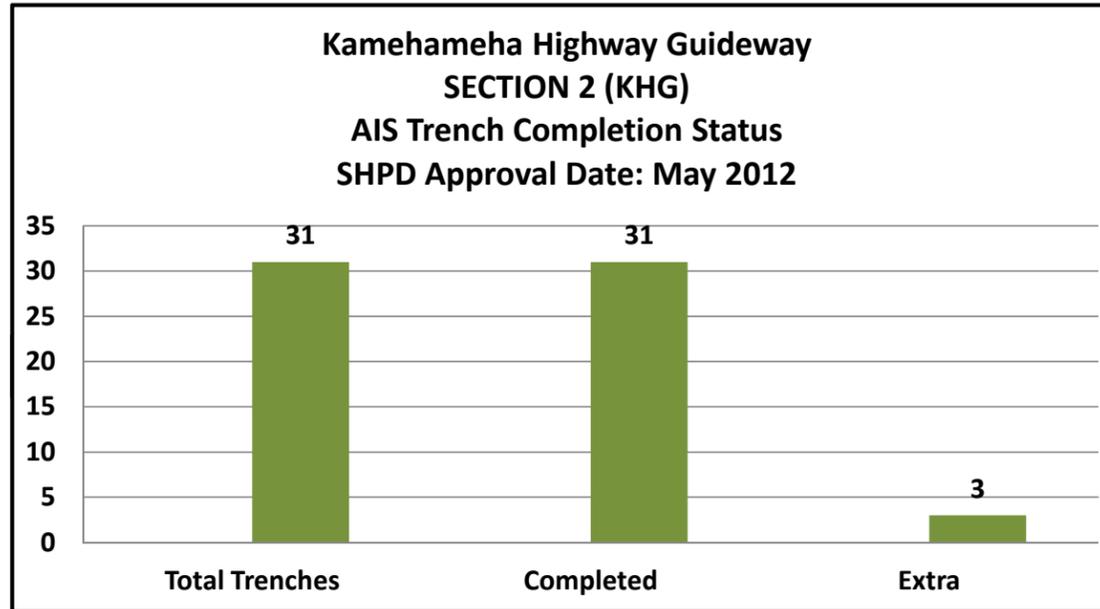
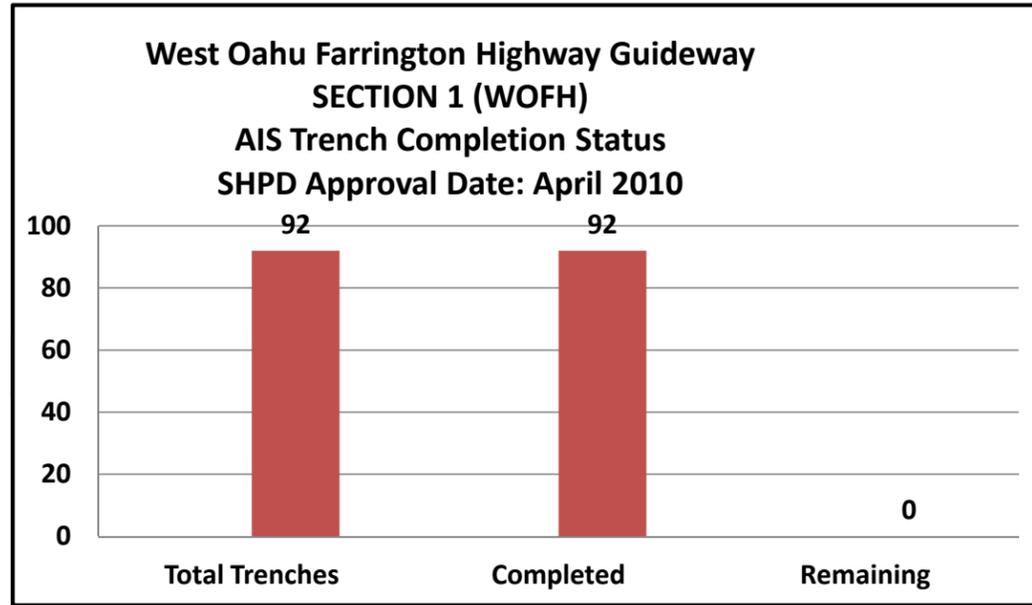
Thank you for your attention to this request and I look forward to your timely response. Should you have any questions, please feel free to contact me or my Senior Advisor, Michele Sansone, at 768-5057.

AHK/ms

cc: Daniel Grabauskas, Executive Director and CEO  
Jerry T. Iwata, Real Property Acquisition Officer

## ATTACHMENT B

## Honolulu Rail Transit Project Archaeological Inventory Survey Status



West Oahu Farrington Highway Guideway  
SECTION 1 (WOFH)  
AIS Trench Completion Status  
SHPD Approval Date: April 2010

Total Trenches	92
Completed	92
Remaining	0

Kamehameha Highway Guideway  
SECTION 2 (KHG)

Total Trenches	31
Completed	31
Extra	3

Airport - Section 3

Total Trenches	40
Completed	20
Remaining	20

City Center - Section 4

Total Trenches	232	232
Completed	68	104
Remaining	164	128

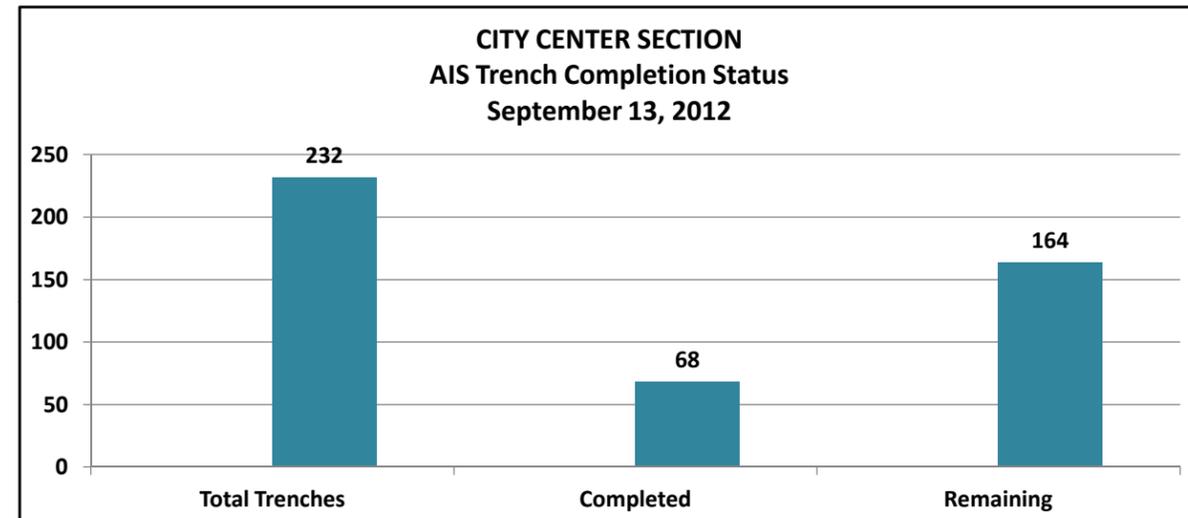
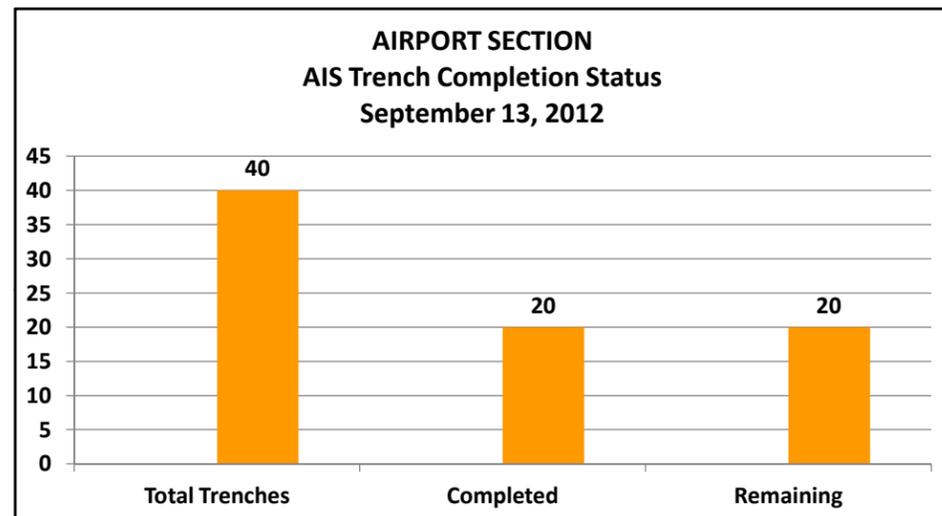
## ATTACHMENT C

Honolulu Rail Transit Project

Draft Archaeological Inventory Survey (AIS) Schedule

Draft - September 10, 2012												
Activity	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
AIS Process with full rights-of-entry and no iwi kupuna discoveries (assumes some minor delays for access, maintenance of traffic, hazardous materials and utilities)												
Trench Field Work	█	█	█	█	█	█	█	█	█	█	█	█
Report Prep, SHPD Review/Approval Process							█	█	█	█	█	█
Reinstatement of SMA & Other Permits tied to HRS 6E									█	█	█	

Risks	Schedule Impacts (overlaps trenching)	Mitigation
Discovery of Iwi Kupuna (Native Hawaiian Burials)	3-6 months from date of discovery	Early work in areas with highest probability Early coordination with Cultural and Lineal Descendants, SHPD and Oahu Island Burial Council
Property Acquisition/Condemnation May Be Required	5 - 11 months before trenching for those locations	Executive level coordination with property owners Engineering solutions may avoid trenching at these locations
SHPD Approvals in Timely Manner	1 month+	Early Coordination with SHPD



## ATTACHMENT D

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2012-3**

**RELATING TO A POLICY ON THE SOLICITATION, ACCEPTANCE, RECEIPT AND REPORTING OF GIFTS TO THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION**

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City & County of Honolulu 1973, as amended (Charter); and

WHEREAS, the Charter empowers the Executive Director/CEO of HART to request, and accept appropriations from the city, and request and accept grants, loans and gifts from other persons and entities; and

WHEREAS, gifts to HART from individuals or organizations or the public or private sector can be useful supplements to appropriated funds; and

WHEREAS, gifts may be used to carry out activities that further HART's mission, programs, functions or responsibilities, provided that such expenditures are not prohibited by law or regulation applicable to HART; and

WHEREAS, a Gift Policy relating to the solicitation, acceptance, receipt and reporting of gifts is therefore in the best interests of HART; and

WHEREAS, this Gift Policy is not intended to apply to gifts to individuals, i.e., HART officers or employees;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. That the Gift Policy, as set forth in Exhibit A attached hereto and made a part hereof by reference, be and hereby is, adopted as the policy of HART; and
2. That the Executive Director/CEO is authorized to implement the policies described in Exhibit A and to ensure that HART staff and contractors, as appropriate, adhere to these policies; and
3. That this Resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of Directors of the Honolulu Authority for Rapid Transportation on \_\_\_\_\_.

Exhibit A –Gift Policy of the Honolulu Authority for Rapid Transportation

\_\_\_\_\_  
Board Chair

ATTEST:

\_\_\_\_\_  
Board Administrator

## **The Honolulu Authority for Rapid Transportation Gift Policy**

### **Policy**

Section 17-104(l) of the Revised Charter of the City and County of Honolulu 1973, as amended, empowers the Executive Director/CEO of the Honolulu Authority for Rapid Transportation (HART) to request and accept appropriations from the city, and request and accept grants, loans and gifts from other persons and entities. HART's Financial Policies, as approved on July 1, 2011 and subsequently amended, further state that HART will pursue opportunities with private and public sector interests that will benefit from the implementation of the Honolulu High-Capacity Transit Corridor Project (now known as the Honolulu Rail Transit Project) and HART's capital projects. Therefore, it is in the best interest of HART to have a Gift Policy.

### **Definition of Gift:**

"Gift" is defined as a voluntary contribution to HART for a public purpose, whether for a specific purpose or not, of money, securities, personal property or any interest in real property. More specifically, HART's Financial Policies state that 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.

### **Authority to Accept Gifts**

The authority to solicit, accept, refuse, return or negotiate the terms for accepting a gift under this Gift Policy ("Policy") resides with the Executive Director/CEO. This authority may be delegated by the Executive Director/CEO to another HART officer or employee in writing and this delegated authority may be limited to accepting specific types of gifts or gifts for a specific purpose or event. Approval of the acceptance of a gift after its receipt may be granted as deemed appropriate by the Executive Director/CEO or his/her designee.

Neither the Executive Director/CEO, nor any HART officer or employee with delegated authority, shall solicit gifts from any person or entity that has a matter currently pending before HART.

Officers and employees of HART, other than the Executive Director/CEO or his/her designee, shall forward all offers of gifts regardless of value to the Executive Director/CEO or his/her designee for consideration and shall provide a description of the gift offered. HART officers and employees shall also inform the Executive Director/CEO or his/her designee of all discussions related to the possibility of a gift. An officer or employee shall not provide a donor with any commitment, privilege, concession or other present or future benefit, other than an appropriate acknowledgment, in return for a gift.

### **Types of Gifts Accepted**

Except as set forth below, and consistent with applicable ethical standards of conduct, HART may solicit or accept any type of gift that may be used to carry out activities that further its mission, programs, functions or responsibilities. Any cash gifts will only be accepted if made by check or money order to "Honolulu Authority for Rapid Transportation."

### **Conditions for Accepting Gifts**

HART shall not solicit, receive, or accept any gift that:

- Attaches conditions inconsistent with applicable laws, regulations, or ethical standards of conduct;
- is offered by an anonymous donor;
- Is conditioned upon or will require the expenditure of appropriated funds that are not available to HART;
- Is offered to or is for the sole benefit of individual HART officers or employees;
- Rewards, influences or tends to impair the judgment of any HART officer or employee in the performance of such person's official duties;
- Provides special consideration, treatment, advantage, privilege, or exemption for, or coerces, a potential donor;
- Requires HART to adhere to particular requirements as to deposit, investment, or management of funds donated, if those requirements inure to the exclusive benefit of third parties;
- Requires HART to endorse the donor or its products, services, activities, or policies;
- Requires HART to provide the donor with some privilege, concession or other present or future benefit in return for the gift; or
- Requires HART to undertake or engage in activities that are not related to its mission, programs or legal authorities.

In making a determination as to whether any of these conditions apply, the Executive Director/CEO or his/her designee shall consider whether the gift would reflect unfavorably upon the ability of HART officers or employees or the HART Board of Directors (Board) to carry out their official responsibilities or official duties in a fair and objective manner, or would compromise or appear to compromise the integrity of HART's programs or of any officer or employee. The Executive Director/CEO or his/her designee may be guided by all relevant considerations, including, but not limited to, the following:

- The identity of the donor;
- The monetary or estimated market value or the cost to the donor;
- The purpose of the gift as described in a written or oral proposal by the donor;
- The identity of other expected recipients of the gift on the same occasion, if any;
- The timing of the gift;
- The nature and sensitivity of any matter pending at HART affecting the interests of the donor;
- The nature of the gift offered;
- The frequency of other gifts received from the same donor; and,
- The HART activity, purpose or need that the gift will aid or facilitate.

The Executive Director/CEO or his/her designee may ask the donor to provide in writing any additional information needed to assist in making the determination under this part. Such information may include a description of the donor's business or organizational affiliation and any matters that are pending or are expected to be pending before the agency.

The Executive Director/CEO or his/her designee may find that in some cases it is in the best interest of HART to limit the gift or qualify its acceptance or to decline it, even though its acceptance would not otherwise be precluded. A donor may be advised of the reason why the gift has been qualified or declined.

In the event that a gift is clearly worth more than \$100,000.00, or is a gift that requires ongoing maintenance, security, or storage, or any costs not previously budgeted for, as in the case of a gift of real property, the Executive Director/CEO shall consult with the Board prior to accepting or rejecting said gift. Although the Executive Director/CEO maintains, by Charter, the responsibility for acceptance of gifts on behalf of HART, the Executive Director/CEO shall consult with the Board and/or the Ethics Commission if questions arise as to implementation of this policy.

#### **Acknowledgement of Gifts**

Gifts shall be acknowledged in writing in the form of a letter of acceptance to the donor. The amount of a monetary gift shall be specified. In the case of non-monetary gifts, the letter shall not make reference to the value of the gift. Valuation of non-monetary gifts is the responsibility of the donor. Letters of acceptance shall not include any statement regarding the tax benefits or implications of a gift, and such determinations shall remain the responsibility of the donor. In addition, letters of acceptance shall not include any statement of endorsement of the donor.

The letter of acceptance should state what the gift will be used for and that the gift will not result in any favored treatment for the donor.

#### **Reporting of Gifts**

The Executive Director/CEO or his/her designee shall report all gifts received, with a value of \$2,500.00 or more, to the Board no later than at the next regularly scheduled Board meeting following receipt of the gift. For gifts of \$2,500.00 or less, the Executive Director/CEO or his/her designee shall submit to the Board a quarterly report listing all gifts accepted or rejected during the quarter. The report shall be submitted at the next regularly scheduled Board meeting following the close of the applicable quarter.

#### **Accounting of Gifts**

- HART shall ensure that gifts are properly accounted for by following appropriate internal controls and accounting procedures;
- HART shall maintain an inventory of donated personal property worth more than \$2,500.00. The inventory shall be updated each time an item is sold, surplus, destroyed or otherwise disposed of or discarded;
- HART shall maintain a log of all gifts accepted under this policy. This log shall include: the name and address of the donor; a description of the gift; the date the gift was accepted; any terms of conveyance, the reason and purpose for the gift; whether additional HART funds were needed to effectuate the gift; and the cost and time frame within which the gift will be used; and
- The officers and employees who use the gift should document what was learned through the gift process in terms of solicitation, use and process.