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GET COLLECTIONS FOR RAIL COME IN HIGHER THAN PROJECTED

(Thursday, July 21, 2011) — Revenue from the General Excise and Use Tax (GET) surcharge targeted for Honolulu’s rail transit project has come in higher than what was projected in the project’s most recent financial plan.

The GET revenue for the final quarter of fiscal year 2011 came in at \$49.8 million, totaling \$179. 1 million, or 9 percent higher for the fiscal year, Honolulu Authority for Rapid Transportation (HART) officials reported in today’s board of directors meeting. The latest figures put the total GET surcharge collections to date at \$715 million — \$15 million more than projected.

“This is good news, particularly in this difficult economy,” said Honolulu Authority for Rapid Transportation Interim Executive Director Toru Hamayasu. “We’re doing better than we had anticipated in our updated financial plan. Strong GET collections will help us keep our finances on track and deliver this project on time and on budget.”

“The news is encouraging because it continues to validate the overall financial plan,” said HART Finance Committee Chairman Don Horner. “Equally important, the overall total bid costs to date are actually below the project’s financial estimates. With 40 percent of the costs known, the project remains on a sound financial footing.”

The Hawaii State Legislature in 2005 authorized the counties to adopt a half-percent surcharge on the GET for public transportation projects. The Honolulu City Council then passed an ordinance enacting the surcharge and establishing that it be used exclusively for the rail transit project. In January 2007 the state began collecting the surcharge on behalf of the City. The surcharge is set to expire on Dec. 31, 2022.

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