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ADDITIONAL FUNDING SAFEGUARD APPROVED FOR RAIL PROJECT

A bill establishing a method for short-term borrowing as a safeguard for Honolulu's rail project was approved Wednesday, clearing the way for the Honolulu Authority for Rapid Transportation to secure \$1.55 billion in federal funding.

The City Council today voted 7 to 2 to approve Bill 37, which allows the city to issue up to \$450 million in commercial paper. Establishing the additional safeguard is a requirement of the Federal Transit Administration (FTA) to ensure the project's completion.

"This is great news for Honolulu and clears the way for us to secure \$1.55 billion in federal funds. With the strong support we have of our congressional delegation and from the FTA, we are confident we will receive the full amount in federal funds," said Dan Grabauskas, Executive Director and CEO of the Honolulu Authority for Rapid Transportation (HART). "We are grateful for the Council's support of the project. It keeps us on track and moves us closer to providing relief from the traffic gridlock our community is forced to endure every day."

Honolulu Mayor Peter Carlisle said, "I will be pleased to move this forward and join the City Council in their continued strong support for Honolulu's rail project. I want to personally thank the impressive majority of Council members for their diligence, effort and vision. After decades of debate and discussion, we now have a green transportation solution that is safe, reliable and will reduce traffic congestion. Rail will be the catalyst for smart development of our urban core and will generate jobs and infuse our economy with billions of dollars for generations to come."

"The passage of Bill 37 is a milestone achievement, which enables the city to meet federal FTA requirements for receipt of our Full Funding Grant Agreement," said Council Transportation Committee Chair Breene Harimoto. "Today's action clearly confirms the City Council's support for the rail project."

Grabauskas stressed that the rail project's financial plan also includes contingency funds, and he is confident existing revenue sources will cover all of the project's costs. "The funding source Bill 37 provides would only be used as a last resort if there is a dramatic, unforeseen circumstance," Grabauskas said. "Our current rail financial plan is sound and shows local revenue to pay for construction is coming in higher than expected."

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