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HART SUBMITS REQUEST FOR \$1.55 BILLION IN FEDERAL FUNDING

The Honolulu Authority for Rapid Transportation (HART) today submitted a request for \$1.55 billion in federal New Starts funding for the Honolulu rail transit project.

The Full Funding Grant Agreement (FFGA) submittal is the final step in the Federal Transit Administration's planning and development process, which concludes in a multi-year agreement between the City and County of Honolulu and the FTA that formally establishes the level of federal funding for the rail project.

"We have reached an important milestone," said HART CEO and executive director Dan Grabauskas. "Today is the culmination of nearly seven years of hard work by many dedicated individuals who have helped to move our rail transit project forward."

Grabauskas noted the Honolulu rail project staff worked closely with their FTA partners to finalize the FFGA package.

"We want to thank those on the federal level – the FTA and our Hawaii congressional delegation – who worked closely with the City throughout the years during this lengthy and stringent process," Grabauskas said.

The Honolulu rail project has already received \$120 million in federal funding that goes toward the requested \$1.55 billion.

Speaking on behalf of Hawaii's congressional delegation, U.S. Sen. Daniel K. Inouye said, "The submittal of the Full Funding Grant Agreement to the Federal Transit Administration by the City and the Honolulu Authority for Rapid Transportation is an important milestone. When the FFGA is approved later this year, Honolulu will secure the commitment of \$1.55 billion in federal funds for construction of the rail project. This has been a collective effort of many people working together. Our congressional delegation is proud to be a part of the team."

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“Before it signs a \$1.55 billion contract, the federal government needs to be sure that the money will be well spent, especially when other cities are saying they need those same dollars,” said HART Board Chairwoman Carrie Okinaga. “Our rail project is being allowed through these gates because we have shown our commitment and ability to bring this project to fruition.”

“This train is moving and this funding request will secure its future,” said Mayor Peter Carlisle. “Federal support for this project is strong and construction is ongoing. Reaching this point has taken hard work by all our partners, and we’re grateful to HART, Hawaii’s congressional delegation, the City Council and everyone else who has contributed to this important effort to improve mobility, create jobs and guide prudent, smart development that moves Oahu forward for the benefit of generations to come.”

“It has taken a great deal of effort to get the project to this point. It has truly been a team effort and it will continue to require teamwork to see this project to completion,” said City Council Chairman Ernie Martin. “I am confident that the FFGA will be approved, and a great deal of credit is due to our Congressional delegation led by Senator Inouye.”

After receiving Honolulu’s FFGA request, the FTA will take approximately 30 days to review it before forwarding the request to the Office of Management and Budget at the White House for its own 30-day review.

From there, the FTA will inform Congress of its intent to sign the agreement as part of a 60-day notification process. The completed agreement is expected to be finalized later this year.

Along with the FFGA request, HART provided FTA officials with an updated financial plan and other documents that include the scope, schedule and budget for the rail project. The new financial plan provides updated figures from the previous financial plan published in September 2011.

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The new June 2012 project financial plan shows the following:

- The total estimated project cost decreasing from \$5.17 billion to \$5.16 billion.
- The GET revenue projection was adjusted to reflect actual collections, which resulted in an increase from \$3.15 billion to \$3.29 billion. The state began collecting the half-percent GET surcharge for the Honolulu rail system in January 2007. The GET for rail is set to expire at the end of 2022.
- The cash surplus at project completion increased from \$83 million to \$193 million.
- In accordance with the FTA guidelines and HART's projected financial plan, the contingency reserve was reduced to 15 percent of the project's cost.
- Use of estimated FTA Section 5307 formula funds for the project decreased from \$244 million to \$210 million.

"We remain on plan in terms of both revenue and overall project costs and we are on schedule to receive a decision on the FFGA by the end of the year," said HART Board's Finance Committee Chairman Don Horner.

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