

**Semiannual Progress Report to Board of Directors
Daniel A. Grabauskas, Executive Director & CEO
Honolulu Authority for Rapid Transportation (HART)
April - October 2015**

As required by my 2015-2016 Annual Performance Objectives, please find below my semiannual progress report on HART activities and progress. Respectfully submitted November 9, 2015.

ORGANIZATIONAL DEVELOPMENT

HART continues to maintain and build a strong organization with highly skilled individuals. We have hired or are in the process of hiring several key staff members, including:

- Our new Director of Planning, Permitting, and Right-of-Way will be Jesse Souki who is replacing Elizabeth Scanlon beginning in November.
- Director of Operations and Maintenance is currently vacant since Duane Sayers' departure. This search is active.
- Our new Director of Design and Construction is Chris Takashige who was hired to replace Lorenzo Garrido.
- Kevin Cox has assumed greater responsibility within the Design and Construction Department and will oversee the east side of the program, including the Airport and City Center guideway and stations construction contracts and managers.
- Former Assistant Deputy Director of Design Mike Boomsma will assume the role of Project Manager for the City Center Design Build Contract.
- Safety Certification Manager Ralph McKinney has been hired to replace Paul Baffico.
- Deputy Director for Procurement Lori Miyasaki has started work backfilling Nicole Chapman's former position when she assumed the position as Director of Procurement.
- Public Involvement Specialist Scott Ishikawa departed and a search for his replacement is also active.

PROJECT DELIVERY: CONSTRUCTION AND OPERATIONS

- We continue to be a very safe project. We emphasize safety by partnering with our contractors and subcontractors, including participating in a public safety awareness campaigns with Kiewit. The rate of incidences per 100,000 hours worked remains at .07. This is favorable to national averages which are approaching 4.0 incidences per 100,000 hours worked on comparable projects.

- We have made significant progress on our guideway construction as of the end of October; more than 4.5 miles of the elevated guideway has been constructed, comprising:
 - 250 columns
 - 387 foundations
 - 3,669 segments cast
 - 199 spans in place
- The Rail Operations Center (ROC, formerly the MSF) is now 83% complete.

Overall Yard Work is 93% complete. Utilities installation on site are 97% complete. The Operations and Storage Building is 91% complete. The Maintenance of Way Building is 90% complete. The Wheel Truing Building is 97% complete. The Train Wash Facility is 47% complete.

- HART has obtained construction access to more than 92% of the land area required for the project. Real estate expenses are running approximately \$9M under budget.¹ . HART's right-of-way staff continues to make excellent progress on acquiring property, with a limited number of condemnation actions.
- The State Historic Preservation Division concurred in our burial treatment plan and the burial treatments have been completed. This was a major undertaking, which required cooperation between HART and Native Hawaiian stakeholders. The success achieved in this regard has resulted in a model cultural monitoring program.
- The first four rail car shells comprising the first train (two end cars and two middle cars) have left AnsaldoBreda's facility in Italy, and have arrived at the final assembly plant in Pittsburg, California. There they are being outfitted with the major components of final assembly including interior finishes such as flooring, seats and handrails; installation of braking and wiring systems; truck assemblies installation and wheels will be attached; and a final coat of paint. I recently toured the California plant, and I am pleased that we remain on track: the first train is scheduled for shipment and delivery as planned at the end of the first quarter of 2016.
- As you know, after receiving bids for the nine-station Westside Station Group in 2014 that greatly exceeded estimates, we canceled the solicitation and conducted an analysis to determine how we could control cost escalation on these stations and on future contracts. Our new strategy, which includes breaking the large package into smaller packages and utilizing the design-build delivery model, has thus far proven successful to control costs. Bids for the repackaged West Oahu Station Group, Farrington Highway Station Group, and H2R2 Ramp came in within the revised engineer's estimates.

¹ October 15, 2015 Right of Way update presentation to Board of Directors

- We suspended procurement for the Pearl Highlands Parking Garage, which is currently under review for further action. It should be noted that the draft budget recommendations presented to the Board of Directors on October 15 includes funding for the off-ramp and bus transit center at Pearl Highlands. Staff is working to assess the parameters of a public-private-partnership (PPP) opportunity for the garage itself. We will report back to the Board in the future on those efforts.
- The remaining contracts scheduled for award by the middle of calendar year 2016 are:
 - Airport Guideway and Stations Construction Contract
 - City Center Guideway and Stations Construction Contract
 - City Center Advance Utilities Relocation Contract
 - Kamehameha Highway Station Group Construction Contract (Pearl Highlands; Pearl Ridge; Aloha Stadium)
- HART continues to develop bus-rail integration plans in coordination with the Department of Transportation Services (DTS) and Oahu Transit Services (OTS), including working on the Request For Information (RFI) and Request For Proposals (RFP) for the procurement of a joint bus-rail smart card fare system. In addition, we are working with the Board of Directors' second Fare Policy Permitted Interaction Group (PIG), which is building upon the work completed by the first Fare Policy PIG.
- We have issued an RFP for the joint bus-rail fare systems procurement, which consists of ticket vending machines, fare gates, and card readers that utilize smart cards, and which will allow seamless transfers between bus and rail. A Memorandum of Understanding (MOU) covering the cost sharing arrangement between HART and the City for the fare systems operations and maintenance will be executed prior to award of the fare systems contract.
- We have selected the consultant, CH2M Hill, to provide technical support for the procurement of the joint bus-rail fare systems procurement. The notice-to-proceed was issued in October.
- Disadvantaged Business Enterprise (DBE) participation now stands at \$27.9 million, or 6.2%² of total disbursed FTA funds received to date.
- We successfully completed negotiations with the United States Navy for the transfer of all properties necessary for utility relocations, the construction of the guideway, and Pearl Harbor station.

² September 2015 Monthly Progress Report

- We continue to facilitate efforts being made by the State and the City and County governments in partnership with developers and landowners to advance Transit-Oriented Development (TOD) that maximizes ridership, generates the highest return on investment, and to further the project and the City's development plans. In particular, we continue to develop and execute agreements with public and/or private land owners within close proximity of each planned transit station to access the station from their proposed developments.
- Unfortunately, construction of the project continues to impact traffic through Waipahu, Pearl City and Aiea. Our construction and outreach teams have been working closely with many businesses along Farrington and Kamehameha Highways, as well as with our local and state elected officials, to mitigate construction impacts on businesses. Challenges remain but we are making improvements to our outreach efforts, our business mitigation, and our assistance to businesses through innovative programs like "Shop and Dine on the Line." We are also working with many other organizations and government entities to come up with additional programs that can be used to assist businesses in the City Center and Airport sections. We understand that as we move closer into the more densely populated urban core, we will face even greater challenges to construct a project and yet minimize traffic, noise, and the impact on businesses. Finally, we have increased efforts to advance traffic studies for future affected areas along the alignment.

PROJECT FINANCES AND SCHEDULE

On October 15th, at the direction of the Board of Directors, staff presented an update of our project schedule and budget, which had been given to the Board in December 2014. Our finance team also presented a refined income calculation of General Excise Tax surcharge revenue (GET) based upon actual collections of the half-percent on Oahu since 2007, versus the previous calculations that had been based upon the prior 30-year average of statewide GET collections.

The information presented to the Board has now been forwarded to the Federal Transit Administration (FTA) for their review and comment. In this process of setting a revised schedule and budget, our partners at the federal government must ultimately approve a new financial plan and master schedule. We are optimistic that the information provided to the Board in October will substantially form the basis for that new Financial Plan. However, we also expect that the FTA and their consultants will have refinements to the plan. We have an excellent working relationship with the FTA and we will report back on their reaction to our proposed plans. The information has also been presented in a truncated version to the City Council Budget Committee, with the full presentation delivered for the committee's review.

The proposed plans presented to the Board are attached for your further review and as reference for this report. *(See attached.)*

- GET surcharge revenue is being closely tracked and monitored. Since 2007, \$1.521 billion has been collected, with cash balance of \$291.972 million³. As of the most recent reporting by the State Department of Taxation (October 2015 for the second quarter of 2015) we received \$64.8 million, which is approximately \$8 million more than the current (not updated) plan. With this payment, our GET surcharge revenue remains approximately \$30 million behind the current plan projections.
- The project's contingency balance is at \$492.9 million and remains within the buffer zone⁴.
- Change orders continue to be monitored closely; this was identified as a risk in FTA's 2014 Risk Refresh report.
- We have successfully resolved all significant claims and changes, including negotiation of claims arising from notice-to-proceed delays with Kiewit and Kiewit-Kobayashi for the West Oahu/Farrington Highway Kamehameha Highway Guideway, and Rail Operations Center (ROC) construction contracts.
- The negotiations for a credit of \$5.2 million for the change to a four-car configuration, and the 277 day delay claim for \$8 million with AnsaldoHonolulu Joint Venture (AHJV) were presented and approved by the HART Board of Directors. There are currently no claims outstanding between HART and AHJV.
- We continue to monitor the sale of AnsaldoBreda and Ansaldo STS to Hitachi to ensure a smooth transition in terms of our project. The sale of AnsaldoBreda and Finmeccanica's 40% share of Ansaldo STS to Hitachi was completed on November 2, 2015. Our staff has been holding discussions with AHJV and their parent companies to ensure that the transition will not affect the schedule or quality of our railcars. In addition, all prior assurances and protections will carry forward under any new ownership relationship and have been reaffirmed by Finmeccanica and the AHJV partners.
- The Board approved the FY2016 operating and capital budgets presented by staff, as well as the six-year capital plan. The FY2016 business plan was also presented and approved.
- We continue to effectively manage the Full Funding Grant Agreement (FFGA) process and continued to push for full federal funding as per the FFGA through frequent communication and meetings with congressional leadership and staff.

³ As of August 28, 2015 per September 2015 Monthly Progress Report

⁴ As of August 28, 2015 per September 2015 Monthly Progress Report

- An MOU which outlines a debt financing plan in collaboration with Budget and Fiscal Services (BFS), has been signed. We continue to work collaboratively with BFS, Mayor, and the City Council to implement a debt financing plan that is both fiscally prudent and meets the project's financial needs for the first borrowing later this year.

STAKEHOLDER INTERACTIONS & COMMUNITY LEADERSHIP

- We continue to build and maintain relationships with City, State and Federal elected officials and agencies through written communications and in-person meetings. HART has also hosted five alignment tours for elected officials to keep them apprised of the projects progress.
- We have met with and look forward to working with the Mayor's independent rail consultant, Michael Burns, on ways to build rail better.
- We have been working collaboratively with the University of Hawaii system to conclude negotiations on rights of entry for construction at various campus and university-controlled locations. We have recently entered into a right of entry agreement with Leeward Community College (LCC), which will allow construction of the LCC Station, the only at-grade station on the alignment.
- We recently launched the "Shop & Dine on the Line" program, which is designed to help businesses in the project's construction areas in attracting customers. We continue to engage the local business community via briefings, presentations and meetings.
- HART continues to operate its Business Alliance Program, which provides regular updates and informational meetings with businesses and tenants along the alignment. Two very successful social media workshops were held this summer to businesses free of charge and HART continues to connect businesses with other agencies that provide free business development programs.
- We continue to keep the community informed through construction outreach meetings, station design community meetings, Neighborhood Board meetings, regular media traffic briefings, weekly e-blasts, news releases and social media updates. HART also sponsors a monthly "HART Facts" ad published in two local newspapers to provide a consistent, transparent look at the project's finances.
- We continued our transparency efforts by keeping the public informed and engaged through several media and community events, including a tour of the ROC. These events keep the public updated on our progress and enhance accountability. In response to public input, HART has also made changes to its website in order to provide information in a clearer fashion.

- Regular communication is ongoing with City, State, and Federal agencies and elected officials regarding traffic concerns. HART continues to host a weekly maintenance of traffic meeting to coordinate construction activities among city, county, state, and other significant entities in order to mitigate potential impacts to traffic and promote public safety.
- As the Executive Director and CEO, I continue to further develop an understanding, appreciation, sensitivity and commitment to the social, cultural, economic, political and environmental needs of Honolulu, Oahu, and Hawaii.
- We are fostering sustainability efforts throughout the Authority, including working on a power purchasing agreement for photovoltaic systems at the ROC. An update on these plans and activities will be presented to the Board later this calendar year.
- I am honored to have been elected to serve on the Policy Board of the International Association of Public Transport (UITP) as an American Public Transportation Association representative for the 2015-2017 term. This opportunity will allow me to learn and share ideas with other leaders in the public transit industry internationally. This is of particular importance as a resource for us to learn best practices from operators of fully-automated, driverless systems globally – as there are no such US system peers.

BOARD INTERACTION

- Staff and I continue to work hard to foster a productive and positive working relationship with our 10-member Board of Directors through frequent communication and providing relevant, timely information to help inform the Board’s policy-making decisions. This is a work in progress – to improve upon what and how we present information – which we take very seriously.
- Board Administrator Cindy Matsushita and I have worked with the newly appointed and elected Board members to offer them information and assistance during their transition. Since my last evaluation we have welcomed three new Board members.
- We provided briefings and alignment tours to new Board members to provide information and a first-hand look at our construction progress.
- We provided opportunities for Board involvement, including collaborative efforts with stakeholders and outreach events.
- We continue to provide monthly reports on key program at monthly Board and Board Committee meetings.

FFGA Financial Plan Update: **GET Revenue Growth Rate Discussion**

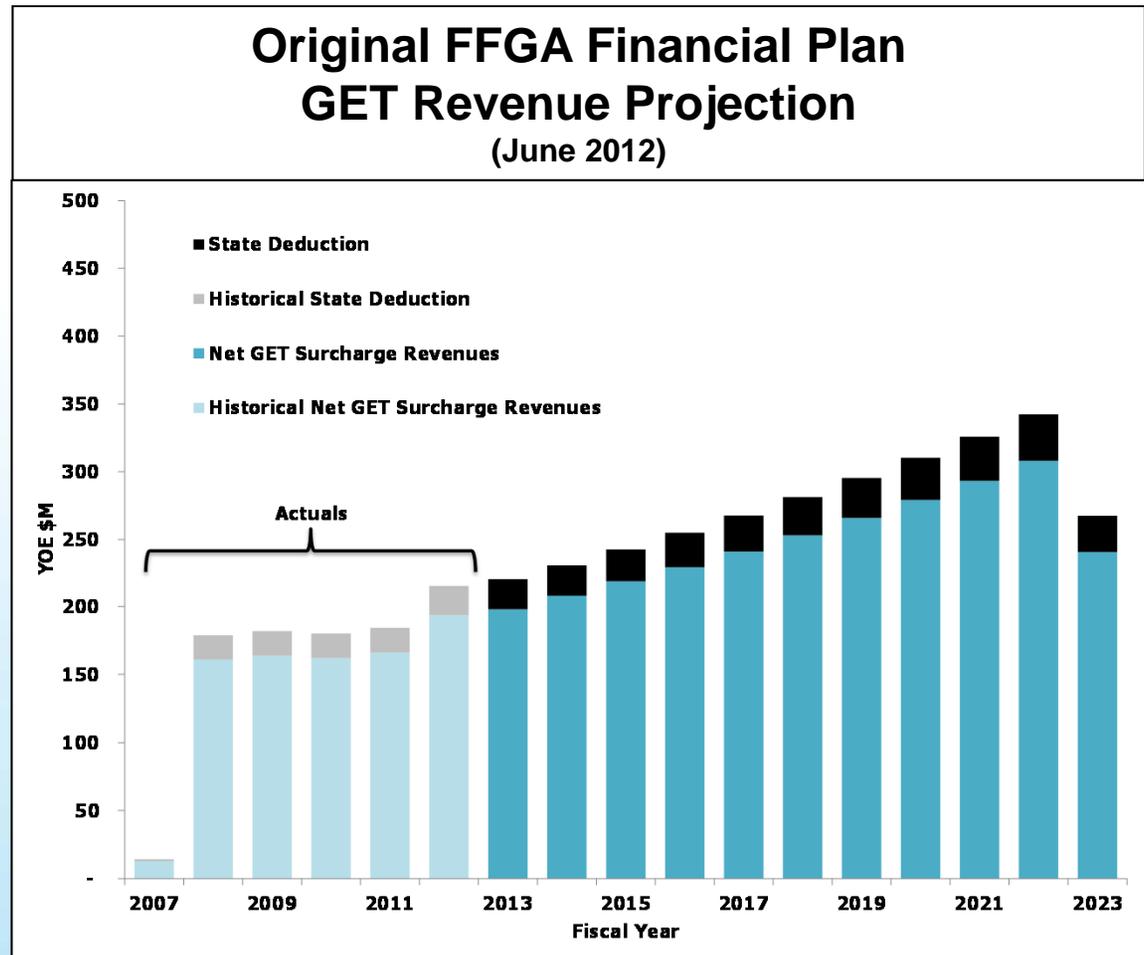
**Michael McGrane
Budget & Finance**

October 15, 2015

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GET Growth Assumptions in Original FFGA Financial Plan

- Original Financial Plan assumes GET Surcharge revenues to grow at the 30 year historical average
 - 5.04% Compounded Annual Growth Rate
- In the original plan, the GET expires on 12/31/2022
- Total FFGA Financial Plan GET revenue totals \$3.291billion
- Actual to Date: \$39 million under plan

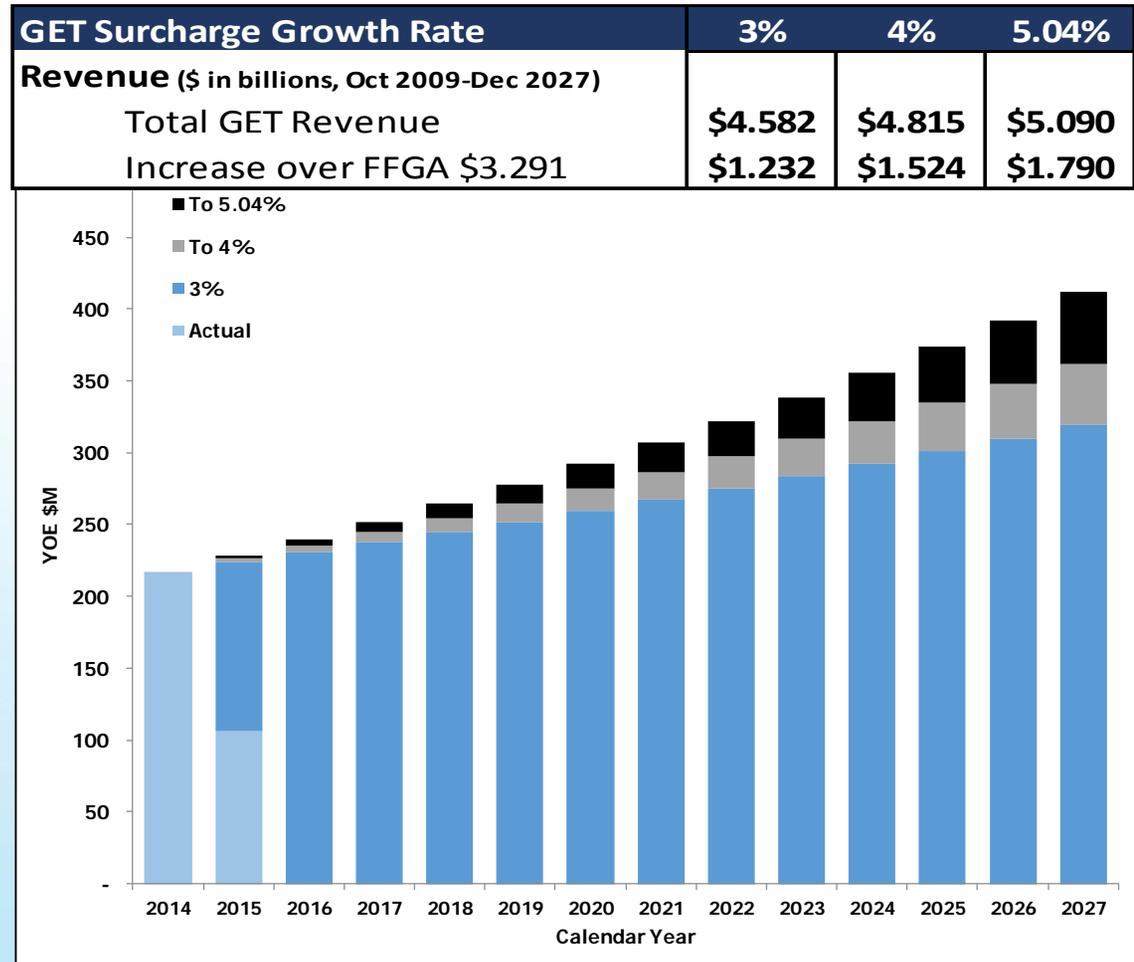


Source: Final Financial Plan for Full Funding Grant Agreement (June 2012), page 2-7.

Note: GET surcharge implemented 1/1/2007. FFGA Financial Plan GET revenues begin with the grant's preliminary engineering date October 16, 2009. 2

GET Growth Assumptions from 3% to 5% through 12/31/2027

- Evaluated growth rates from 3%, 4%, & 5.04%
- Additional GET revenues range from approximately \$1.2 billion to \$1.8 billion
- Actual GET revenue compounded annual growth rate totals 4.07%



Note: Actual to date figure reflects GET receipts in first full Fiscal Year 2007-8 through the latest GET receipt (July 2015)

Refresh Plan at a 4% Growth Rate

- **Refresh uses 4% growth rate in the financial plan that we will submit to the FTA**
 - **Corrects for the \$100 million GET shortfall identified in the December 14, 2014 Board Meeting**
 - **Reflects actual growth rate to date**
 - **Adds \$1.524 billion through the 5 year extension (12/31/2027)**

FFGA Financial Plan Update: Master Project Schedule

**Jeff Mack, P.E.
Project Controls**

FFGA (Full Funding Grant Agreement with the Federal Transit Administration)

Master Project Schedule

- **Update provides information in response to HART Board request and FTA/PMOC refresh**

- **Phase 1 (West Segments)**
 - **West Oahu / Farrington Highway Guideway (WOFH)**
 - **Kamehameha Highway Guideway (KHG)**
 - **East Kapolei to Aloha Stadium (9 Stations)**
 - **Rail Operations Center**
 - **9 Milestone Dates (“A” & “B”)**

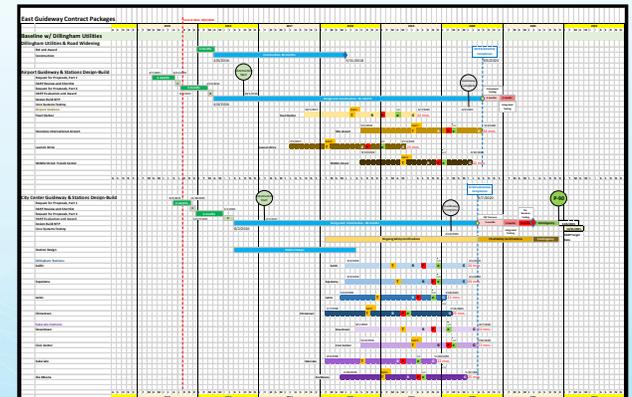
- **Phase 2 (East Segments)**
 - **Airport Guideway (AGS)**
 - **City Center Guideway (CCGS)**
 - **Pearl Harbor to Ala Moana Center (12 Stations)**
 - **6 Milestone Dates (“A” & “B”)**

Subject to review and discussion with the FTA

Master Project Schedule Definitions

Milestone Dates

- **“A” Dates**
 - Substantial Completion of fixed facilities (guideway, stations, etc.)
 - Civil and roadway work complete
 - Major Maintenance of Traffic (MOT) measures are removed
 - Limited impacts on vehicular and pedestrian traffic
 - Establishes the new “normal conditions” along the corridor
- **“B” Dates**
 - Facilities are open for intended use
 - Passenger service
- **Activities between “A” and “B” Dates**
 - Vehicle delivery and systems installation
 - Completion of systems installation
 - Systems and vehicle testing
 - Completion of fire and life safety approval
 - System Certification



Phase 1 (West Segments)



Phase 1 Milestone Dates*

Facilities; guideway; systems (“A” Dates)

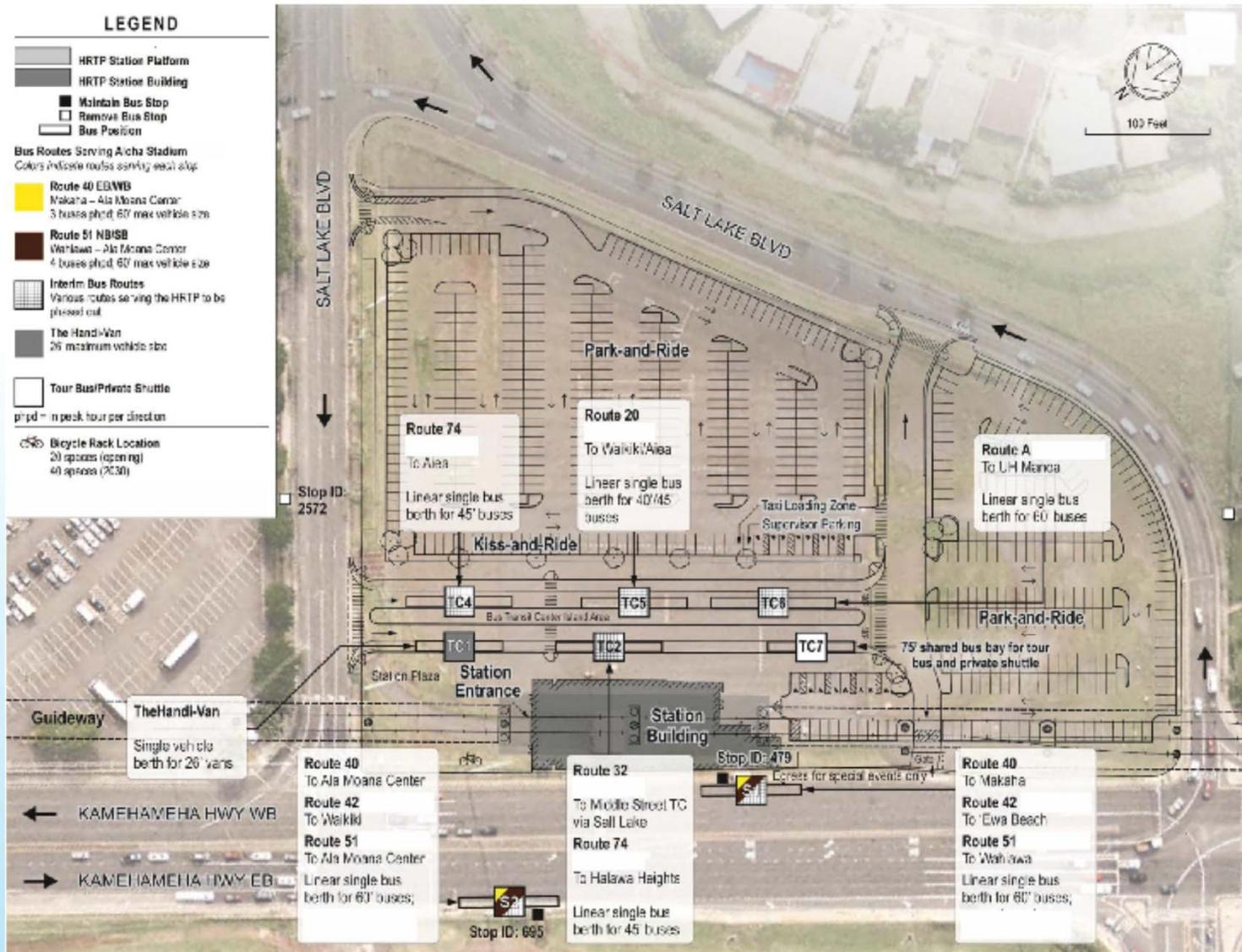
- 1st Vehicles Arrive: **1st Quarter 2016**
- Rail Operations Center: **2nd Quarter 2016**
- West Oahu/Farrington Guideway (6.8 miles): **3rd Quarter 2016**
- Kamehameha Highway Guideway (3.9 miles): **2nd Quarter 2017**
- West Oahu Stations: **4th Quarter 2017**
 - East Kapolei; University of Hawaii/West Oahu; Ho’opili
- Farrington Highway Stations: **1st Quarter 2018**
 - West Loch; Waipahu Transit Center; Leeward Community College
- Kamehameha Highway Stations: **3rd Quarter 2018**
 - Pearl Highlands; Pearlridge; Aloha Stadium
- Systems Certification & Testing: **3rd Quarter 2018**

Phase 1 Milestone (“B” Date)

- Ready for Revenue Service to Aloha Stadium: **3rd Quarter 2018**

*Dates are consistent with Monthly Report dates

Aloha Stadium Station



Phase 1 Milestone Dates

East Kapolei Station to Aloha Stadium Station

- Ready for Revenue Service : **3rd Quarter 2018**

Other Options:

1. Delayed or Deferred Interim Opening

System Operations is beneficial for adding Phase 2 segments

2. East Kapolei to Pearl Harbor

1 additional mile to Pearl Harbor and the Pearl Harbor Station is not in the current scope and would need to be added as a new requirement in the current Airport Segment solicitation

3. East Kapolei to Middle Street (adds Airport Segment)

According to the current contracting plan, this segment will be complete about the same time as the City Center Segment
(3rd Quarter 2020)

Phase 2 (East Segments)



Phase 2 Milestones

Facilities; guideway; systems (“A” Dates)

- Airport Utilities: **3rd Quarter 2016**
- Dillingham Boulevard Advance Utilities: **3rd Quarter 2018**
- Airport Guideway (5.2 miles) & Stations: **3rd Quarter 2020**
 - Pearl Harbor; Honolulu International Airport
 - Lagoon Drive; Middle Street Transit Center
- City Center Guideway (4.2 miles) & Stations: **3rd Quarter 2020**
 - Kalihi; Kapalama; Iwilei; Chinatown
 - Downtown; Civic Center; Kaka’ako; Ala Moana

Phase 2 Milestone (“B” Dates)

- Systems Certification & Testing: **3rd Quarter 2021**
- Ready for Revenue Service: **4th Quarter 2021**

Subject to review and approval by the FTA

Opportunities for Earlier Opening

- **HART Master Project Schedule is based on:**
 - **Current information**
 - **Historical events**
 - **Lessons from ongoing construction operations**
- **Design/Build contractors may have different approaches to the work, such as:**
 - **More resources**
 - **More work zones (headings)**
 - **More efficient way of performing the work**
- **Potential limiting factors:**
 - **Systems installation capability to do concurrent work**
 - **Impact on businesses and traffic**
 - **Third Party access and utility relocations**

Subject to review and approval by the FTA

FFGA Financial Plan Update:

Project Cost Update

Corey Ellis, MBA
Project Controls

10/15/15

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Objectives

- **Provide FFGA Financial Plan update based upon current cost escalation and Project schedule forecast**
- **Compare original FFGA Financial Plan dated June 2012 with refreshed cost and revised revenue and escalation growth percentage**
- **Next Steps**

Project Balance

FFGA:
June 2012
[A]

Project Finances	Value (M's)
Net FFGA Revenue Total ¹	\$5,163
Project Capital Cost	(\$4,948)
Debt Financing Costs	(\$215)
Total Project Cost	(\$5,163)
Project Balance	\$0

¹ Net FFGA Revenue is net of \$193M Project Cash Balance.

Presentation Made:
December 18, 2014
[B]

Project Finances	Value (M's)
Net FFGA Revenue Total ¹	\$5,163
Project Capital Cost	(\$4,948)
Debt Financing Costs	(\$215)
GET Projected shortfall	(\$100)
FTA 5307 Funds Reduction	(\$210)
Lawsuits and Delay Claims	(\$190)
Utility Relocations	(\$50)
Project Enhancements	(\$75)
Construction Cost Escalation	(\$45)
Allocated Contingency	(\$240)
Total Project Cost	(\$5,763)
Project Balance Adjustment	(\$910)

¹ Net FFGA Revenue is net of \$193M Project Cash Balance.

Current Update:
October 15, 2015
[C]

Project Finances	Value (M's)	Slide Ref:
Net FFGA Revenue Total ¹	\$5,163	
Project Capital Cost	(\$4,948)	
Debt Financing Costs	(\$215)	
GET Revenue from Extension ²	\$1,524	
FTA 5307 Funds Reduction	(\$210)	Slide 4
Lawsuits and Delay Claims	(\$190)	Slide 5
Utility Relocations	(\$120)	Slide 6
Project Enhancements	(\$130)	Slide 7
Construction Cost Escalation	(\$240)	Slide 8
Additional Debt Financing Cost	(\$95)	Slide 12
Allocated Contingency	(\$240)	Slide 13
Total Project Cost	(\$6,158)	
Unallocated Contingency	(\$299)	Slide 13
Project Balance	\$0	

¹ Net FFGA Revenue is net of \$193M Project Cash Balance and net of \$110M in added revenue for Public/Private contributions for Pearl Highlands Transit Garage.

² GET Revenue from Extension. Pending City Council Consideration.

FTA Section 5307 Funds – **\$210M**

- **The updated FFGA Financial Plan recommends the \$210M be deleted from Revenue/Contingency funding per Honolulu City Council Resolution No. 15-18.**
- **The Plan update assumes these 5307 funds will be replenished from the pending GET extension.**

Project Delays – Projected \$190M

Total Legal Delay Costs	\$ 45,902,918
Total Other Delay Costs	\$ 77,126,198
Escalation (combination of NTP & Legal)	\$ 49,106,403
Total Delay Claims Cost	\$ 172,135,519
<u>Plus</u> several remaining claims and escalation actuals	\$ 10 - 20M
Estimated impact	\$ <u>190M</u>

(Data provided to HART Board Dec 18, 2014)

Utility Relocations/Upgrades - Projected \$120M

- The difference between the 6/12 FFGA Financial Plan and 12/14 Plan update (**\$50M**) is primarily due to:
 - 1) Additional cost projected for HEI utility relocations in the City Center segment - **\$25M**
 - 2) Service connection costs for permanent power - **\$5M**
 - 3) Cost to address clearance conflicts with HEI high voltage lines - **\$20M**
- The difference between the 12/14 and 10/15 cost update (**\$70M**) is primarily due to HART's estimated share to underground utilities (Dillingham Blvd)
- The investment in relocation and replacement of utilities along the guideway should improve aging island infrastructure (water, sewage, cable, gas, power, and etc.)

Project Enhancements – Projected \$130M

- Platform Safety Gates - \$28M (12/14)
- Additional Seats - \$2M (12/14)
- Fare Collection Systems - \$15M (12/14)
 - Includes \$10M credit from Ansaldo
- Emergency Backup Generators - \$15M (12/14)
- Public Highway Improvements - \$15M (12/14) / \$35M (10/15)
- Additional Escalators - \$20M (10/15)

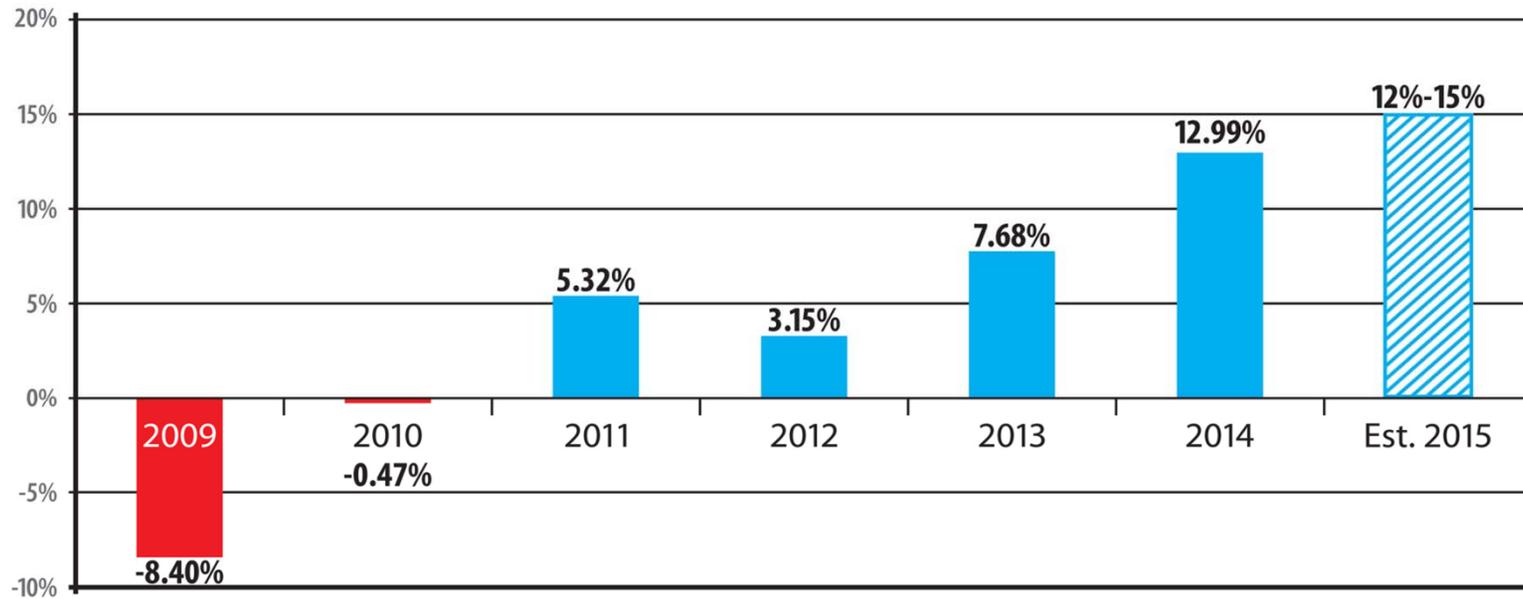
Cost Escalation – Projected \$240M

- The 6/12 FFGA budget utilized an average 4.5% per year rate of cost escalation.
- The actual construction cost escalation for Oahu for years 2013 and 2014 has averaged 10.3% per year, more than double the FFGA estimate.
- Based on most recent cost data*, the estimated construction escalations for Oahu are projected to be 12%-15% for 2015.

*Rider Levett Bucknall

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CONSTRUCTION COST % CHANGE FOR HONOLULU



Reference: Rider Levett Bucknall, Quarterly Construction Cost Reports 2009-2014.
The 2015 projection is based on discussions with Rider Levett Bucknall.

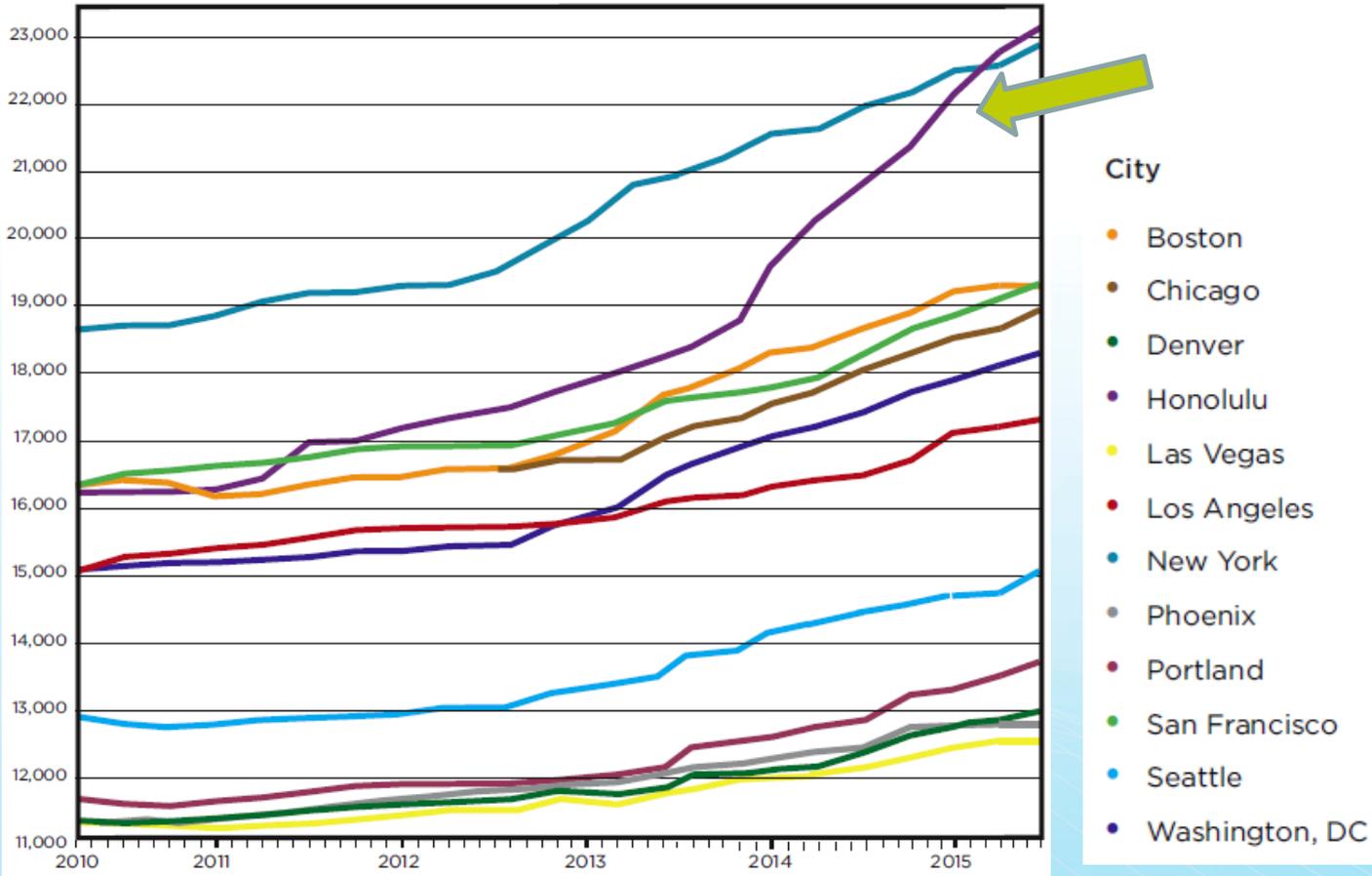
H O N O L U L U R A I L T R A N S I T P R O J E C T

24-Hour Project Hotline (808) 566-2299

www.HonoluluTransit.org

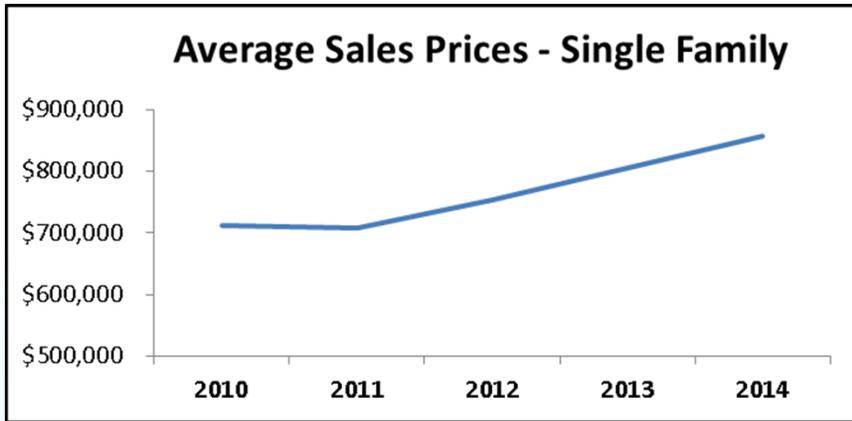
Extraordinary Market Conditions

COMPARATIVE COST INDEX

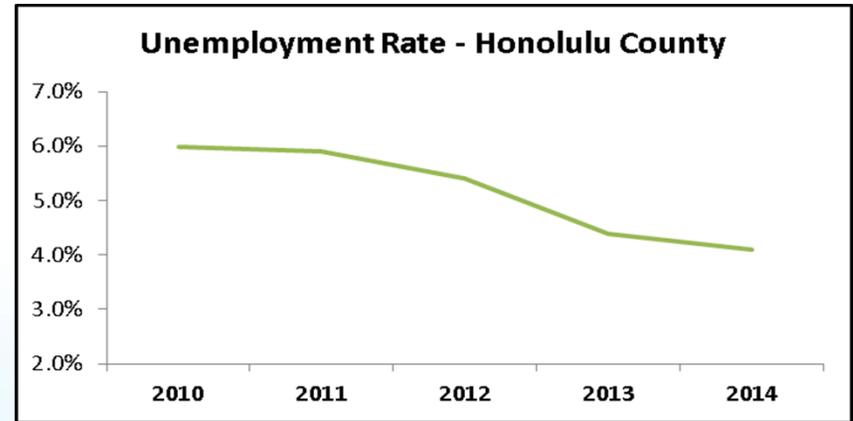


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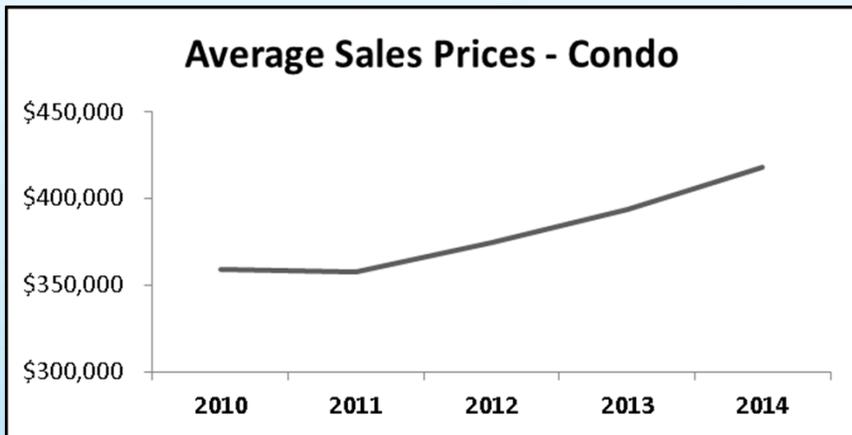
Extraordinary Market Conditions



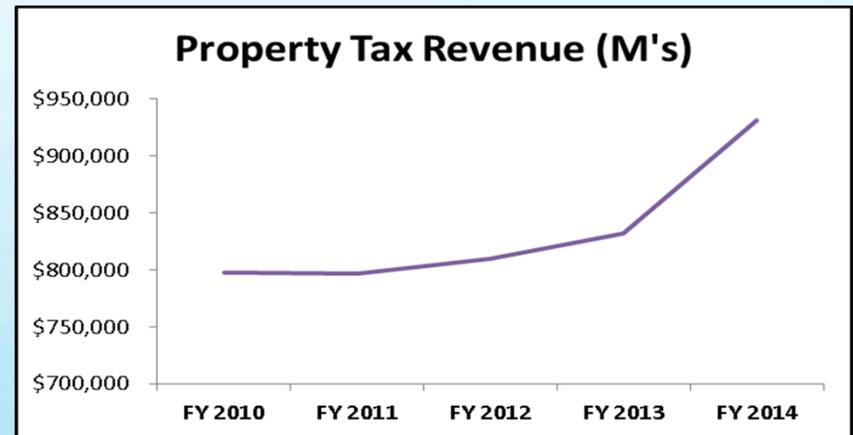
Source: Honolulu Board of Realtors



Source: UHERO Data Portal



Source: Honolulu Board of Realtors



Source: City and County of Honolulu CAFR

Additional Debt Financing - **\$95M**

- The 12/14 cost update did not include additional financing cost for the estimated “\$910M” project deficit.
- The 10/15 cost update assumes the projected cost increases will be financed over the length of the proposed 5 year extension.

Project Contingency - **\$539M**

- The 10/15/15 FFGA updated Financial Plan proposes to replenish contingency by \$240M in allocated and \$299M in unallocated (total \$539M)
- The FTA's most recent recommendation for Project contingency is 13% of Project cost; the updated plan would yield 14%.
- The updated Plan assumes the Pearl Highlands Garage, Freeway Off Ramp and new Bus Transit Facility will cost \$240M compared to \$173M in the 6/12 FFGA forecast. To offset these cost escalations, the Plan projects the garage (\$110mil) will be funded via a Public Private Partnership

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Next Steps

- **Provide updated Financial Plan to FTA Project Management Oversight for their analysis and review.**
- **Provide updated Financial Plan presentation to Administration and City Council.**