



HONOLULU AUTHORITY for RAPID TRANSPORTATION

**Board of Directors Meeting  
Kapolei Hale, Room B  
1000 Uluohia Street  
Kapolei, Hawaii 96707  
Thursday, September 24, 2015 10:00 am**

**MINUTES**

<b>PRESENT:</b>	Donald G. Horner Michael Formby George Atta Colleen Hanabusa	Ivan Lui-Kwan Terrence Lee William "Buzz" Hong
<b>ALSO IN ATTENDANCE:</b> (Sign-In Sheet and Staff)	Daniel Grabauskas Barbra Armentrout Terri Fujii Diane Arakaki Dr. Jim Anthony Mel Kahele	Elizabeth Scanlon Morris Atta Tom LeBeau Joyce Oliveira Andrea Tantoco Cindy Matsushita Gary Takeuchi
<b>EXCUSED:</b>	Ford Fuchigami	Damien Kim

I. Call to Order by Chair

HART Board Chair Donald G. Horner called the meeting of the Board of Director to order at 10:48 a.m.

II. Public Testimony on All Agenda Items

Mr. Horner called for public testimony.

Dr. Jim Anthony provided testimony regarding the appointment of the ninth voting member of the Board of Directors. He said that he had spoken with nominee Terri Fujii at length, and acknowledged her experience. However, he said that he would like to see a "team player" and a "whistle blower" on the Board, which he said lacked intellectual and ideological diversity.

Mel Kahele of the Ironworkers Stabilization Fund Local 625 thanked the Board for resolving issues relating to the Project Labor Agreement administrator, a jurisdictional matter with another trade union, and the unbundling of the station requests for proposals.

HART Board of Directors Meeting  
September 24, 2015

He said that he was concerned over Nan, Inc.'s attempt to rescind its bid, and asked whether Nan had been awarded the contract.

Board member William "Buzz" Hong thanked Mr. Kahele for his comments. Mr. Horner added that his recent letter to the Mayor and the City Council had acknowledged that HART had listened to the local building trades community.

HART Executive Director and CEO Daniel Grabauskas confirmed that the contract award had been made to Nan. Mr. Kahele asked if HART had realized a \$10 million savings from the budgeted amount, and Mr. Grabauskas indicated that it had.

Mr. Hong commented that in light of the ongoing tile setter union strike, the Project Labor Agreement would prevent any labor disruption on the rail project.

III. Approval of the Minutes of the August 27, 2015 Meeting of the Board of Directors

Mr. Horner called for the approval of the minutes of the August 27, 2015 meeting of the Board of Directors. There being no objections, the minutes were unanimously approved.

IV. Action on the Report of Permitted Interaction Group on the Selection of the Ninth Voting Member

Mr. Horner invited Board member Ivan Lui-Kwan to report on the permitted interaction group's (group) activities. Mr. Lui-Kwan said that as the eight voting members of the HART Board of Directors were empowered by the Revised Charter of the City and County of Honolulu to select the ninth voting Board member, the Board had established a group for that purpose. The group advertised the position, held an organizational meeting, interviewed all ten candidates, and held a final meeting after which it announced Terri Fujii as its recommended nominee. He said that there were several outstanding candidates, but noted that Ms. Fujii was selected because of her character and integrity, as well as her financial experience. The group's report had been made at the August 24, 2015 meeting of the Board of Directors, after which the public was able to provide input. Mr. Lui-Kwan made a motion that the Board approve the recommendation of the group to appoint Ms. Fujii as its ninth voting member.

Board member Michael Formby, who seconded the motion, said in response to Dr. Anthony's comments that he thought financial auditors have a discerning eye, and that Ms. Fujii would bring a skill set that is in line with the direction in which the Board is going.

Mr. Horner called for the vote. All being in favor, Ms. Fujii was unanimously appointed to the Board of Directors. Mr. Horner invited Ms. Fujii to address the Board.

Ms. Fujii thanked the Board for its vote of confidence, and said that she was honored to be its newest member. Mr. Horner asked if Ms. Fujii had any allegiance to the City Council or the mayor, and she replied that she did not. Mr. Horner said that he looked forward to working with her.

V. Committee Leadership and Membership

Mr. Horner said that Ms. Fujii would have the opportunity to select the committees she wished to sit on. He noted that the Finance Committee needed a vice chair.

VI. HART Annual Report

Mr. Grabauskas said that HART's Annual Report had been presented to the Board at its last meeting for comment and input. There being none, the report would now be transmitted to the Mayor and the City Council. The report is attached hereto as Attachment A.

VII. Construction and Traffic Update

HART Deputy Director of Construction Tom LeBeau made a PowerPoint presentation of the construction and traffic update, a copy of which is attached hereto as Attachment B.

Mr. LeBeau gave a brief overview of the alignment and its different sections.

Mr. Horner noted that the West Oahu/Farrington Highway (WOFH) section contained the Rail Operations Center (ROC), which was a 43-acre site with approximately 2,000 square feet under roof. Mr. LeBeau said that it would house the control center and train dispatchers, who will be able to remotely respond to emergencies, as they will be able to see each train schematically, as well as via onboard cameras. Mr. Grabauskas added that the system will include approximately 1,500 cameras on the trains, platforms, staircases, and fare machines. Mr. Horner asked whether the cameras would have audio. Mr. Grabauskas responded that although the cameras will not record audio, the train cars and platforms will include call boxes with a green button for questions, and red button for emergencies. Mr. Horner pointed out that the ROC would be a high security site, and Mr. LeBeau confirmed that. Mr. Horner noted that the ROC, which is located between Waipahu High School and Leeward Community College, would represent a training opportunity for students.

Mr. LeBeau added that the Maintenance of Way Building and the Operations and Service Building would house hi-tech workers who will service the entire guideway. Mr. LeBeau said that the ROC was scheduled to be substantially complete in the first quarter of 2016, and was on schedule to receive the first vehicle in the same quarter. He reported on construction progress on the various buildings at the ROC.

Mr. LeBeau reported that the WOFH guideway section would be complete in July 2016, and was currently tracking four to six months behind schedule. He said that the section of guideway along Kualakai Parkway had been complete, and the truss was headed to the Kamehameha Highway Guideway (KHG) section, which is scheduled to be complete in April 2017. The balanced cantilever work at Leeward Community College and going east from the H1-H2 merge should be completed around the end of October.

HART Board of Directors Meeting  
September 24, 2015

Mr. LeBeau reported that the Farrington Highway Stations, H2R2 ramp, and West Oahu Stations were all under contract, and work was underway to schedule notices to proceed and groundbreaking. He reported on the Airport Advanced Utilities contract, as well as the completed Airport seven piers contract. He explained that the seven piers had been contracted for in advance, as part of HART's coordination with the Airport and the State Department of Transportation, who planned to construct a consolidated rental car facility in the area. The coordination eliminated the need for multiple road closures, in consideration of the public.

Mr. LeBeau reported on the traffic detours and delays on Farrington Highway. Mr. Horner encouraged staff to keep Principal Hayashi at Waipahu High School informed of project progress, and Mr. LeBeau replied that HART has very active communications with the school. Mr. LeBeau reported on lane closures with regard to balanced cantilever work, as well as on Kamehameha Highway in Pearl City, near Pearl Harbor, and the Airport.

Mr. Grabauskas added that with regard to left turn lane closures, once utility relocation work is completed, work spaces can safely be narrowed and lanes reopened. With regard to intermittent and permanent lane closures, close attention has been paid to locations such as the left turn adjacent to Tanioka's Seafoods, which has been restored in coordination with the Department of Transportation Services and the State Department of Transportation. He said that staff and other government agencies heard the concerns of businesses and communities, and were able to come to a safe resolution.

Mr. Formby requested information on schedule, forecasted impact on the project budget and the relative risk. Mr. Grabauskas said that the information could be included, but said that there is sometimes disagreement with the contractor on the magnitude of changes and delays. Mr. Formby said that he understood the sensitivities involved, but requested more detail about the nexus between the schedule delays and risk.

Mr. Lui-Kwan asked that Mr. Formby focus on the independent rail consultant's reports and the Board Chair's September 15, 2015 quarterly report regarding efforts on how to get back on track with regard to schedule. Mr. Formby agreed to do so.

Dr. Anthony asked whether Mr. LeBeau was a Kiewit employee. Mr. Grabauskas said that he is the Deputy Director of Construction, who works for HART. Dr. Anthony said that the presentation did not mention the impact on businesses affected by construction. He said that the HART and its contractors have the responsibility to mitigate construction impacts to businesses, and called for an audit, as the Board has oversight responsibility.

#### VIII. August Monthly Progress Report

Mr. Grabauskas said that the August Monthly Report had been made available to Board members and the public, and solicited questions. Mr. Formby requested a synopsis of changes in the beginning of the report, and Mr. Grabauskas said that staff was in the process of responding to that request.

HART Board of Directors Meeting  
September 24, 2015

Mr. Horner said that the Chair's quarterly report could summarize the monthly report on a quarterly basis. Mr. Grabauskas added that the Balanced Scorecard was also a useful tool that reported project data on a quarterly basis. Mr. Horner asked that the Balanced Scorecard be included on a future agenda for review.

IX. Business Interruption Mitigation Discussion

HART Director of Communications Jeanne Mariani-Belding gave a PowerPoint presentation on Business Interruption Mitigation, a copy of which is attached hereto as Attachment C. Ms. Mariani-Belding thanked her staff for their compassionate efforts. She said that staff had looked at the activities of other transit agencies in formulating its business interruption mitigation strategy. She detailed the "Open for Business" program, which ensures proper signage and access, as well as canvassing by the contractor.

Mr. Horner noted the importance of including outreach activities in HART's contracts; Mr. Grabauskas said that HART was strengthening contract provisions relating to business outreach, as the challenges will be greater as construction goes into town. Mr. Formby requested information on the contract provisions, and suggested incentivizing contractors to do a better job on construction mitigation as other transit authorities do.

Ms. Mariani-Belding said that HART also holds monthly business and community meetings. HART has also created programs in partnership with its contractors. The Business Alliance Program involves regular updates and meetings with businesses and tenants, as well as events such as free social media workshops. She said that HART has begun proactive outreach in the Dillingham and City Center area, particularly at schools to provide safety information in the highly congested corridor. Ms. Mariani-Belding spoke about HART's partners, such as the Small Business Center and the Small Business Association, and the Mayor's Office of Economic Development.

Ms. Mariani-Belding highlighted HART's new "Shop & Dine on the Line" program, which includes 85 participating businesses. It encourages the community to support local businesses during construction by providing discounts along the alignment. The Swap, Shop & Shuttle Program, which will start up in November, will operate in conjunction with Shop & Dine on the Line by shuttling people down the Kamehameha Highway Corridor. Transit-themed community events are planned at Leeward Community College, and at major business hubs. She detailed the ways in which folks could keep in touch with the community, including its website and hotline. That month, 140 public inquiries had been fielded and responded to.

Mr. Hong asked about the HART outreach staff. Ms. Mariani-Belding said that HART has two outreach specialists, and one staff person who mans the hotline and responds to Freedom of Information Act requests. Mr. Hong commended Ms. Mariani-Belding and her staff for their efforts. Ms. Mariani-Belding said that it is HART's responsibility to build relationships with the community.

Mr. Formby said that it would be important to allow contractors to do much of the outreach work, particularly as work nears the City Center area. He said that the important work is

done on the corridor. He suggested formalizing the program for presentation or approval by the Board of Directors. He also suggested surveys prior to construction, to inform project staff on the types of businesses and their concerns.

Mr. Lui-Kwan said that the staff had done an outstanding job on this critical program. He asked about the sustainability of the program, which is key to the community's acceptance of the project. Ms. Mariani-Belding said she agreed with Mr. Formby on the importance of advance surveying, particularly in the dense City Center section. If contractors take on outreach responsibilities, HART staff will be able to focus on overall programs such as Shop & Dine on the Line, which is intended to be carried throughout the project.

Board member George Atta commented that he had fielded comments on parking for construction workers on the project. Mr. Hong said that he had seen contractors secure offsite parking sites and shuttling construction workers to the job site.

Rose Pou testified in support of the Shop & Dine on the Line program, which she said is great for seniors. She suggested getting McDonald's and Zippy's to participate.

Dr. Anthony commended Ms. Mariani-Belding for her presentation. He suggested auditing contractors for their compliance with their contract responsibilities regarding business mitigation. He also suggested comparing other transit projects' communications budgets with that of HART.

Mr. Formby suggested that the contractor's public involvement officer come before the HART Board. Mr. Horner suggested that this item be included on the Project Oversight Committee's agenda periodically. Ms. Hanabusa asked for a copies of the contract, as part of the report as to whether the contractor is fulfilling its duties under the contract.

#### X. Right of Way Update

HART Deputy Director of Right of Way Morris Atta made a PowerPoint presentation on the right of way status, a copy of which is attached hereto as Attachment D.

Mr. Atta reported that the right of way team continues to meet schedule needs for the City Center section, with a focus on the Airport and Dillingham portions to support upcoming procurements. HART has secured 91% of the total area needed for contractors, with title acquired for almost 73% of needed parcels. Mr. Atta reported that of the 44 eminent domain matters presented to the Board for authorization thus far, four cases had been filed in court; one had settled prior to trial, one settlement was pending approval by the Federal Transit Administration, and two had been requested by the landowners to resolve defective title. 16 of those 44 properties were in escrow and expected to be resolved.

Mr. Atta reported that the right of way program remains ahead of the construction schedule, with site control for the first two sections almost complete. Regarding acquisitions by land area and ownership type, he cited to the 68% of the government lands required by the project that had either closed, or for which HART had received final

HART Board of Directors Meeting  
September 24, 2015

documentation. Mr. Horner asked if the land under the ROC had been included in that figure, and Mr. Atta said it had.

Mr. Atta reported that survey mapping and appraisals were progressing well. Offers on privately owned parcels were also progressing, with pending offers on 44% of parcels, and offers on 36% of parcels accepted. He reported on parcels to be acquired by tax map key (TMK) number. Mr. Atta then reported on cost estimate updates, which forecast that HART will be under budget by \$9.2 million at completion of right of way acquisitions.

Mr. Lee asked about staff's confidence that it would be able to continue to stay within budget. Mr. Atta said that as budget projections were based on actual appraisals and market analyses, staff was confident that it would come in very close to the estimate. Mr. Lee asked how current the appraisals were, and Mr. Atta replied that most appraisals were done within the previous six months.

Mr. Hong asked that Mr. Atta make a presentation on the number of conversions of full acquisitions to partial acquisitions to the Transit Oriented Development Committee. Mr. Atta agreed, with the caveat that some parcels were still under negotiations.

Mr. Horner said that the mayor had asked about the percentage of real estate acquired to date. Mr. Formby confirmed that the question referred to parcels along the full corridor. Mr. Horner suggested providing Mr. Atta's PowerPoint presentation to the mayor. Mr. Grabauskas also suggested distinguishing between parcels that had been acquired and parcels for which HART had obtained construction access. For example, although HART has construction access to the ROC site via a license, the acquisition paperwork was not yet complete.

Ms. Hanabusa said that the mayor seemed to be seeking an explanation regarding the changes in budget and schedule between what he reported to the Legislature during the previous legislative session, and Mr. Horner and Mr. Grabauskas' letter to him. She said that the Legislature would likely be seeking an explanation for that difference. Mr. Horner agreed and acknowledged the need for an explanation.

Mr. Lui-Kwan said that there had been a lively discussion in the joint Finance and Project Oversight Committee regarding the matter, and suggested working with the administration on the explanation. However, he said that the Board first needed to educate itself. Ms. Hanabusa reiterated that the issue must be addressed during the legislative session. Mr. Horner suggested that the analysis begin with the Full Funding Grant Agreement (FFGA) Financial Plan, continue with the figures previously reported to the Legislature, and end with the current status. Mr. Lui-Kwan said that the record was clear via the copious binders of documentation and correspondence that had been presented to the Legislature, and suggested that the record be consulted. Mr. Horner said that the record contained many assumptions, each of which must be examined.

Ms. Hanabusa said that she agreed with the process set forth by Mr. Horner. However, she reminded members to keep in mind the audience and how the message is received. She

pointed out that HART's situation may be due to the fact that previous communications had not been received in the manner in which they were intended.

Mr. Grabauskas added that certain events affecting schedule and budget have also changed, including significant bids that impacted the budget, as well as the General Excise Tax surcharge legislation pending before the City Council. He also expressed his concern over multiple numbers being applied to the same thing, due to the fact that circumstances have changed over time. Mr. Horner said that the discussion would occur later in the agenda, and would provide clarity as to the information sought by the Board. He added that new assumptions would also be important in the status update. Mr. Horner agreed, and emphasized that things such as future contracts would be based on an estimate, but that those numbers would be organic.

XI. Eminent Domain – Authorization of Acquisition

Morris Atta presented the eminent domain items, documentation of which is attached hereto as Attachment E.

- A. Resolution No. 2015-79 Authorizing the Acquisition of Easements Over, On, and Across the Real Property Identified as Tax Map Key 1-1-016-009 (Portion) by Eminent Domain
- B. Resolution No. 2015-81 Authorizing the Acquisition of a Fee Simple Interest in the Real Property Identified as Tax Map Key 2-1-014-006 (Portion) by Eminent Domain

Mr. Atta said that Resolutions 2015-79 and 2015-81 were being recommended for adoption by the Board. The Board had previously authorized staff to notify the City Council that it intended to proceed in eminent domain, and the City Council had adopted resolutions in support. Mr. Formby made a motion for adoption of Resolutions 2015-79 and 2015-81. Mr. Lui-Kwan seconded the motion. All being in favor of the motion, the resolutions were unanimously adopted.

XII. Eminent Domain – Approving Notification to the City Council

- A. Executive Session
- B. Resolution No. 2015-44 Approving Notification To The City Council Of Intention To Acquire Electrical Easement Over, On, And Across The Real Property Identified As Tax Map Key 1-4-004-028 (Portion) By Eminent Domain And Publication Of A Resolution Authorizing Acquisition Of Said Easement By Eminent Domain
- C. Resolution No. 2015-45 Approving Notification To The City Council Of Intention To Acquire Guideway Easement And Temporary Construction Easement Over, On, And Across The Real Property Identified As Tax Map Keys 1-1-004-035 (Portion) And 1-1-004-039 (Portion) By Eminent Domain And Publication Of A Resolution Authorizing Acquisition Of Said Easements By Eminent Domain

- D. Resolution No. 2015-83 Approving Notification To The City Council Of Intention To Acquire A Fee Simple Interest In The Real Property Identified As Tax Map Keys 2-3-007-062 (Portion) And 2-3-007-063 (Portion) By Eminent Domain And Publication Of A Resolution Authorizing Acquisition Of Said Property By Eminent Domain
- E. Resolution No. 2015-84 Approving Notification To The City Council Of Intention To Acquire A Fee Simple Interest In The Real Property Identified As Tax Map Key 2-3-039-011 (Portion) By Eminent Domain And Publication Of A Resolution Authorizing Acquisition Of Said Property By Eminent Domain

Mr. Atta said that the second group of eminent domain matters was coming before the Board for the first time for its approval to notify the City Council of HART's intent to exercise eminent domain. The PowerPoint presentation and supporting documentation are attached hereto as Attachment F. Mr. Atta began by briefly summarizing the real estate site control timeline, and emphasized that HART's primary objective is to resolve acquisitions through voluntary negotiations.

Mr. Atta said that Resolution 2015-44 involved one of two KJL Associates-owned properties along Ualena Street required for a straddle bent column. The first parcel was a 122 square foot easement utility. The second was a 3,397 square foot guideway easement and temporary construction easement.

Resolution 2015-83 pertained to a property owned by K. Iida Properties, Ltd. HART sought to acquire a 1,070 square foot area in fee simple.

Pursuant to Resolution 2015-84, HART was seeking to acquire 13,238 square feet in fee simple from the property along Kapiolani Boulevard owned by Samkoo Hawaii, LLC for a station touchdown. Mr. Formby voiced his concern that staff had communicated with Samkoo. Mr. Atta said that HART had been in discussions with Samkoo representatives, who were preparing a counteroffer to HART's offer. Mr. Grabauskas confirmed that HART's practice was to contact the landowner prior to an eminent domain matter coming before the Board. Mr. Horner asked whether the offer was within budget, and Mr. Atta replied that it was, but HART was awaiting the landowner's counteroffer.

Mr. Formby made a motion to adopt Resolutions 2015-44, 2015-45, 2015-83, and 2015-84 and Mr. Kim seconded the motion. The Board Administrator pointed out a typographical error with the TMK number in agenda item XII.C.; all other materials regarding that item were correct. Mr. Horner called for the vote; all being in favor of the motion, the resolutions were unanimously adopted.

### XIII. Fiscal Year 2017 Operating and Capital Budgets and Six-Year Capital Program

Mr. Lui-Kwan said that this item had been deferred in the joint Finance and Project Oversight Committee meeting with the notion that the presentation would be made to the full Board. However, as the composition of the joint committee was the same as the full Board, there was no need for further presentation.

XIV. Resolution No. 2015-85 Relating to the Honolulu Authority for Rapid Transportation's Request to the Honolulu City Council for Approval of the Issuance and Sale of Commercial Paper

Mr. Horner said that debt financing was another critical matter to be addressed. Chief Financial Officer Diane Arakaki agreed, and said that tax exempt commercial paper to provide cash flow will be needed as the project progresses. The draft resolution requested the Board to authorize the purchase and sale of commercial paper in an amount not to exceed \$350 million. Staff anticipates the need to borrow funds by as early as December of this year. Should the resolution be adopted, it will be transmitted to the City Council and the Department of Budget and Fiscal Services (BFS), who will submit its own resolution to the City Council for the issuance of commercial paper on November 4, 2015. HART's first drawdown of funds is scheduled for December.

Mr. Horner clarified that the City was authorized to issue up to \$450 million in commercial paper, up to \$350 million of which was authorized for HART. Ms. Arakaki said HART would not need all of it at once. Ms. Arakaki said that the draft Resolution 2015-85 had been drafted in cooperation with Corporation Counsel and BFS. Mr. Horner asked if the memorandum of understanding with BFS had been put in place, and Ms. Arakaki confirmed that it had.

Ms. Hanabusa asked about the implications of the fact that the City Council has not passed the GET surcharge extension on bond issuance. Mr. Horner replied that the resolution dealt with one-year commercial paper, not bonds. Mr. Grabauskas said there was no impact.

Ms. Hanabusa asked how and whether commercial paper would be paid back. Ms. Arakaki said HART would have the funds to pay it back, without regard to the GET extension.

Mr. Horner said that the project was spending approximately \$50 million per month, with a \$250 million cash balance. He said that the project had been scheduled to borrow funds in 2014, so HART was borrowing less and later than originally intended.

Mr. Lui-Kwan made a motion to adopt Resolution 2015-85. Mr. Lee seconded the motion.

Mr. Lui-Kwan said that the debt financing discussion had been ongoing for a while between the different City departments and HART, and that he assumed the reason it was not discussed at the Finance Committee was its long history. Mr. Horner apologized for any oversight, as did Ms. Arakaki.

Ms. Hanabusa asked why HART should incur the additional expense of floating short term paper for a year if it had the money to pay for it. Ms. Arakaki said that commercial paper was a line of credit that HART was requesting Council to issue. Ms. Hanabusa questioned the need for commercial paper if HART had a cash balance of approximately \$250 million, and intended to pay off the \$350 million in commercial paper in a year. She asked who makes the decision as to when and how much to draw down. Ms. Arakaki said that the resolution would start the process of putting a financing mechanism into place. Mr.

HART Board of Directors Meeting  
September 24, 2015

Horner said that the commercial paper would be a line of credit for HART's use in case it needed it. He said that BFS had already issued requests for proposals, and was waiting for the HART Board of Directors to pass its resolution before making its request to the City Council to issue commercial paper. He clarified that the request before the Board was for the issuance of commercial paper, not to draw on it.

Mr. Grabauskas added that the process involved several steps before the City Council. He said that HART had worked with BFS on the most fiscally prudent method of borrowing; he suggested discussing the matter with the committee.

Mr. Lui-Kwan credited Mr. Horner with structuring the borrowing of less long term debt and more short term debt to save HART money. Mr. Horner suggested deferring the item to allow the Finance Committee to have a robust discussion concerning commercial paper. Mr. Lui-Kwan withdrew his motion for approval, with Mr. Lee's consent. He moved to defer decision on the resolution.

Mr. Grabauskas registered his concern that any HART delay would delay the process at City Council. Mr. Horner suggested a Finance Committee meeting prior to the October 15, 2015 meeting of the Council Budget Committee. Mr. Lui-Kwan agreed.

Mr. Lui-Kwan moved to defer the commercial paper item. Mr. Lee seconded the motion, which carried unanimously.

XV. Quarterly Report by the Chair of the Board of Directors

Mr. Horner said that as the September 15, 2015 quarterly report had been discussed throughout the meeting, he did not think that further discussion was necessary. A copy of the report is attached hereto as Attachment G.

Mr. Lee said that he supported the transparent dissemination of information to the public, but reiterated Mr. Lui-Kwan's request that it be done with proper protocol.

Mr. Horner acknowledged Mr. Lee's comment. He said that many of the Mayor's questions posed in his response to the Chair's Quarterly Report would be answered by the finance and schedule update. Mr. Grabauskas suggested updating the Finance Committee and Board the following month, then preparing a response to the Mayor.

XVI. Resolution No. 2015-86 Directing Staff to Provide the Board of Directors of the Honolulu Authority for Rapid Transportation with an Update on the Project Budget and Schedule

Mr. Horner said that resolution 2015-86 requests staff to update the Finance Committee and the Board on project schedule and budget. A copy of the resolution is attached hereto as Attachment H. He emphasized the need to include milestone dates, such as the interim opening date, in the presentation. He also said that the information in the update should be given to the Board prior to the FTA. He also suggested that staff provide information

HART Board of Directors Meeting  
September 24, 2015

about the savings in moving from the design-bid-build to design-build scenario, as well as on debt financing.

Mr. Grabauskas clarified that the presentation should be made first to the joint Finance and Project Oversight Committees prior to the Board. Mr. Horner confirmed, and suggested amending the draft resolution to direct staff to provide the update via the joint Finance and Project Oversight Committee. Mr. Lui-Kwan concurred.

Ms. Hanabusa asked for clarification.

Mr. Lui-Kwan said that Mr. Horner was seeking to provide concise information. He asked for clarification on the 30-40% increase in construction costs in the Chair's Quarterly Report, and Mr. Horner replied that as 50% of project contract costs were still unknown as they have not been let, the percentage of increase was still unknown, and should be expressed as a range.

Mr. Formby said that the 30%-40% range was based on engineers' estimates and data. Mr. Grabauskas that the letter seeks to convey the fact that staff is tracking additional potential costs, i.e., any extension of schedule will result in an extension of cost, which would possibly represent an additional 10% in cost, or \$290 million.

Mr. Lui-Kwan asked about the precipitating event that led to the need for this conversation. Mr. Grabauskas replied that there were multiple precipitating events: independent cost estimates may be higher, particularly in the two large remaining contracts due to the volatility of the market, as well as potential schedule extensions and shifts in utility relocations. He said that details would be provided in the update.

Mr. Horner confirmed that the final cost would be unknown until the bids were received. Additionally, there were assumptions built into the \$594 million cost overage reported in December 2014 that were not decided by the Board or staff. Mr. Grabauskas said that since December, two station packages and the H2R2 ramp bids had come in under budget, which were also being tracked.

Mr. Horner said regarding revenue, the presentation should include the impact of any GET extension. He spoke of the need to determine a prudent growth rate as an assumption for forecasting. He also spoke of the need to discuss the interim opening date, and the associated operating costs.

Mr. Grabauskas said that these updates would be performed in concert with the FTA. The FTA had expressed at the recent quarterly meeting with HART their concern over the significant challenge of being able to meet the December 2020 operations date. Additionally, Honolulu was now being reported by Rider Levitt Bucknell as the most expensive city in the country for construction, with a 12-14% construction escalation rate. The overall costs would become more certain after June, when all of the contract bids would be opened.

Mr. Horner called for a vote to amend the resolution to read that the update be made via the joint Finance and Project Oversight Committee. All being in favor, the motion carried.

HART Board of Directors Meeting  
September 24, 2015

Mr. Horner then called for a vote to adopt Resolution 2015-86 as amended. The motion carried unanimously.

XVII. Formation of Permitted Interaction Group to Investigate Proposals for Submission to the Charter Commission of the City and County of Honolulu

Mr. Horner said that the Honolulu Charter Commission was accepting recommendations for Charter amendments until October 31, 2015. He explained that every ten years, the Charter Commission makes recommendations on adjustments to the Revised Charter of the City and County of Honolulu for the public to vote on. Mr. Horner said that the Charter Commission chair Jessie Souki had requested recommendations from the HART Board.

Mr. Horner said that he was seeking to form a permitted interaction group to investigate recommendations for the HART Board, and solicited volunteers. Mr. Lui-Kwan, Mr. Lee, Ms. Hanabusa, volunteered. Mr. Horner solicited Mr. Formby to be a member of the group, and Mr. Formby agreed, noting that he served on the HART Board as an ex officio. Mr. Horner said that he would also serve as a member.

Deputy Corporation Counsel Gary Takeuchi suggested including the task of the group in the motion. Ms. Hanabusa said that as the City and County of Honolulu was entertaining amendments to its charter, and the HART Board had been asked to propose amendments to Article 17, the permitted interaction group would bring proposals before the Board for presentation to the Charter Commission prior to October 31, 2015. The group would consist of Mr. Lui-Kwan, Mr. Lee, Mr. Horner, Ms. Hanabusa, and Mr. Formby.

Mr. Horner added that the group's report would be made at the October 15, 2015 Board meeting, but that the Board would not be able to vote on any proposals until the following meeting in November. He said that Mr. Souki had been verbally advised, and did not anticipate a problem with the process.

Mr. Formby moved to form the permitted interaction group, and Mr. Lui-Kwan seconded the motion. All being in favor of the motion, the permitted interaction group was formed to investigate proposals for submission to the Charter Commission.

XVIII. Executive Director & CEO's Report

Due to the late hour, Mr. Grabauskas suggested deferring his report to a future meeting.

XIX. Executive Session

There was no need for executive session.

Mr. Horner suggested appointing Ms. Fujii as vice chair of the Finance Committee. Mr. Takeuchi said that the appointment of the chairs and vice chairs of committees was the discretion of the Board chair. He noted that the item had been included as item V. on the agenda.

HART Board of Directors Meeting  
September 24, 2015

Mr. Lui-Kwan moved to appoint Ms. Fujii as vice chair of the Finance Committee, and Ms. Hanabusa seconded the motion. All being in favor, the motion carried.

Mr. Formby noted that Mr. Hong had requested that the August 25, 2015 letter of the Mayor's independent rail consultant be placed on a future agenda.

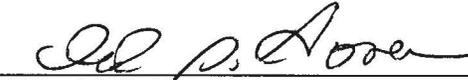
XX. Adjournment

There being no further business before the Board, Mr. Horner adjourned the meeting at 2:03 pm.

Respectfully Submitted,

  
Cindy Matsushita  
Board Administrator

Approved:

  
Donald G. Horner  
Board Chair

11/12/15  
Date

## ATTACHMENT A

# Honolulu Authority for Rapid Transportation Annual Report for Fiscal Year 2015

Ivan Lui-Kwan, Chair  
Donald G. Horner, Vice-Chair  
Robert Bunda  
William Hong  
Keslie Hui  
Damien Kim  
Carrie Okinaga  
George Atta, Ex-Officio  
Michael Formby, Ex-Officio  
Ford N. Fuchigami, Ex-Officio

Daniel Grabauskas, Executive Director and Chief Executive Officer  
Brennon Morioka, Deputy Executive Director

## **POWERS, DUTIES, AND FUNCTIONS**

The Honolulu Authority for Rapid Transportation (HART) is authorized to develop, operate, maintain, and expand the high-capacity fixed guideway rapid transit system of the City and County of Honolulu. Among its responsibilities are directing the planning, design, and construction of the fixed guideway system, and operating and maintaining the system; preparing and adopting annual operating and capital budgets; applying for and receiving grants of property, money and services, and other assistance for capital or operating expenses; making administrative policies and rules to effectuate its functions and duties; and to promote, create, and assist transit-oriented development (TOD) projects near fixed guideway system stations that promote transit ridership.

HART is governed by a ten-member Board of Directors that directs the organization's policy. The administration of the authority is overseen by its Executive Director and CEO.

## **MISSION**

HART's mission is to plan, design, construct, operate, and maintain Honolulu's high-capacity, fixed guideway rapid transit system.

## **ACCOMPLISHMENTS**

### **OVERVIEW**

During Fiscal Year 2015, HART's fourth year of existence, the agency, the HART Board of Directors, staff, and consultant team made significant progress toward achieving the vision of bringing a quality rail transit system to Oahu.

Most notably, HART secured funding for the completion of the Honolulu Rail Transit Project (HRTP) with the passage of the extension of the General Excise Tax (GET) surcharge.

HART has made great strides in construction in FY 2015, with 176 columns constructed, more than 1,500 concrete guideway segments erected, and 130 guideway spans between columns in place as of June 26, 2015. All told, more than three miles of guideway are now complete. The shell of the first rail car has also been completed.

HART, Ansaldo Hawaii Joint Venture (AHJV), the city Department of Transportation Services (DTS), and Oahu Transit Services (OTS) continued their work in exploring synergies and efficiencies in building, maintaining, and operating the HRTP, as well as bus/rail multimodal opportunities.

## **BUDGET AND FINANCE**

### **Budget**

The FY 2016 Operating and Capital Budgets were submitted to the Mayor and the City Council for their consideration and input. The budgets did not include any request for city general fund monies. However, the Operating Budget included funds for reimbursement to the city's general fund for staff support from various city departments and Central Administrative Services expense. The budgets were adopted by the Board on June 25, 2015 in the following amounts:

Operating Budget	\$29,212,000
Capital Improvement Budget	<u>\$422,249,700</u>
Total FY 2015 Approved Budget	\$451,461,700

### **Funding**

Local funding for the HRTP from the one-half percent (0.5 percent) GET county surcharge totaled \$1.469 billion from January 2007 through April 2014.<sup>1</sup> The Hawaii State Legislature passed legislation in May 2015 that would extend the GET surcharge through 2027; House Bill 134 became law on July 14, 2015.

Federal Section 5309 New Starts revenue appropriated for HART to date is \$1.056 billion. If Congress appropriates the \$250 million included in the FY16 Transportation and Housing and Urban Development appropriations bills, federal funding for HART will be \$1.306 billion against a total of \$1.55 billion in the Full Funding Grant Agreement.

In cooperation with the Department of Budget and Fiscal Services (BFS), DTS, and the Mayor, HART executed a Memorandum of Understanding (MOU) with the City and

---

<sup>1</sup> As of June 30, 2015

County of Honolulu, which memorializes a plan to decrease the total amount to be borrowed, achieving optimum financing cost, and providing protection to the city's financial condition. The plan will result in an effective savings of approximately \$60 to 75 million.

## **PLANNING, UTILITIES, PERMITS, RIGHT-OF-WAY**

### **Planning and Environmental**

The Planning and Environmental Division again played a key role in securing the clearances necessary for the HRTP to advance, including acceptance of HART's burial treatment plan by the Oahu Island Burial Council, acceptance by the state Historical Preservation Division of the Archaeological Inventory Survey plan for the City Center section, and completion of key environmental post-Record of Decision documents for the Federal Transit Administration (FTA).

HART continued to coordinate with and support other entities with regard to TOD, including the Department of Planning and Permitting (DPP), which has primary responsibility for developing TOD neighborhood plans and zoning regulations for station TOD areas. HART also participated in the city Managing Director's TOD group – part of the Mayor's initiative to "build rail better."

### **Utilities and Permits**

During FY 2015, the division oversaw utility relocation work in the first ten miles. HART staff worked to resolve issues with third party utilities, the power supply needs of the Rail Operations Center (ROC, formerly known as the Maintenance and Storage Facility), and on future relocation issues, particularly along Dillingham Boulevard.

### **Right of Way**

The Right of Way Division was very active in FY 2015; to date it has acquired access to approximately 90% of the land area required for the HRTP while remaining under budget by \$10.4 million. Out of the 234 property acquisitions identified as needed for the HRTP, HART has acquired 81 properties. Out of 124 identified relocations, HART has completed 83.<sup>2</sup>

## **ENGINEERING, DESIGN AND CONSTRUCTION**

### **Core Systems**

AHJV is responsible for the design, construction, and delivery of 20 four-car vehicles and a train control system, which it will also operate and maintain over a 10-year period.

### **Elevators & Escalators Manufacture-Install-Maintain**

---

<sup>2</sup> HART Fiscal Year 2016 Business Plan

Schindler Elevator Corporation completed equipment design in FY 2015. The substantial completion date will change to a later date predicated on the award of the design-build contracts for the east portion of the guideway.

#### Fare Collection System

Major progress was made in the area of fare collection, which is a joint effort between HART and DTS, the Department of Information Technology (DIT), and BFS. HART's new fare collection project manager assisted the Board in making decisions regarding a barrier fare collection system and pursuing procurement of a joint rail and bus fare collection system utilizing account-based smart cards. HART and DTS have substantially completed the drafting of an MOU memorializing the terms of the joint fare system, which would enable seamless transfers between bus and rail. Development of a request for procurement for the fare collection system is expected this summer, with manufacture scheduled for fall 2016.

#### WOFH Guideway

Construction in the westernmost section of the H RTP alignment has continued to advance. To date, 176 columns have been constructed, with 130 spans between columns, comprising more than three miles of guideway built.<sup>3</sup> Guideway construction has progressed eastward over Fort Weaver Road, and the balanced cantilever structure near the H-1 and H-2 merge is expected to be completed in July.

#### West Oahu Station Group

The West Oahu Station Group comprises three stations – East Kapolei, UH West Oahu, and Hoopili – that were reallocated from a larger nine-station package in FY 2015 as part of HART's cost mitigation strategy. The West Oahu Station Group construction contract bids are currently being evaluated, with the contract award anticipated in the first quarter of FY 2016.

#### Farrington Highway Station Group

The Farrington Highway Station Group (West Loch, Waipahu Transit Center, and Leeward Community College Stations) were also reassigned from the larger station package as a cost-saving measure. The construction contract was awarded to Hawaiian Dredging in June 2015.

#### Rail Operations Center (formerly Maintenance and Storage Facility)

The ROC consists of the Operations and Servicing Building, Maintenance of Way, Train Wash Facility, and Wheel Truing Building. Significant progress was made in FY 2015 on the ROC. The exterior walls of three of the structures have been raised, and tracks are being laid in the yard. The ROC is on schedule to be completed by spring 2016, in time for the start of delivery of the first rail cars.

#### Kamehameha Highway Guideway (KHG)

---

<sup>3</sup> As of July 6, 2015

Work on the KHG section in FY 2015 focused on utility relocations, foundation test and method shafts, and road widening. To date, 32 foundation shafts have been dug, and guideway segment casting for the section has begun.<sup>4</sup>

#### Ramp H2R2

Ramp H2R2 is a loop ramp which connects in-bound Farrington Highway to in-bound Kamehameha Highway. The ramp was another component of the nine-station group that was revised in order to reduce costs. The construction contract for the ramp was awarded to Royal Contracting in May 2015.

#### Kamehameha Highway Station Group

The Kamehameha Highway Station Group consists of the Pearl Highlands, Pearlridge, and Aloha Stadium stations. The construction contract for the station group, which was part of the nine station group that was reorganized to reduce costs, is expected to be solicited in the first quarter of FY 2016.

#### Airport Section Guideway, Stations, and Utilities

Two construction contracts were planned and expedited in FY 2015: the Airport Section Utilities, for which construction is in progress, and the Airport Seven Piers, for which construction is complete. The contract for the construction of the guideway and stations is currently in procurement.

#### City Center Section Guideway, Stations, and Utilities

This section of the guideway has been combined with eight stations into a City Center Guideway and Stations design-build package scheduled to be advertised in late 2015. HART may issue an expedited utility contract.

### **OPERATIONS AND MAINTENANCE**

The Operations and Maintenance Department continued to review all aspects of the H RTP from the operations and maintenance perspective to make recommendations to improve service, operability, maintainability, customer service, and cost effectiveness. In FY 2015, the department began work with the core systems contractor on a Maintenance Management Information System. The department also worked with DTS, OTS, and the HART Board of Directors on developing a fare policy.

### **SYSTEM SAFETY AND SECURITY**

The System Safety and Security Department continued to focus its efforts in FY 2015 on developing a Safety and Security Certification Plan, which is required for certification by the FTA prior to revenue operation. Additionally, the Safety and Security Team collaborated with several law enforcement entities, the state Department of Transportation, and the state Oversight Manager to enhance security through design for

---

<sup>4</sup> As of July 6, 2015

the H RTP. The department has achieved an on-the-job injury rate of 0.6 injuries per 100,000 work hours – a rate well below the 3.8 injuries per 100,000 work hours for similar projects.

## **QUALITY ASSURANCE**

The HART-established Quality Assurance (QA) system was effectively implemented by the Quality Assurance Department during the past year. The major focus of QA activities included performing audits and surveillances, mentoring, and training appropriate staff to ensure that suitable proficiency is achieved and maintained, and participating in Quality Task Force meetings with stakeholders. The Quality Assurance team also reviewed, approved, and monitored the Quality Assurance Plans required of all contractors, consultants, and suppliers.

## **PUBLIC INFORMATION & COMMUNITY OUTREACH**

Continuing its ongoing commitment to transparency, the Public Information and Outreach Department continued its multi-pronged approach in FY 2015 to keeping businesses and residents connected islandwide. The department maintained its strong construction outreach program to educate the public about field work, public safety during construction, and traffic impacts on the surrounding communities through community, town hall, HART Business Alliance meetings, as well as canvassing affected areas, disseminating traffic information to news media outlets, and staffing a 24-hour project hotline. HART's communications team sponsored media tours of the casting yard and the maintenance and storage facility, and on-site construction visits to explain to the media and the public how the guideway will be built. In partnership with state and city lawmakers, the HART Board of Directors began broadcasting its meetings on television and online, making its proceedings accessible to a wider audience.

## **CIVIL RIGHTS**

In FY 2015, the Civil Rights Department staff focused on emphasizing HART's full commitment to a successful Disadvantaged Business Enterprise DBE effort by working directly with contractors and prospective DBE participants, and monitoring DBE participation. HART actively ensures that no person shall, on the grounds of race, color, creed, national origin, sex, disability, or age, be excluded from participation in, or denied the benefits of, or be subject to discrimination under any project, program, or activity funded in whole or in part through federal assistance. HART employs a proactive approach to recruiting by attending and sponsoring job fairs, posting job openings on the appropriate websites, and disseminating employment-related information to minority and female community organizations. HART will continue to actively solicit and encourage female and minority individuals to apply for open positions in anticipation of future hiring needs.

## **GOVERNMENT RELATIONS**

During the 2015 state legislative session, the Government Relations Department worked closely with its various partners in the state and city to extend the GET surcharge beyond its sunset date of 2022. Thanks to this partnership, the Legislature passed House Bill 134, which was signed into law by Governor Ige, thereby extending the GET for five years until 2027. HART will continue to work with its city partners, Honolulu's Mayor, and City Council to authorize the GET extension for five years.

The department also worked closely with the City Council and its committees to provide HRTTP development updates relating to construction timelines, traffic advisories, interagency coordination to minimize impacts on traffic flow, contract issuances and change orders, transit station development, supplemental environmental impact statement efforts, as well as coordinated legislation that impacted the HRTTP, including, but not limited to, HART's operating and capital budgets, issuance of general obligation bonds, revised debt financing plan, appointment of HART Board of Directors, and neighborhood transit-oriented development plans.

### **ADMINISTRATIVE SERVICES**

In FY 2015, the Administrative Services Department worked to fill vacant positions with new employees; reassigned existing employees to areas where needed; make adjustments in employees' duties and responsibilities; make adjustments in the organizational structure of HART to meet the evolving requirements of the Project; and functioned in the full spectrum of Human Resources services to include labor relations, classification and pay, and payroll time and attendance. At the end of FY 2015, HART had 127 positions filled out of the 139 positions authorized in the Annual Operating Budget. Out of the 127 positions filled, 106 of them were city employees and 21 were filled by the Project Management Support Consultant. The staffing level is designed to ensure that HART has the technical capacity and capability to manage the implementation of the HRTTP and meet the requirements of the FTA for managing major New Starts projects.

Administrative Services also continued to provide support in the areas of information technology network and desktop support, lease and asset management, general office management, and multi-media administration and management. Administrative Services also assumed a new role designing, building, and administering a separate project-wide network which provides connectivity, file sharing, print servers, and network security to all entities working on the rail project.

### **CONCLUSION**

With the support of many partners, FY 2015 was a year of significant progress: construction continued at an unprecedented pace, the HRTTP's current and future financing remains secure, and HART remains well-positioned to deliver on its promise

to build a safe, top-quality transit system for Oahu that will enhance our transportation network for generations to come.

DRAFT

## ATTACHMENT B

# HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

## Construction and Traffic Update September 24<sup>th</sup>, 2015

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

# Project Map

## 20 Miles – 21 Stations



# Rail Operations Center Design-Build



<b>Physical Construction Completion</b>	<b>80%</b>
<b>Contract Billed to Date</b>	<b>79%</b>
<b>Contract Billing Planned Per Schedule</b>	<b>85%</b>

*\* ROC construction currently tracking to the planned Substantial Completion date.*

*\* Contractors Billings may lag behind physical work completed due to milestone based payment contract.*

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

# Operations Services Building (OSB)



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

# Maintenance of Way (MOW) Building



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)

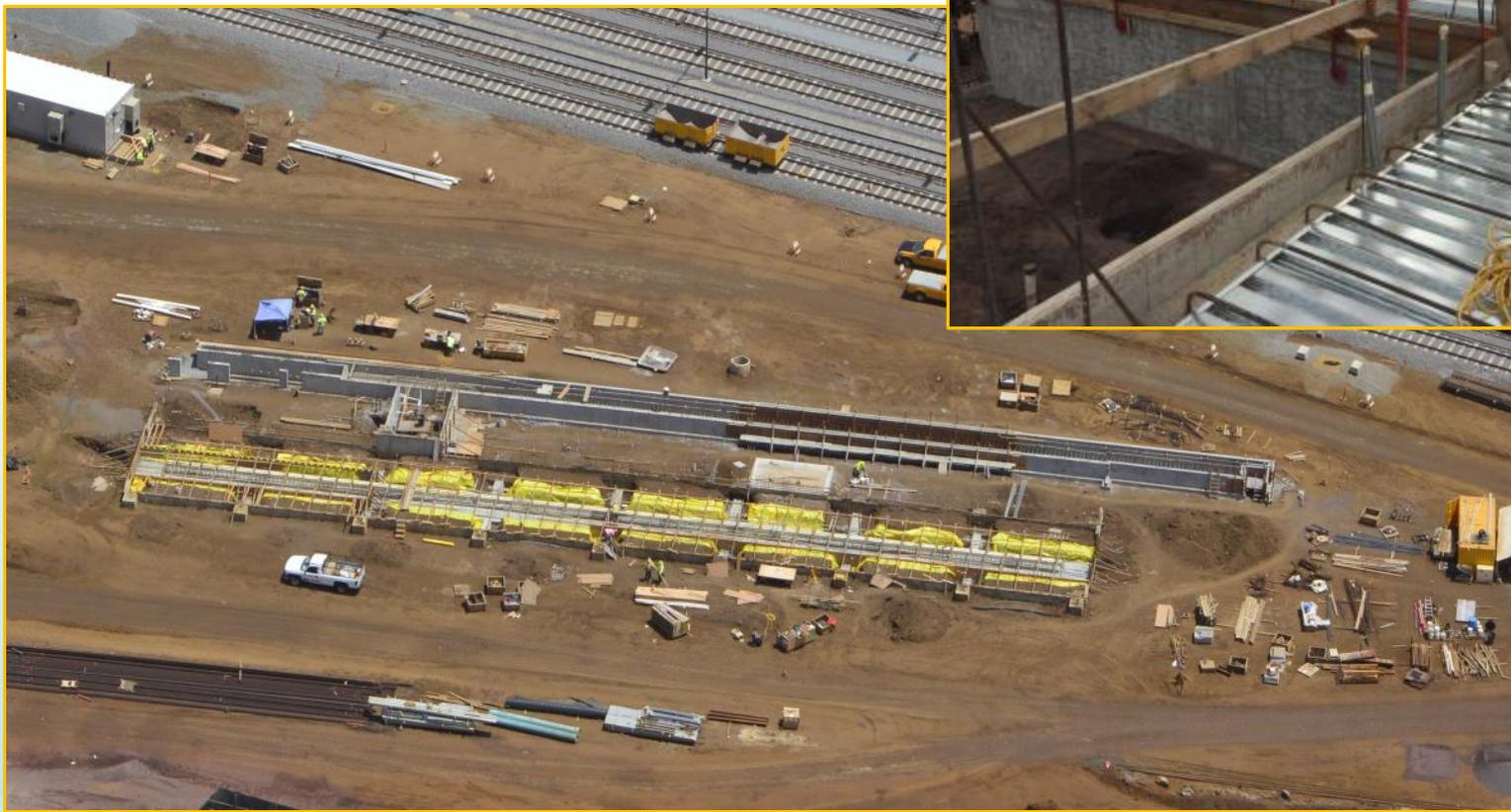
**HART**

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

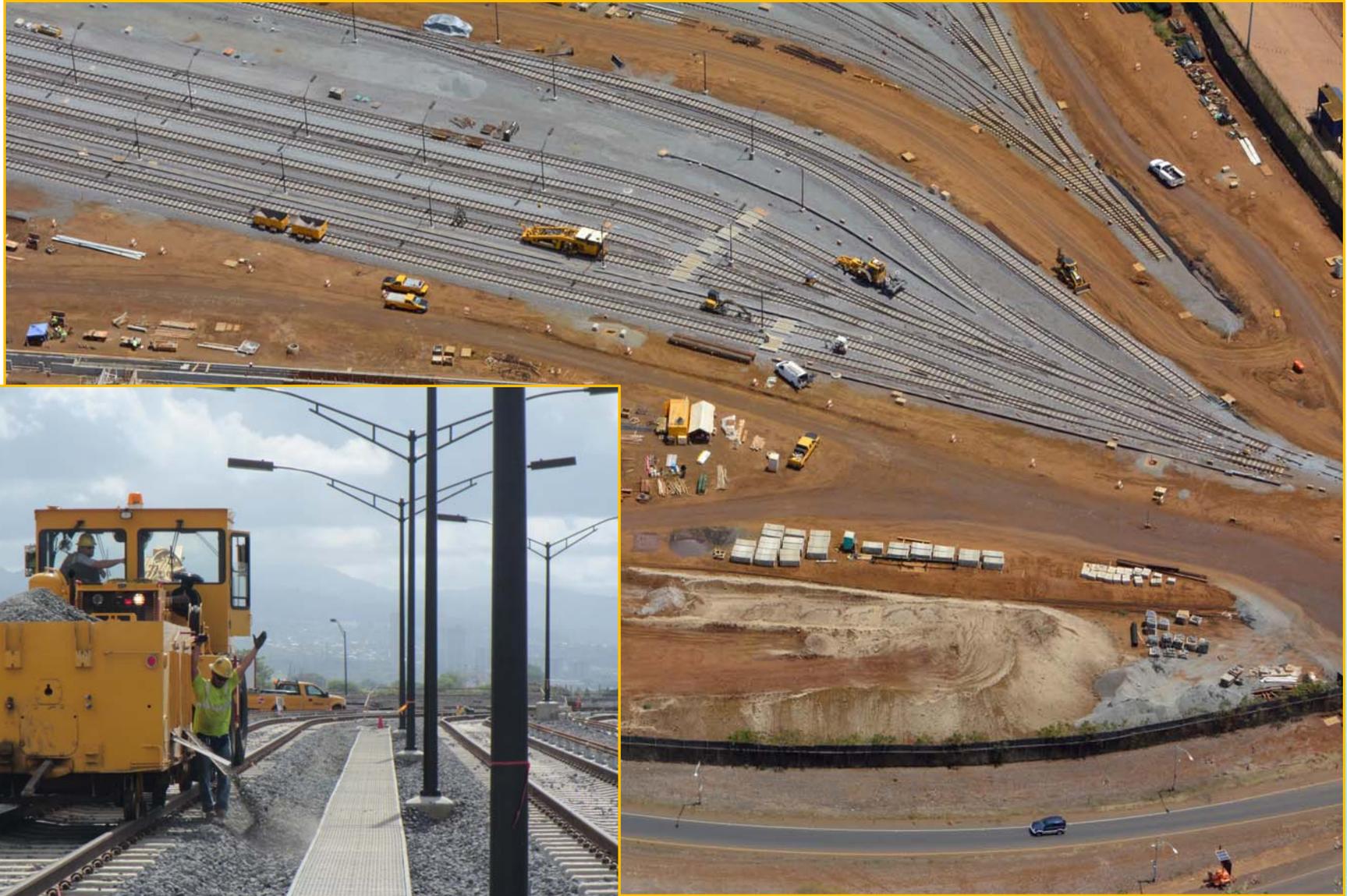
# Wheel Truing Building (WTB)



# Train Wash Facility (TWF)



# Rail Operations Center Trackwork



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

# West Oahu Farrington HWY Guideway

**Construction Completion 71.7%**

**Contract Billed to Date 69.9%**

**Contract Billing Planned Per Schedule 81.33**

- *WOFH construction currently tracking 4 - 6 months behind the planned Substantial Completion date.*

*\* Contractors Billings lag behind physical work completed due to milestone based payment contract.*



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

# Balanced Cantilever Work



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

# KHG Design-Build



Physical Construction Completion	39.6%
Contract Billed to Date	35.9%
Contract Billing Planned Per Schedule	84%

- *KHG construction currently tracking 6-7 months behind the planned Substantial Completion date.*



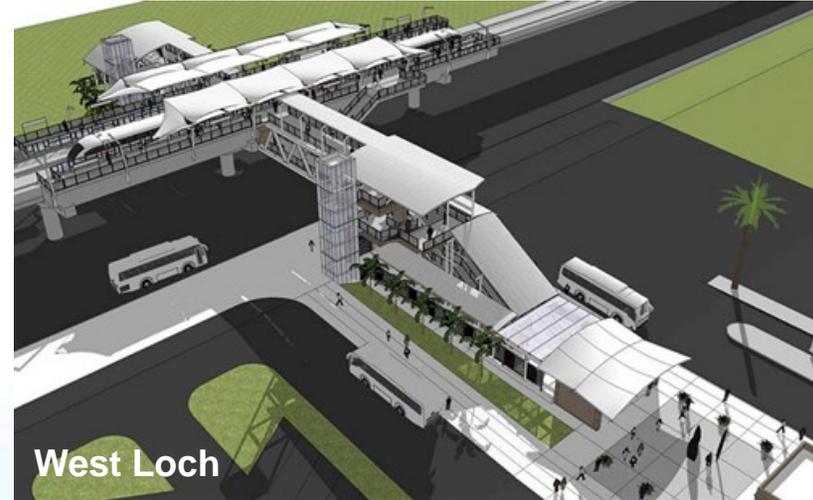
# Farrington HWY Stations

**Construction Completion** 0%

**Contract Billed to Date** 0%

**Contract Billing Planned Per Schedule** 0%

- *Notice to Proceed (NTP) Issued*
- *Ground Breakings being scheduled*



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

# H2R2 Ramp

**Construction Completion** 0%  
**Contract Billed to Date** 0%  
**Contract Billing Planned Per Schedule** 0%

- *Contract awarded to Royal Contracting*
- *Notice to Proceed (NTP) Issued*
- *Preconstruction Submittals and Permitting*



Pearl Highlands Station

# West Oahu Stations

**Construction Completion**      **0%**  
**Contract Billed to Date**      **0%**  
**Contract Billing Planned Per Schedule**      **0%**

- *Notice to Proceed (NTP) Issued*
- *Ground Breakings being scheduled*



# Moving Forward: The Next 10 Miles



## Airport Advanced Utilities

**Physical Construction Completion 16.8%**

**Contract Billed to Date 15.7%**

- *Airport Section Utility Construction currently is tracking 7 months behind the planned Substantial Completion date.*



## Airport 7 Piers

**Physical Construction Completion 100%**

**Contract Billed to Date 84.0%**

- *Airport 7-Piers Contract is currently being closed out.*

# Traffic Update



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

# Farrington Highway in Waipahu



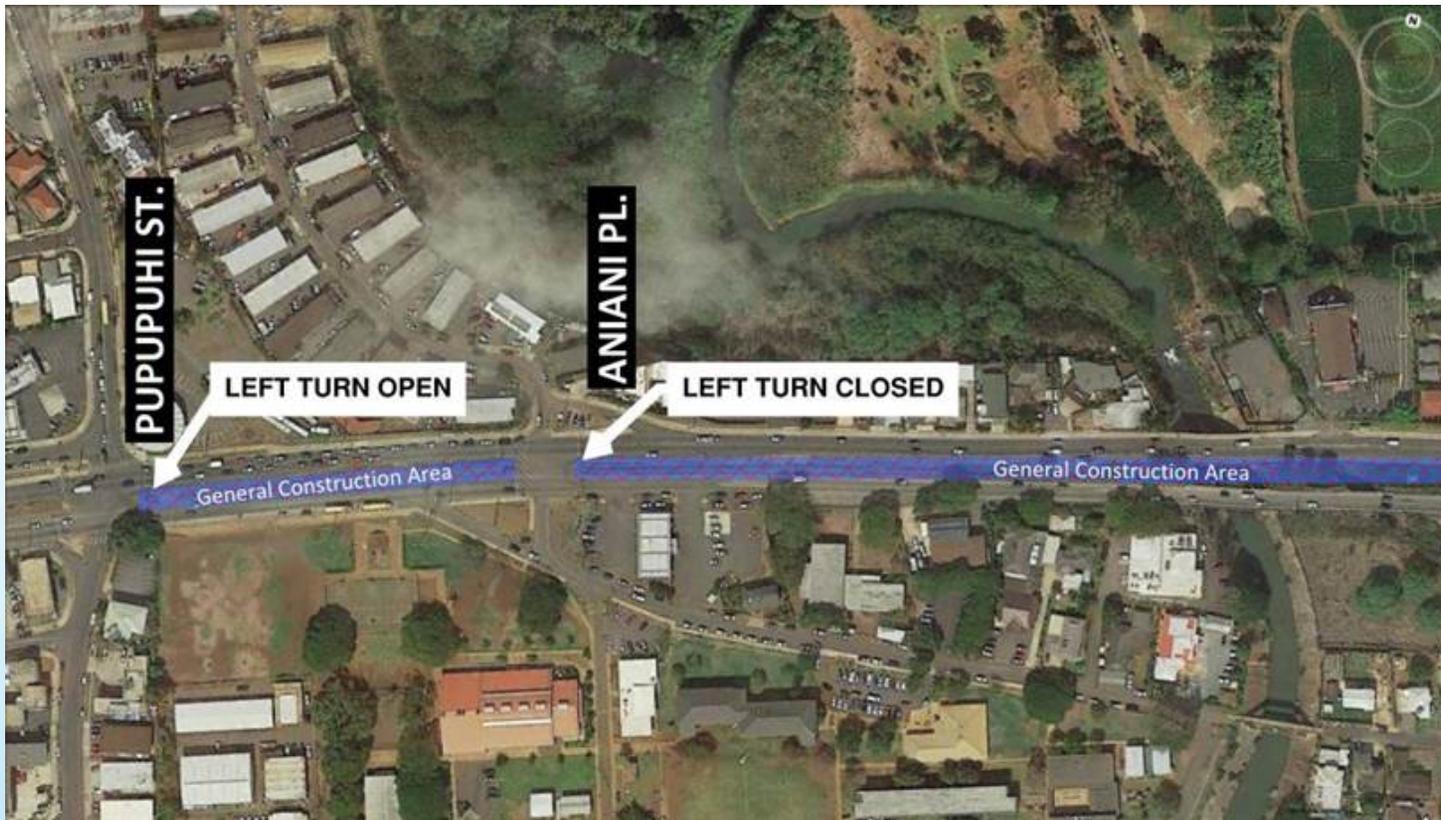
H O N O L U L U R A I L T R A N S I T P R O J E C T

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

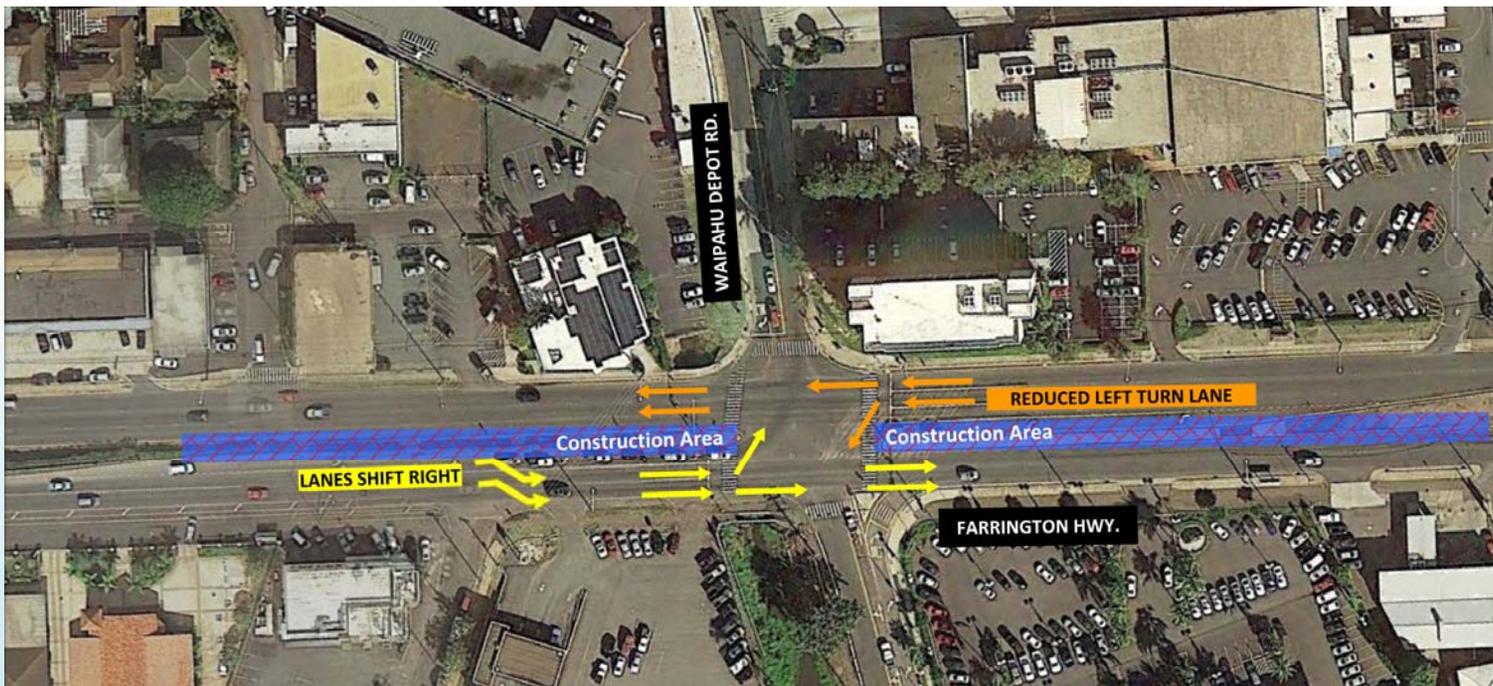
**HART**

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

# Farrington Highway in Waipahu



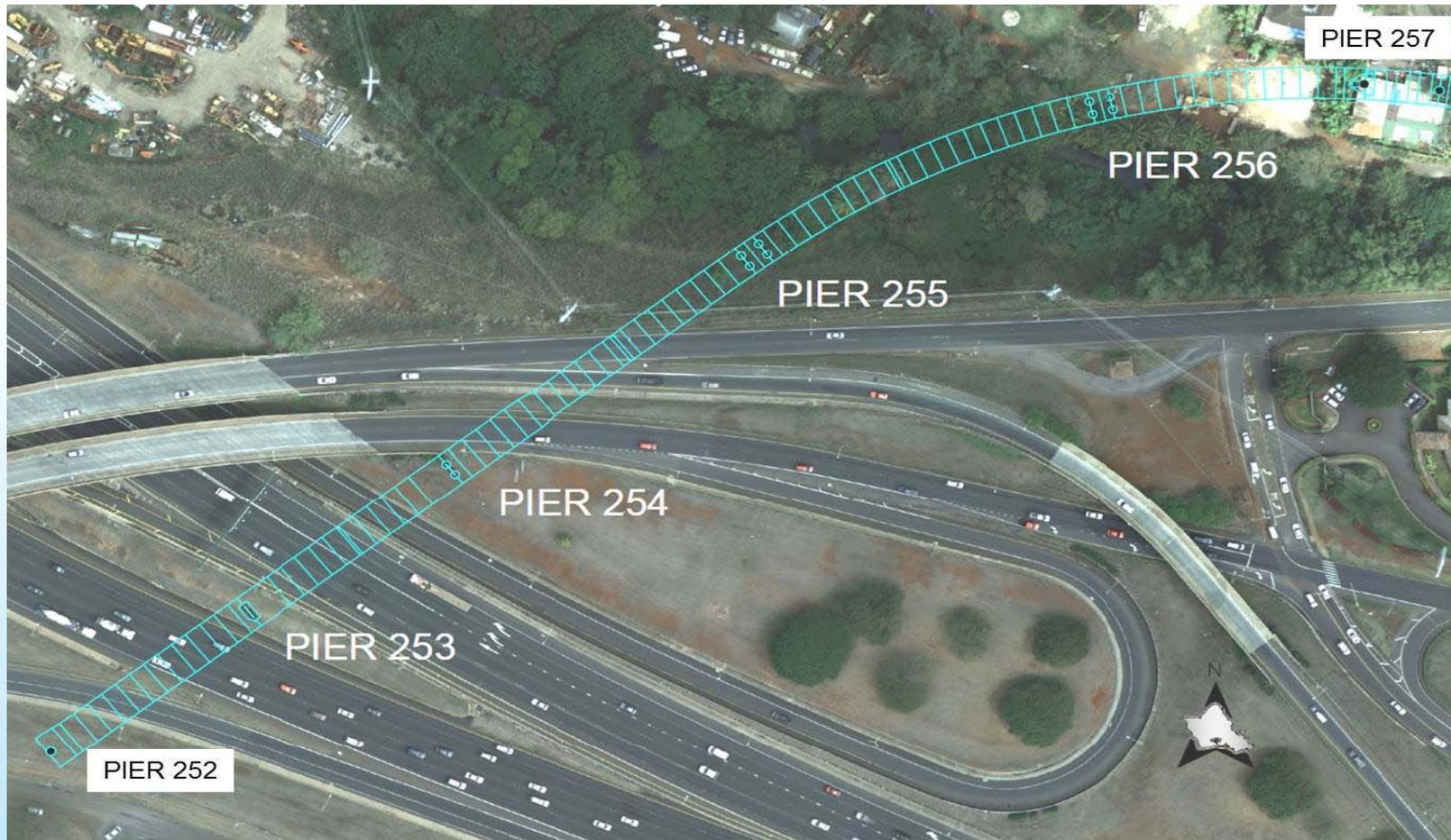
# Farrington Highway in Waipahu



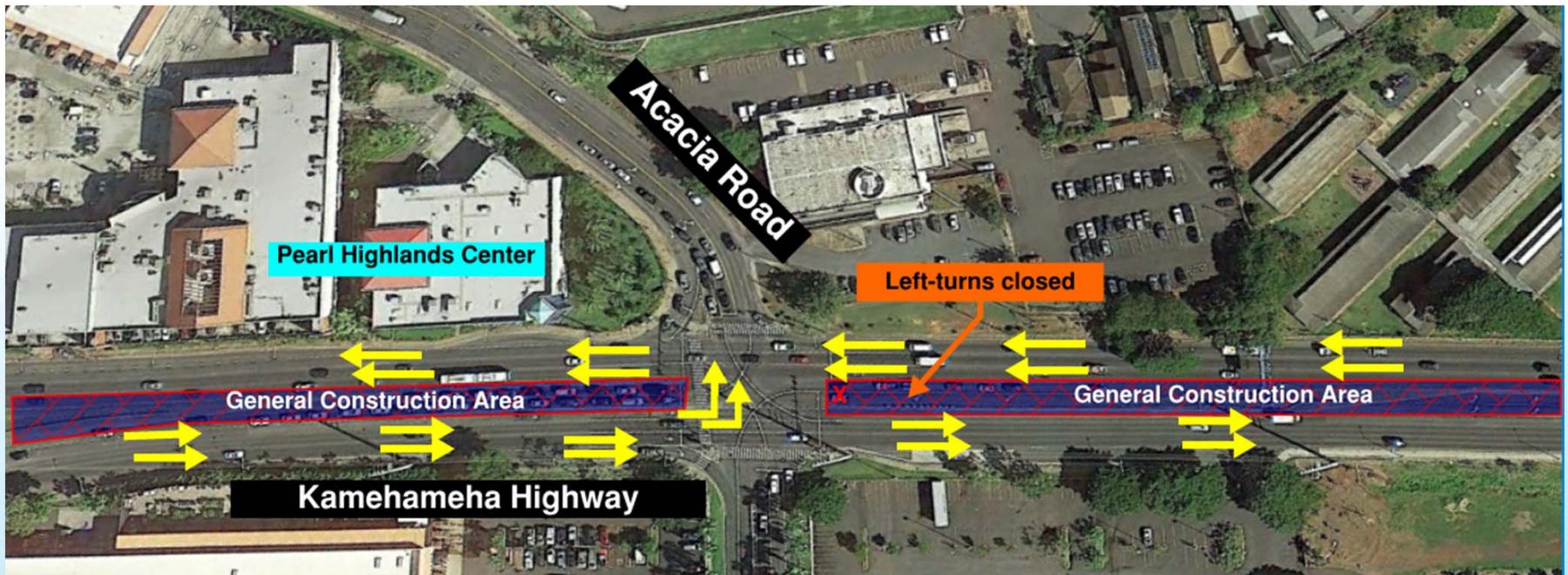
# Farrington Highway in Waipahu



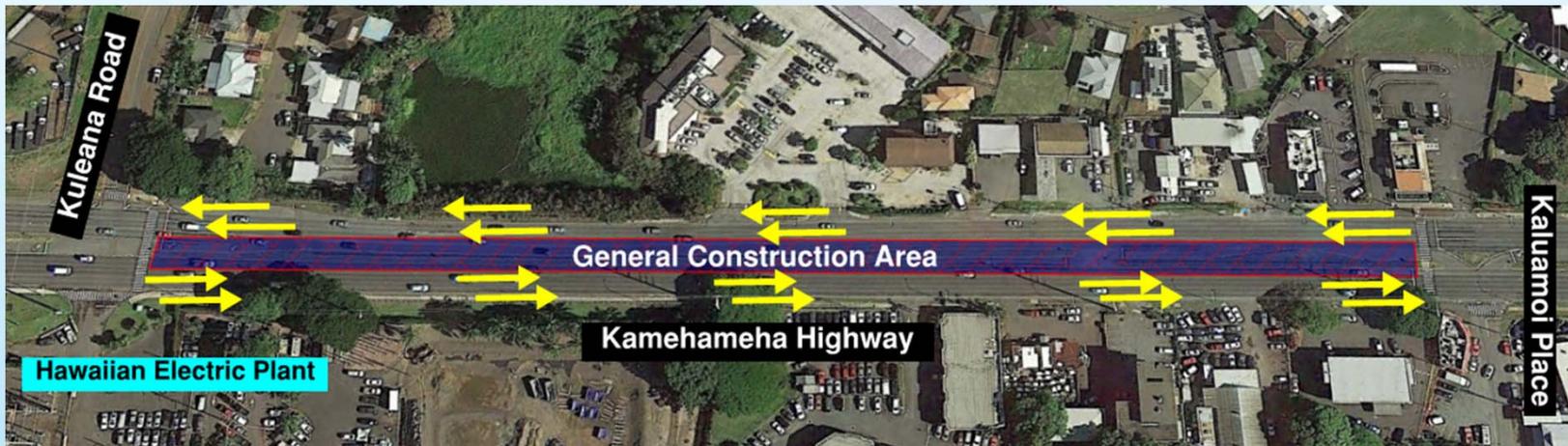
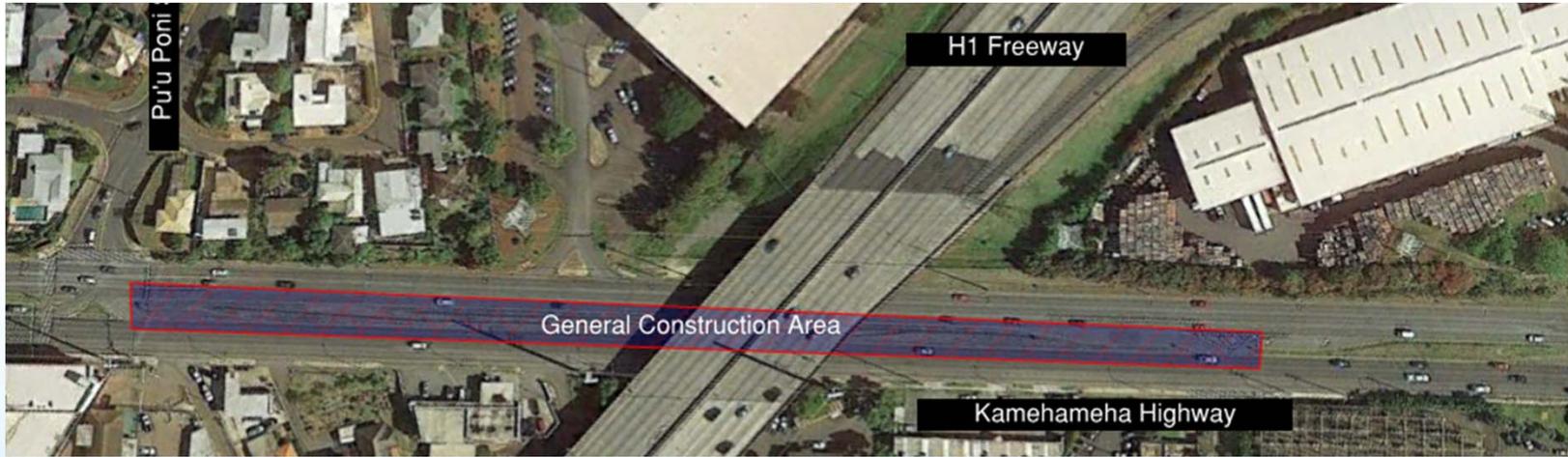
# Balanced Cantilever Work



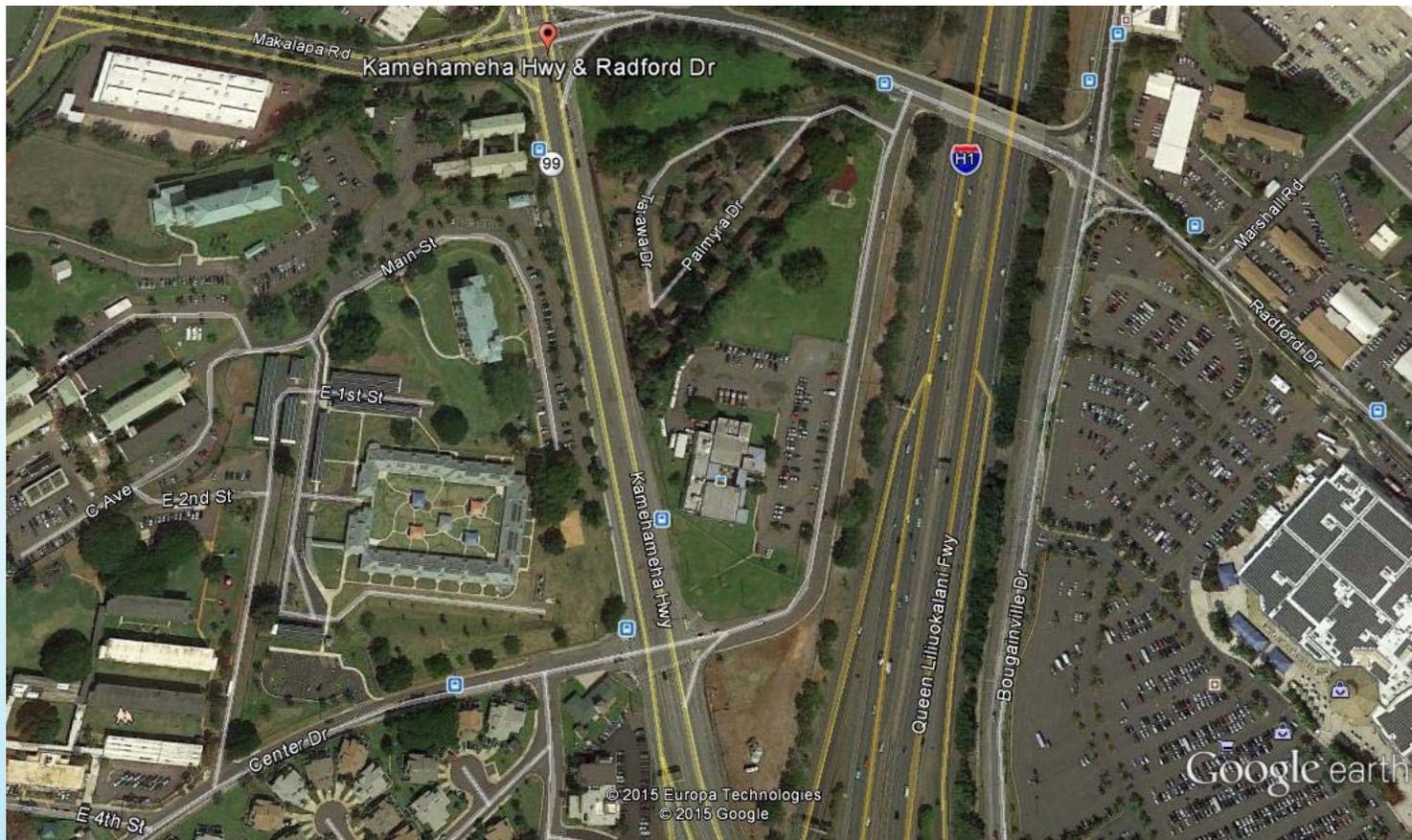
# Kamehameha Highway in Pearl City



# Kamehameha Highway in Pearl City



# Kamehameha Highway near Pearl Harbor



# *Mahalo!*



*HONOLULU RAIL TRANSIT*

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

## ATTACHMENT C

# HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

## Business Outreach Programs September 24, 2015

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

# Business Outreach Programs

## ■ Open for Business Program

- Special “Open for Business” signage, collateral and programs
- Access to and from businesses must be maintained
- Canvassing: Provides timely construction information
- Coordination with businesses to be aware of hours of operation, busiest times, deliveries, etc.
- Monthly business and community meetings



# Business Outreach Programs

## Connecting with Businesses

### ■ HART Business Alliance Program

- Partnership with businesses along the route
- Tailored briefings and meetings with businesses
- Regular emails with specific information on traffic, construction and businesses outreach programs in their area
- Free marketing workshops, social media training, and business management tools to enhance and grow customer base



# Business Outreach Programs

## Connecting with Businesses

### ■ HART Business Alliance Program

- Alignment tours with stops at local businesses
- Regular canvassing: One-on-one small business outreach to provide information and to receive feedback to refine and enhance our outreach programs
- Proactively meeting with businesses in the Dillingham and City Center area



# HART Business Alliance Partners

- **Hawaii Small Business Development Center**  
Assist businesses with access to funding resources, operations management, marketing strategies, risk management, feasibility studies, business research
- **U.S. Small Business Administration – Hawaii District Office**  
Help with loans for working capital (SBA Express, Export Express, Veteran Loan Advantage), and assistance with small-business loans and longer-term financing
- **Patsy T. Mink Center for Business and Leadership**  
Help women businesses owners with start-up assistance, business planning, funding and lending resources, regulations and business law information
- **Additional HART business outreach partners include:**
  - Mayor’s Office of Economic Development
  - Chamber of Commerce Hawaii
  - Hawaii Department of Transportation’s Disadvantaged Business Enterprise Program



- Open to all businesses within a half-mile of the alignment
- Strategic business driver in partnership with local businesses
- Customer incentives
- Electronic distribution via social media, website and online partners
- Printed offer sheets at key locations including shopping centers and high-volume retailers
- Partnerships with visitor attractions, Chamber of Commerce Hawaii, local trade unions and media partnerships to encourage support
- [ShopAndDineOnTheLine.com](http://ShopAndDineOnTheLine.com)

# Business Outreach Programs

## ■ Swap, Shop & Shuttle Program

- Free trolley shuttle service monthly on targeted weekends
- Pick up near Aloha Stadium lot and shuttle customers to businesses along Kamehameha Highway corridor
- Paired with Shop & Dine on the Line program to encourage the public to support local businesses during construction
- Partnerships with businesses creates branding opportunities to cover costs

# Business Outreach Programs

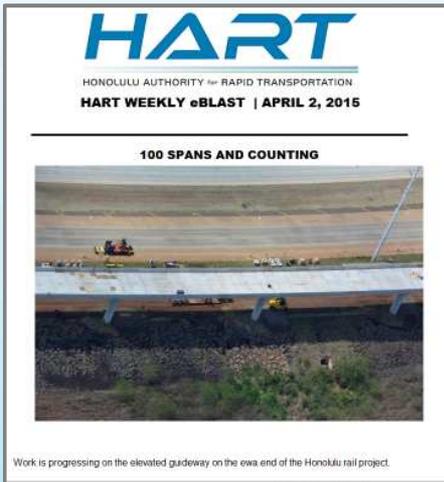
- **Transit-themed Community Events at Major Businesses Hubs**
  - Quarterly community events as customer drivers
  - Coordinate with our construction schedule to reduce traffic
  - Partner with third-party stakeholders
  - Offers in conjunction with Shop & Dine on the Line program
  - Generate excitement, incentives and encourage our community to support local businesses during construction

# Stay Connected

- Monthly HART Facts Ad
- Public Access Television Program
- Weekly e-Blast
- Weekly Traffic Advisories
- Website and Social Media

PROJECT REVENUE STATUS As of June 1, 2015		Projections To Date <sup>1</sup>	Collected or Committed to Date	Percentage (of projections)
<b>REVENUE SOURCE:</b>		(in millions)	(in millions)	
Project Beginning Cash Balance (Dec. 2009)	\$ 298	\$ 298		100%
General Excise Tax (GET) Surcharge <sup>2</sup>	2,291	1,891		33%
Federal New Starts Funds	1,509	896		52%
Other Federal Transportation Funds	214	4		2%
Interest Income	2	9		--
<b>TOTAL</b>	<b>\$5,355</b>	<b>\$2,288</b>		<b>41%</b>
1 - Projections to date from the June 2012 Financial Plan. 2 - Total GET surcharge revenue collected since January 1, 2007, is \$1.47 billion (includes \$378 million collected before December 2009).				
PROJECT COST STATUS As of June 1, 2015		Current Budget <sup>1</sup>	Amount Committed <sup>2</sup>	Amount Expended <sup>3</sup>
		(in millions)	(in millions)	(in millions)
Guideway & Track Elements	\$1,354	\$ 544	\$ 186	
Stations, Stops, Terminals, Intermodal Support Facilities, Yards, Shops, Admin	397	51	4	
Signalwork & Special Conditions	1,155	115	65	
Systems	1,004	724	455	
Vehicles	248	232	25	
	191	191	23	
<b>SUB-TOTAL*</b>	<b>\$3,158</b>	<b>\$1,857</b>	<b>\$ 758</b>	
Right of Way (ROW), Land, Existing Improvements	\$ 198	\$ 93	\$ 83	
Professional Services (e.g., Planning and Design)	1,181	1,838	697	
Contingency	518	7	8	
Finance Charges	255	8	8	
<b>SUB-TOTAL*</b>	<b>\$2,026</b>	<b>\$1,128</b>	<b>\$ 781</b>	
<b>TOTAL*</b>	<b>\$5,164</b>	<b>\$2,986</b>	<b>\$1,539</b>	
1 - Current Budget reflects the June 2012 Baseline Budget with executed Budget Transfers. 2 - Approved contract values. 3 - Portion of the work that has been paid. * All costs are rounded to the millions therefore subtotals may not add up to the amounts shown.				

**DID YOU KNOW?** The Honolulu rail system will have 21 stations between west Oahu and Ala Moana Center, including one at the Honolulu International Airport.



## HART Rapid Response:

- 24-Hour Project Hotline number 808-566-2299
- Email Inquiries: [info@HonoluluTransit.org](mailto:info@HonoluluTransit.org)
- Website Inquiries

## ATTACHMENT D

# HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

## Right-of-Way Status Update September 24, 2015

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

# Meeting our Goals

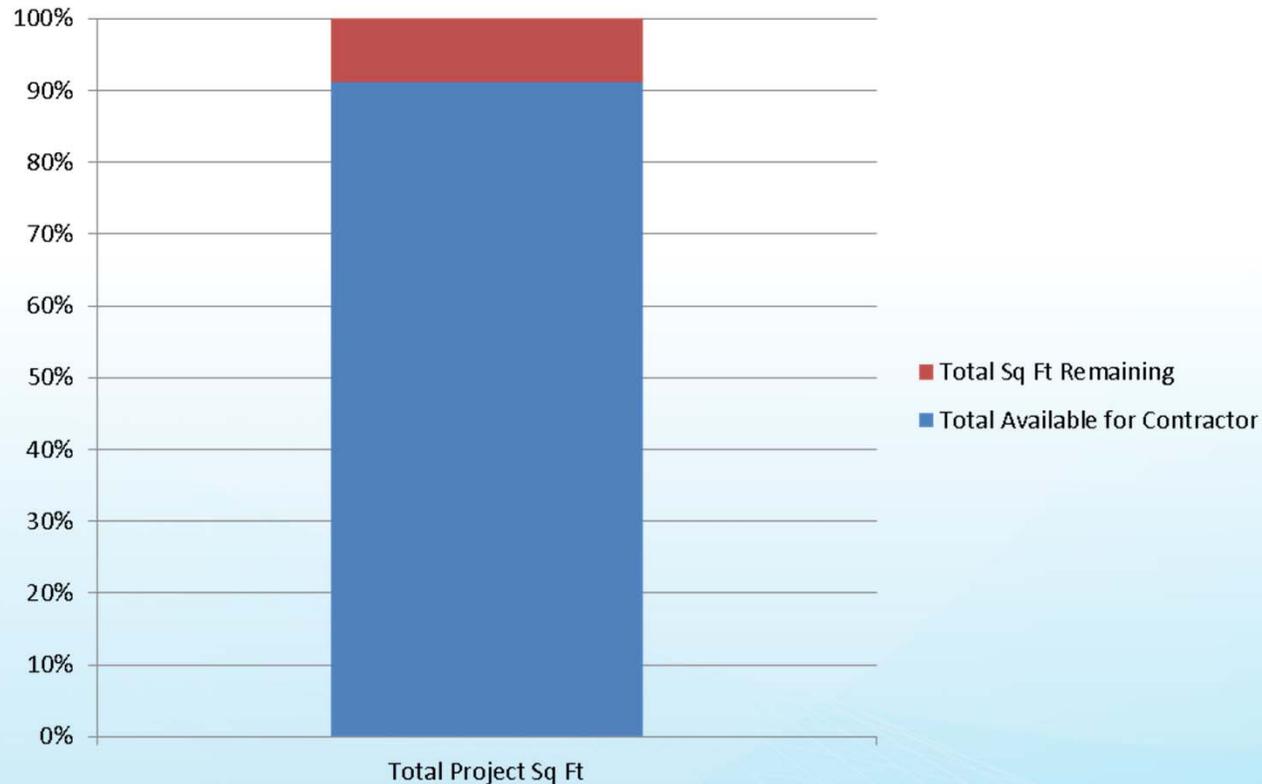
- **Balance respect for property owner with schedule needs and project budget**
- **Balance responsibility of staying within the budget in a changing real estate market**
- **Continue to communicate and educate effectively**
- **Negotiate fairly**
- **Meet requirements of the Uniform Act**

# Status Summary

- **ROW team continues to meet the schedule for City Center acquisitions relative to program procurement needs**
  - Intense focus on Airport and Dillingham Parcels to support upcoming procurement
- **Current total site access available for contractor is 91%**
- **Eminent Domain pending**
  - 44 prior requests for authorization from HART Board
  - 4 cases filed
  - 1 settled prior to trial
  - 1 settlement agreement signed, pending FTA approval
  - 2 friendly condemnations to resolve title issues
  - 16 properties in escrow

# Progress Site Access Available by Land Area

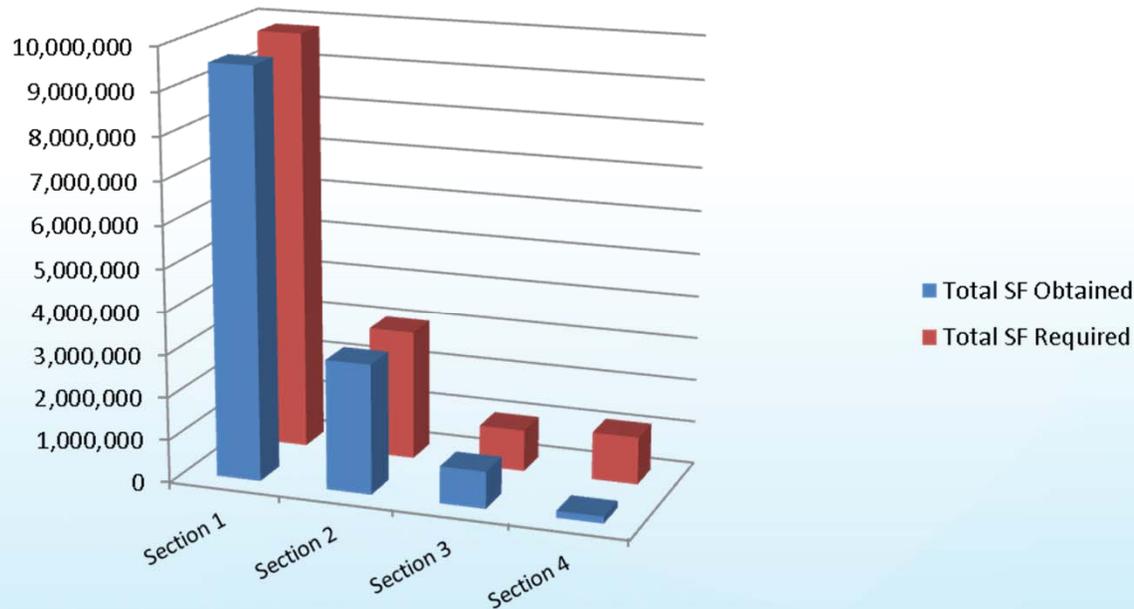
as of 8/11/2015



Total Project Sq Ft	Total Sq Ft Requirement	14,921,837
	Total Available for Contractor	13,600,200
	Total Sq Ft Remaining	1,321,637
	% Available for Contractor	91.14%
	Reported Last Month	90%

# Progress Site Access Available to Contractors by Land Area by Section

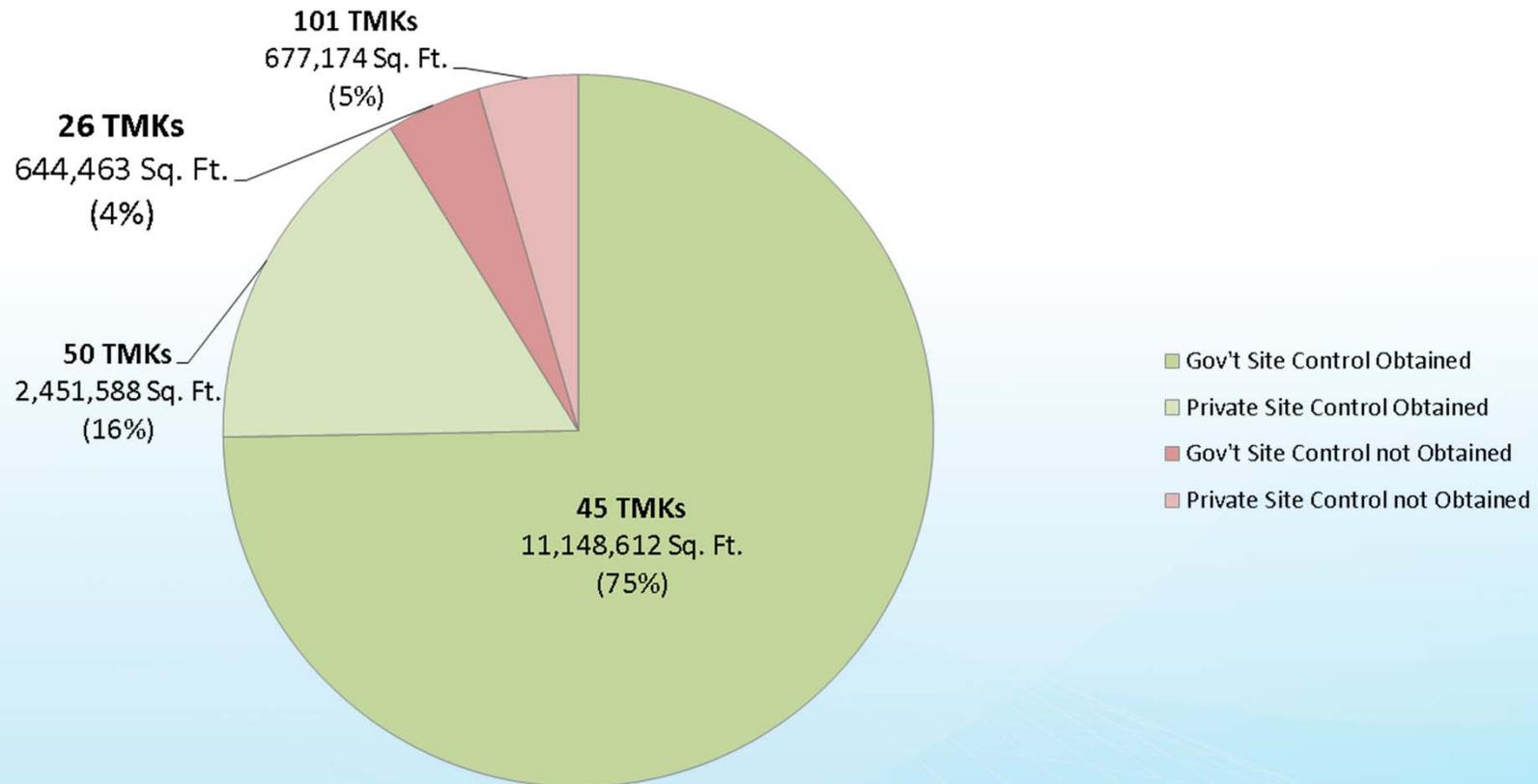
as of 8/11/2015



	Section 1	Section 2	Section 3	Section 4
<b>Total SF Obtained</b>	<b>9,558,163</b>	<b>3,023,851</b>	<b>859,956</b>	<b>158,230</b>
<b>Total SF Required</b>	<b>9,822,207</b>	<b>3,027,020</b>	<b>965,870</b>	<b>1,106,740</b>
<b>% Progress</b>	<b>97.31%</b>	<b>99.90%</b>	<b>89.03%</b>	<b>14.30%</b>

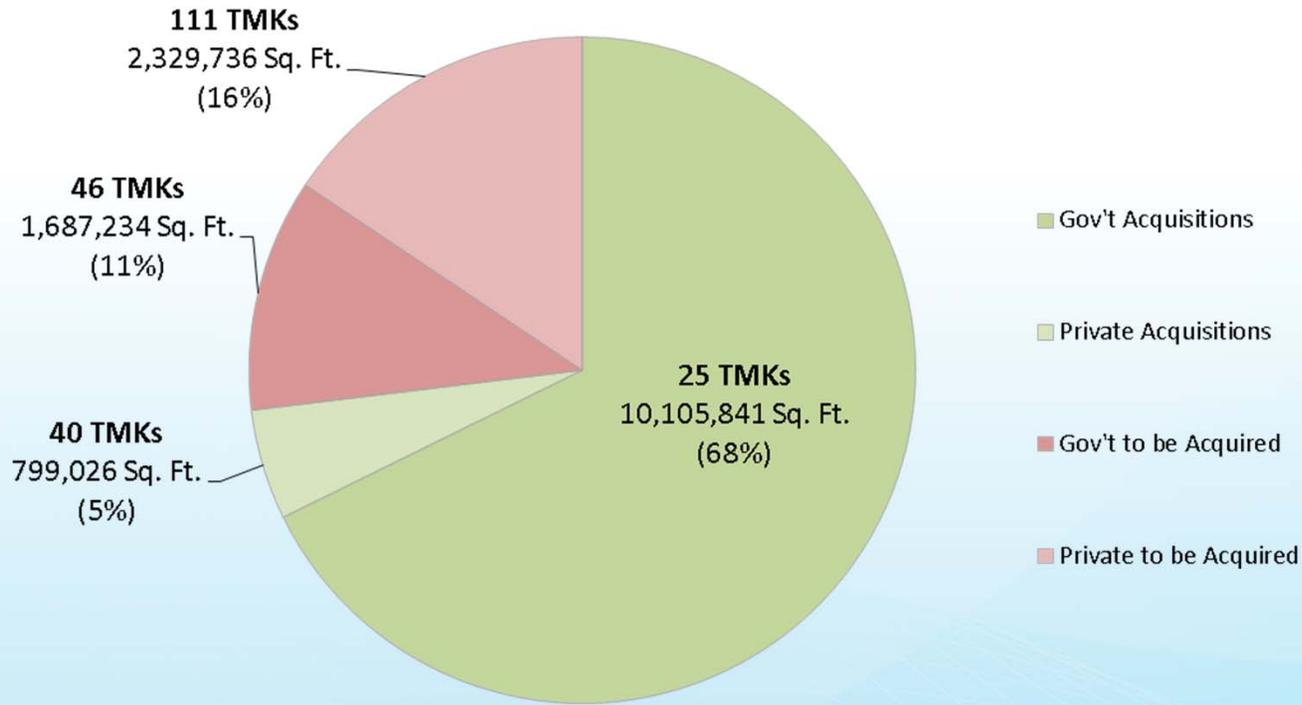
# Parcel Site Control Status by Land Area and Ownership Type

as of 8/11/2015



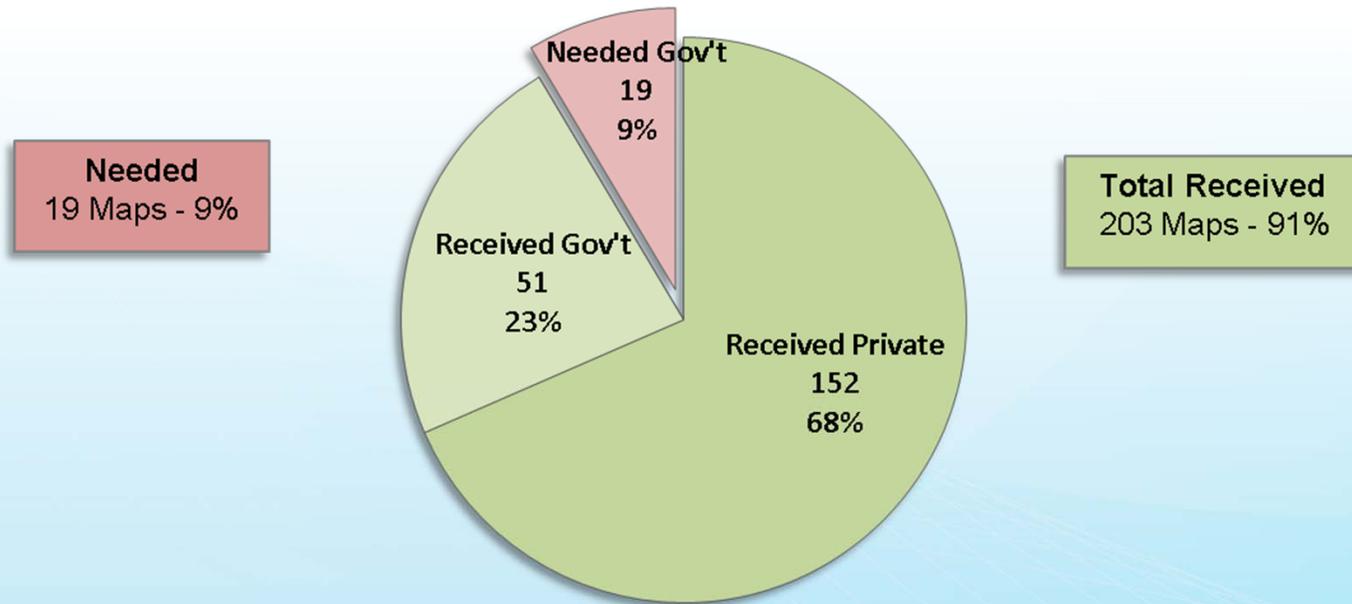
# Acquisition Status by Land Area and Ownership Type

as of 8/11/2015



# Survey Maps

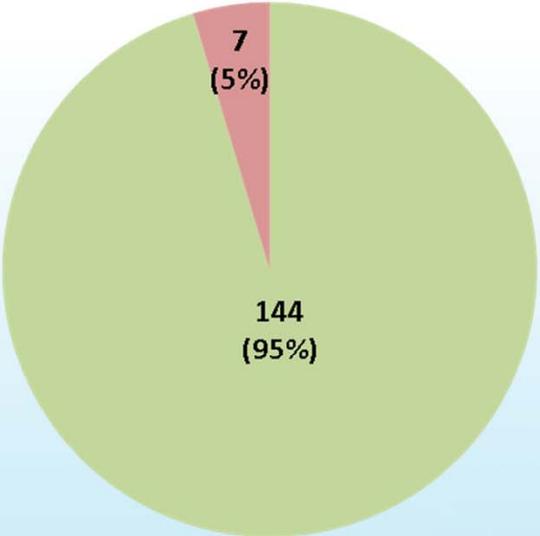
(Privately Owned + Government Parcels)  
as of 8/11/2015



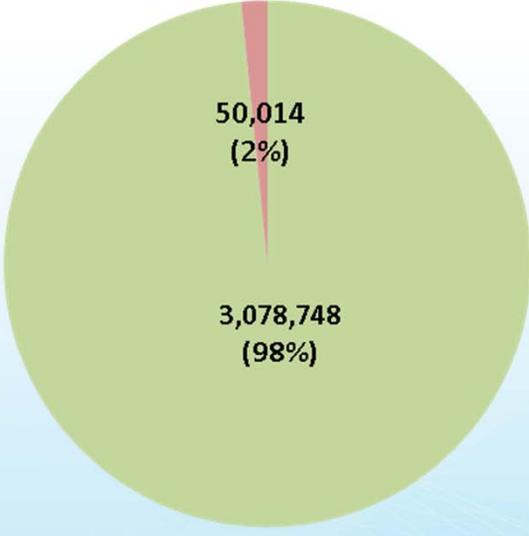
# Appraisal Status

## Privately Owned Parcels

as of 8/11/2015



Tax Map Key

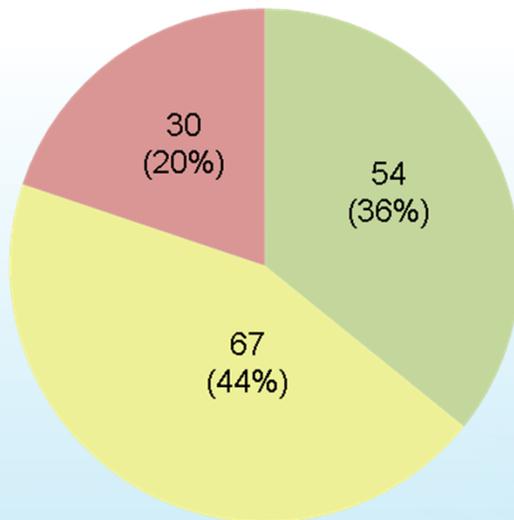


Square Footage

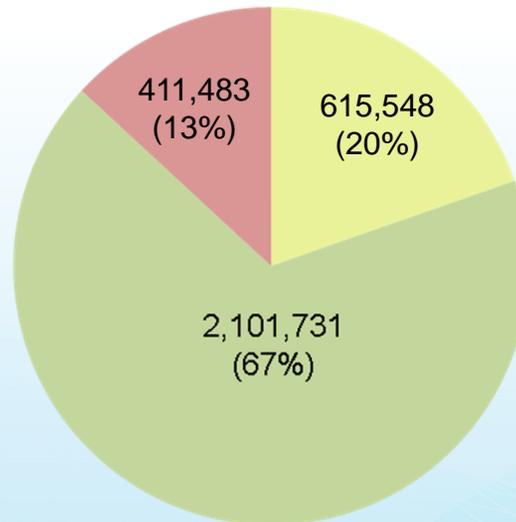
- Appraisals Complete
- Appraisals in Preparation

# Offer Status

## Privately Owned Parcels as of 8/11/2015



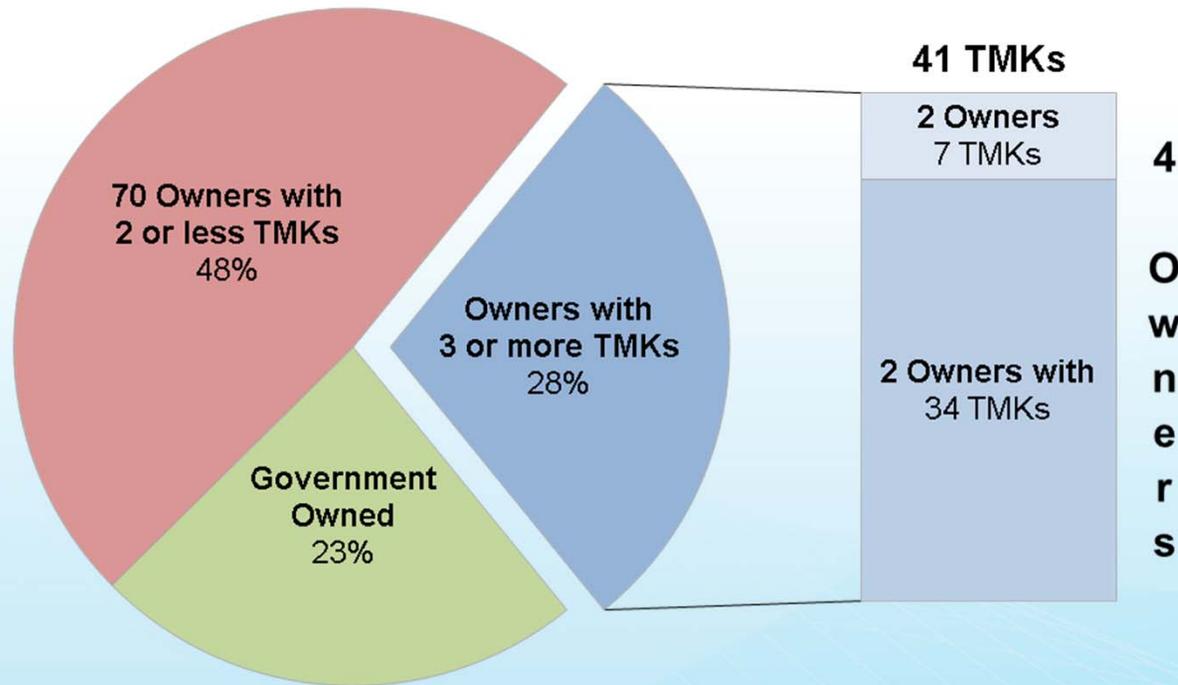
Tax Map Key



Square Footage

- Offers Accepted
- Offers Sent and Pending
- Offers in Preparation

# Parcels to be Acquired by Tax Map Key (TMK) (Privately Owned + Government Parcels) as of 8/11/2015



# Right-of-Way Cost Estimate Update

## as of 8/11/2015

	Budget	Expended	Remaining Budget Balance	Estimate to Completion	Forecast Variance
Acquisition	\$201.70	\$75.40	\$126.30	\$112.50	\$13.80
Relocation	\$20.50	\$8.10	\$12.40	\$17.00	(\$4.60)
Total (Million)	\$222.20	\$83.50	\$138.70	\$129.50	\$9.20

### Notes:

- ❖ Administrative overhead costs aggregated with the Acquisition and Relocation numbers
- ❖ Estimate to completion based on offers, appraisals or assessed values

# Right-of-Way Risks to Budget

- **Volatility of Real Estate Market, especially in the Kakaako-Ala Moana area**
- **Managing the number of conversions from partial acquisition to full acquisition**
- **Unanticipated relocation costs for complex relocations, particularly unexpected full takes**

# Private Property Acquisition Summary as of 8/11/2015

No	TMK	Take	Address	Owner	Recordation Date	Total Acquisition (\$)	FFGA Budget	Note	Remaining Balance in Budget
1	1-1-016-005	Full	2676 Waiwai Loop	2676 Waiwai Loop LLC	7-Mar-14	4,924,144	6,173,973		1,249,829
2	1-1-016-006	Full	2668 Waiwai Loop	Alert Holding Group	28-Mar-14	3,918,089	4,648,445		730,356
3	1-1-016-014	Full	479 Lagoon Drive	Chevron USA Inc	21-Mar-14	3,042,274	3,930,328		888,055
4	1-1-016-015	Full	515 Lagoon Drive	Brewer Trust	3-Jun-13	3,551,508	5,067,659		1,516,151
5	1-2-003-016	Full	1819 Dillingham Boulevard	Strain	21-Apr-14	1,106,416	1,741,689		635,273
6	1-2-003-017	Partial	1815 Dillingham Boulevard	Hernandez	11-May-15	151,758	111,258		-40,500
7	1-2-003-082	Full	1825 Dillingham Boulevard	Nguven	31-Jul-14	984,299	1,596,625		612,326
8	1-2-009-001	Full	1901 Dillingham Boulevard	Sebastian LLC	16-Aug-12	2,805,135	2,814,000		8,865
9	1-2-009-017	Full	1953 Dillingham Boulevard	Sebastian LLC	16-Dec-14	2,257,359	436,620	**	-1,820,739
10	1-2-009-018	Full	1927 Dillingham Boulevard	Rodrigues/Hinch	18-Nov-14	804,686	261,258	**	-543,428
11	1-2-010-068	Full	1900 Dillingham Boulevard	Kam Trust	4-Dec-12	1,831,279	2,529,000		697,721
12	1-5-007-021	Full	545 Kaaahi Street	Nuuanu Auto	11-Oct-14	2,285,004	2,819,500		534,496
13	1-5-007-023	Full	533 Kaaahi Street	KWA/ Abrams	23-Apr-10	2,850,000	2,850,000	*	0
14	1-7-002-026	Full	902 Kekaulike Street	902 Partners Ltd	1-Nov-12	5,219,351	4,927,000	**	-292,351
15	2-3-004-048	Full	1156 Waimanu Street	Young	21-Mar-12	1,730,578	1,730,578		0
16	2-3-004-069	Full	1168 Waimanu Street	Cody Prop LLC	10-Feb-12	2,660,398	2,658,317		-2,081
17	2-3-007-033	Full	1169 Kona Street	Kakaako Associates	13-Oct-14	5,825,106	10,102,669		4,277,563
18	2-3-007-036	Full	1174 Waimanu Street	McArthur Trust/Hideko	8-Oct-14	1,407,845	1,951,386		543,541
19	2-3-007-044	Full	1201 Kona Street	ROKH Holdings Inc	3-Oct-14	1,357,540	1,751,700		394,160
20	2-3-007-054	Full	1246 Kona Street	Taran Trust	15-May-15	1,105,634	1,439,263		333,629
21	9-4-017-011	Full	94-818 Moloalo Street	Okazaki	4-Aug-11	870,000	870,000	*	0
22	9-4-019-050	Full	94-819 Farrington Highway	Min	1-Aug-12	1,004,277	1,005,000		723
23	9-4-047-008	Partial	94-144 Farrington Highway	Robinson LLC	13-Mar-15	898,742	743,278		-155,464
24	9-4-048-046	Full	94-119 Farrington Highway	Cutter Dev.	25-Jul-11	3,159,142	3,159,142	*	0
25	9-4-048-047	Full	94-136 Leonui Street	Cutter Dev.	25-Jul-11	2,749,142	2,749,142	*	0
26	9-6-003-012	Full	96-171 Kamehameha Highway	Alpha Omega	29-Jun-11	287,030	287,030	*	0
27	9-6-003-013	Full	96-165/169 Kamehameha Highway	Reid	7-Sep-11	455,588	455,588	*	0
28	9-6-003-014	Full	96-157 Kamehameha Highway	Bala	27-Jun-11	1,216,787	1,216,787	*	0
29	9-6-003-015	Full	96-159 Kamehameha Highway	Bala	10-Aug-11	53,304	53,304	*	0
30	9-6-003-016	Full	96-149A Kamehameha Highway	Bala	10-Aug-11	22,304	22,304	*	0
31	9-6-003-017	Full	96-149 Kamehameha Highway	Farinas	15-Sep-11	559,914	559,914	*	0
32	9-6-003-018	Full	96-137 Kamehameha Highway	Alipio/Solmirin	25-Jan-12	1,017,915	1,017,915	*	0
33	9-6-004-002	Full	96-93 Kamehameha Highway	Kawano	5-May-11	790,000	790,000	*	0
34	9-6-004-017	Full	Kamehameha Highway	Suenaga	29-Jun-11	90,000	90,000	*	0
35	<b>9-6-004-023</b>	Partial	<b>Waihona Street</b>	<b>Estate of Bernice Bishop</b>	<b>4-Aug-15</b>	<b>24,476</b>	<b>157,965</b>		<b>133,489</b>
36	9-7-023-008	Partial	945 Kamehameha Highway	Stuart Plaza Inv	26-May-15	300,000	151,344		-148,656
37	9-8-009-017	Full	98-077 Kamehameha Highway	Continental Inv. Ltd	14-Jun-13	2,509,030	3,512,500		1,003,470
38	9-8-010-002	Full	98-080 Kamehameha Highway	50th State Prop.	1-May-12	6,027,021	6,027,021	*	0
39	9-9-003-068	Full	99-140 Kohomua Street	RCJ	13-Sep-11	993,783	993,783	*	0
						<b>72,846,857</b>	<b>83,403,286</b>		<b>10,556,429</b>

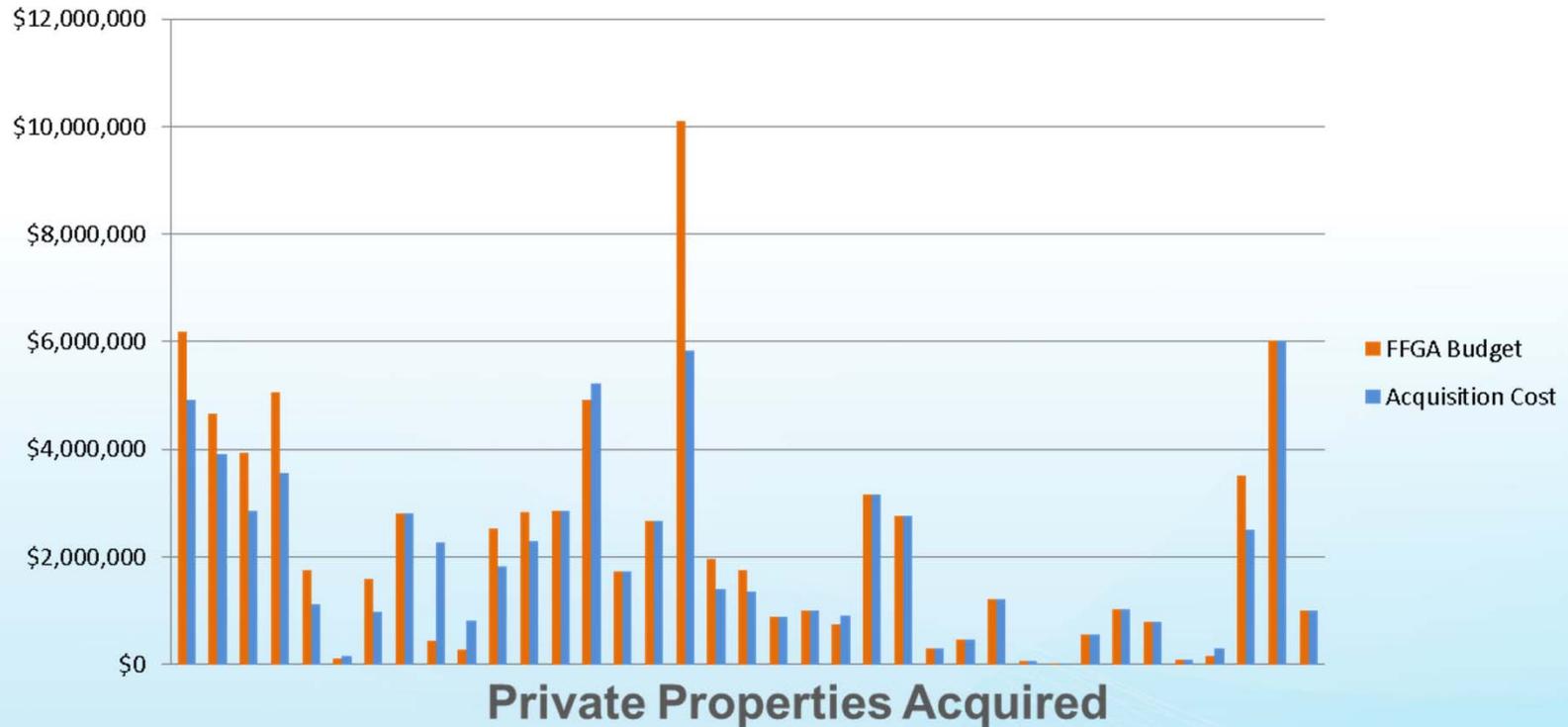
**Notes:**

\* Baseline assumes zero variance (budget = actual) during FFGA approval process.

\*\* Cost exceeded budgeted amount due to conversion from partial to full acquisition.

Bold print reflects most recent acquisition

# Private Property Acquisition Cost as of 8/11/2015



# *Mahalo!*



*HONOLULU RAIL TRANSIT*

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

# ATTACHMENT E

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-79**

**AUTHORIZING THE ACQUISITION OF EASEMENTS OVER, ON, AND  
ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-016-009  
(PORTION) BY EMINENT DOMAIN**

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain . . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, the City Council approved or did not object to the acquisition of easements over, on, and across the real property identified as Tax Map Key (TMK) 1-1-016-009 (portion) by eminent domain after written notification by HART; and

WHEREAS, the acquisition by eminent domain of said easements over, on, and across the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That acquisition by eminent domain of easements over, on, and across the real property identified as TMK 1-1-016-009 (portion) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of said easements by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of said easements by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

\_\_\_\_\_.

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

ATTEST:

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

Exhibit A – Legal description of TMK 1-1-016-009 (portion)

**Parcel 319**  
Being a Portion of Lot 94  
As Shown on Map 150 of Land Court Application 1074

SITUATE AT MOANALUA, HONOLULU, ISLAND OF OAHU, HAWAII

Beginning at the Northwest corner of this parcel of land, along the South side of Waiwai Loop, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,166.11 feet South and 2,427.53 feet West, thence running by azimuths measured clockwise from true South:

- 1. 279° 04' 28.00 feet along the South side of Waiwai Loop;
- 2. 9° 04' 4.78 feet along the Remainder of Parcel 319;
- 3. 99° 04' 28.00 feet along the Remainder of Parcel 319;
- 4. 189° 04' 4.78 feet along the Remainder of Parcel 319 to the point of beginning and containing an area of 134 Square Feet, more or less.



R. M. TOWILL CORPORATION

Description prepared by:

*Ryan M. Suzuki*  
 Ryan M. Suzuki Exp: 4/30/16  
 Licensed Professional Land Surveyor  
 Certificate Number 10059

2024 North King Street, Suite 200  
 Honolulu, Hawaii 96819  
 July 13, 2015  
 TMK: 1-1-016: 009 (PDQ 319)

Note: This description is for exhibit purposes only and does not purport a legally subdivided lot.



**Remainder of Parcel 319**  
**Being a Portion of Lot 94**  
**As Shown on Map 150 of Land Court Application 1074**

SITUATE AT MOANALUA, HONOLULU, ISLAND OF OAHU, HAWAII

Beginning at the Northwest corner of this parcel of land, being the Northeast corner of Lot 95 (Map 150) of Land Court Application 1074, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,163.25 feet South and 2,445.47 feet West, thence running by azimuths measured clockwise from true South:

1. 279° 04' 18.17 feet along the South side of Waiwai Loop;
2. 9° 04' 4.78 feet along the Remainder of Parcel 319;
3. 279° 04' 28.00 feet along the Remainder of Parcel 319;
4. 189° 04' 4.78 feet along the Remainder of Parcel 319;
5. 279° 04' 9.83 feet along the South side of Waiwai Loop;
6. Thence along the South side of Waiwai Loop, on a curve to the left with a radius of 403.00 feet, the chord azimuth and distance being:  
275° 49' 07" 45.67 feet;
7. 359° 04' 317.10 feet along Lot 93 (Map 150) of Land Court Application 1074;
8. 88° 54' 141.50 feet along Keehi Lagoon Beach Park, Exec. Order No. 1561;
9. 128° 14' 17.51 feet along Keehi Lagoon Beach Park, Exec. Order No. 1561;
10. 189° 04' 326.49 feet along Lot 95 (Map 150) of Land Court Application 1074 to the point of beginning and containing an area of 41,745 Square Feet, more or less.

- 1 -





R. M. TOWILL CORPORATION

Description prepared by:

*Ryan M. Suzuki*  
Ryan M. Suzuki Exp: 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
July 13, 2015  
TMK: 1-1-016: 009 (PDQ 319)

Note: This description is for exhibit purposes only and does not purport a legally subdivided lot.



Easement A  
For Temporary Construction Purposes  
Affecting the Remainder of Parcel 319  
Being a Portion of Lot 94 (Map 150) of Land Court Application 1074  
In favor of HART

SITUATE AT MOANALUA, HONOLULU, ISLAND OF OAHU, HAWAII

Beginning at the Northeast corner of this easement, being also the Northwest corner of Parcel 319, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,166.11 feet South and 2,427.53 feet West, thence running by azimuths measured clockwise from true South:

- 1. 9° 04' 4.78 feet along Parcel 319;
- 2. 99° 04' 10.00 feet;
- 3. 189° 04' 4.78 feet;
- 4. 279° 04' 10.00 feet along the South side of Waiwai Loop to the point of beginning and containing an area of 48 Square Feet, more or less.



R. M. TOWILL CORPORATION

Description prepared by:

*Ryan M. Suzuki*  
Ryan M. Suzuki Exp: 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
July 13, 2015  
TMK: 1-1-016: 009 (PDQ 319)

Note: This description is for exhibit purposes only and does not purport a legally subdivided lot.



# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

<b>TITLE:</b> <b>RESOLUTION NO. 2015-79</b> <b>AUTHORIZING THE ACQUISITION OF EASEMENTS OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-016-009 (PORTION) BY EMINENT DOMAIN</b>	<b>STAFF CONTACT:</b> Morris M. Atta	<b>DATE:</b> September 24, 2015
--	---	------------------------------------

Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

**1. Purpose:**  
 Final action of the Board in authorizing the condemnation of the parcel identified as Tax Map Key 1-1-016-009, and situated at 2644 Waiwai Loop, Honolulu, which is required for guideway and temporary construction easements of the Honolulu Rail Transit Project (HRTTP). The property is owned by SCI Corporation.

**2. Background/Justification**  
 Notification of the intent to exercise eminent domain had previously been sent to the Honolulu City Council along with HART Resolution 2015-47 on July 30, 2015. More than 45 days has elapsed since the notice. The City Council neither approved or adopted a resolution in objection of the action. Accordingly, under the Charter of the City and County of Honolulu section 17-103.2(b), HART may now properly proceed with the condemnation proceedings for this parcel.

**3. Procurement Background**  
 N/A

**4. Financial/Budget Impact**  
 The project budget includes an estimated cost for legal action associated with the condemnation of the property.

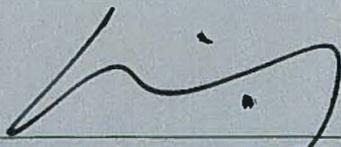
**5. Policy Impact**  
 There is no policy impact since this action conforms to the requirement of the Uniform Relocation Act, FTA 5010.1D and Article XVII of the Charter of the City and County of Honolulu.

**6. Public Involvement**  
 N/A

**7. Alternatives**  
 There is no alternative given the proposed project schedule and the need to acquire the property as soon as possible in order to not delay the contractor in constructing the guideway.

**8. Exhibits**  
 N/A

**Certified and Recommended by:**


---

**Executive Director and CEO**

9/8/15

---

**Date**

## **Honolulu Authority for Rapid Transportation**

### **RESOLUTION NO. 2015-81**

#### **AUTHORIZING THE ACQUISITION OF A FEE SIMPLE INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 2-1-014-006 (PORTION) BY EMINENT DOMAIN**

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain. . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, the City Council approved or did not object to the acquisition of the real property identified as Tax Map Key (TMK) 2-1-014-006 (portion) by eminent domain in fee simple after written notification by HART; and

WHEREAS, the acquisition by eminent domain in fee simple of the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That acquisition by eminent domain in fee simple of the real property identified as TMK 2-1-014-006 (portion) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of the above-identified property by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of the above-identified property by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate

terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

**ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on**

\_\_\_\_\_.

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

**ATTEST:**

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

**Exhibit A – Legal Description of TMK 2-1-014-006 (portion)**

**HONOLULU RAIL TRANSIT PROJECT**

**EASEMENT B  
(FOR STATION CONSTRUCTION PURPOSES)**

Affecting Hawaiian Electric Company  
 Being Grant 3537 to H.A. Widemann,  
 Grant 3651 to The Hawaiian Electric Company, Limited,  
 Grant 3664 to The Hawaiian Electric Company, Limited,  
 Grant 4690 to J.A. McCandless,  
 Grant 6879 to The Hawaiian Electric Company, Limited,  
 Grant 7041 to The Hawaiian Electric Company, Limited

Situate at Honolulu, Oahu, Hawaii

Beginning at the Northwest corner of this easement, being the Northwest corner of Grant 7041 to The Hawaiian Electric Company, Limited, also along the West side of Ala Moana Boulevard, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 1,878.64 feet South and 4,921.98 feet West thence running by azimuths measured clockwise from true South:

- |    |          |        |      |   |
|----|----------|--------|------|---|
| 1. | 329° 35' | 53.46  | feet | along the West side of Ala Moana Boulevard;                           |
| 2. | 58° 54'  | 123.48 | feet | along remainder Grant 7041 to The Hawaiian Electric Company, Limited; |
| 3. | 148° 54' | 73.98  | feet | along same;   |
| 4. | 232° 50' | 91.46  | feet | along the South side of Bishop Street;                                |

Thence along same, on a curve to the right with a radius of 30.00 feet, the chord azimuth and distance being:



**AUSTIN, TSUTSUMI & ASSOCIATES, INC.**

CIVIL ENGINEERS • SURVEYORS

501 SUMNER STREET, SUITE 521  
 HONOLULU, HAWAII 96817-5031

1871 WILI PA LOOP, SUITE A  
 WAILUKU, MAUI, HAWAII 96793

100 PAUJAH STREET, SUITE 207  
 HILO, HAWAII 96720

5. 281° 12' 30" 44.85 feet to the point of beginning and containing an area of 9,738 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

*Erik S. Kaneshiro*

ERIK S. KANESHIRO  
Licensed Professional Land Surveyor  
Certificate No. 9826

Note: This description is for exhibit purposes and does not purport a legally designated easement.

Honolulu, Hawaii  
July 20, 2015

TMK: (1) 2-1-014: 006 (Portion)  
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 443 - Easement B.docx



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

501 SUMNER STREET, SUITE 621  
HONOLULU, HAWAII 96817-5031

1871 WILI PA LOOP, SUITE A  
WAILUKU, MAUI, HAWAII 96793

100 PAUAHI STREET, SUITE 213  
HILO, HAWAII 96720

# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

<b>TITLE:</b> <b>RESOLUTION NO. 2015-81</b> <b>AUTHORIZING THE ACQUISITION OF A FEE SIMPLE INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 2-1-014-006 (PORTION) BY EMINENT DOMAIN</b>	<b>STAFF CONTACT:</b> Morris M. Atta	<b>DATE:</b> September 24, 2015
--	---	------------------------------------

Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

**1. Purpose:**  
 Final action of the Board in authorizing the condemnation of the parcel identified as Tax Map Key 2-1-014-006, and situated at 170 Aloha Tower Drive, Honolulu, which is required for guideway and station construction of the Honolulu Rail Transit Project (HRTTP). The property is owned by Hawaiian Electric Company Inc.

**2. Background/Justification**  
 Notification of the intent to exercise eminent domain had previously been sent to the Honolulu City Council along with HART Resolution 2015-50 on July 30, 2015. More than 45 days has elapsed since the notice. The City Council neither approved or adopted a resolution in objection of the action. Accordingly, under the Charter of the City and County of Honolulu section 17-103.2(b), HART may now properly proceed with the condemnation proceedings for this parcel.

**3. Procurement Background**  
 N/A

**4. Financial/Budget Impact**  
 The project budget includes an estimated cost for legal action associated with the condemnation of the property.

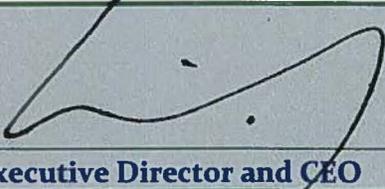
**5. Policy Impact**  
 There is no policy impact since this action conforms to the requirement of the Uniform Relocation Act, FTA 5010.1D and Article XVII of the Charter of the City and County of Honolulu.

**6. Public Involvement**  
 N/A

**7. Alternatives**  
 There is no alternative given the proposed project schedule and the need to acquire the property as soon as possible in order to not delay the contractor in constructing the guideway.

**8. Exhibits**  
 N/A

**Certified and Recommended by:**

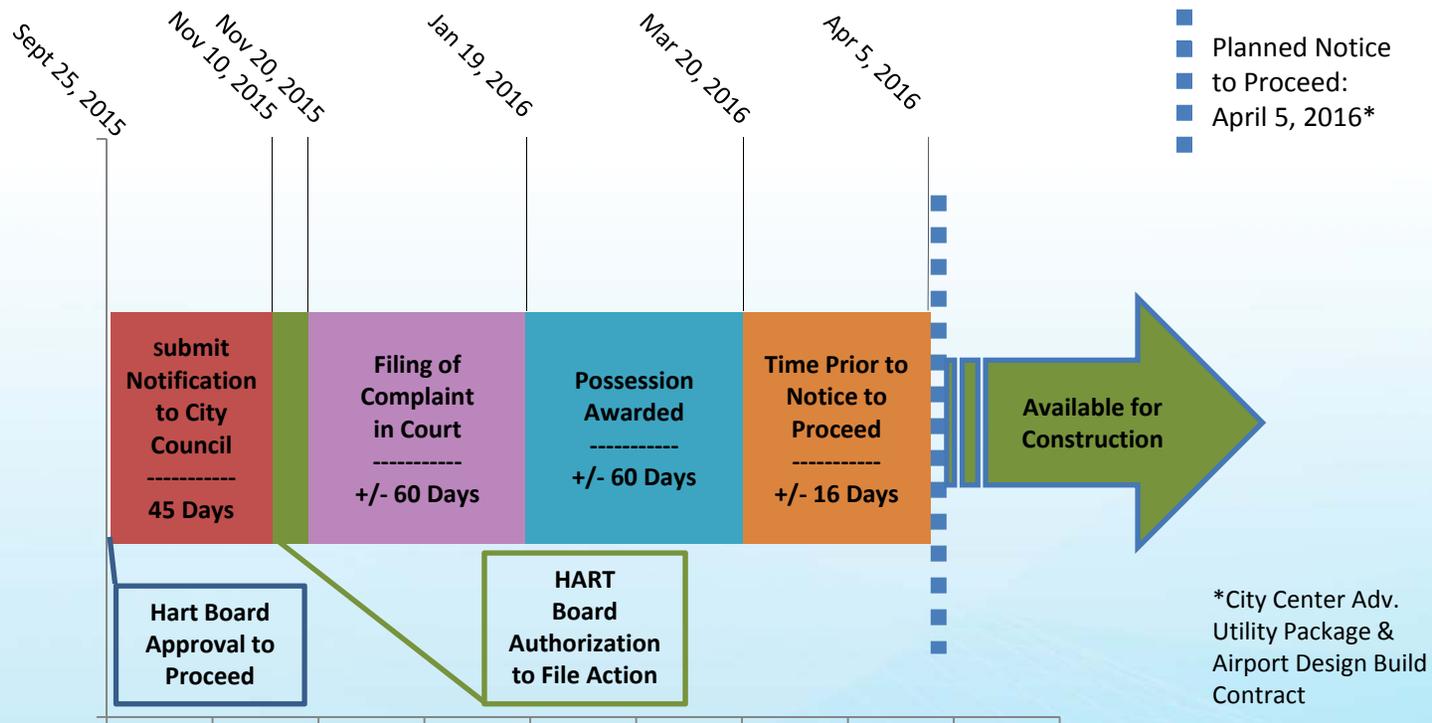
  
 \_\_\_\_\_  
**Executive Director and CEO**

9/24/15  
 \_\_\_\_\_  
**Date**

# Summary of Proposed Eminent Domain

September 24, 2015

# Real Estate Site Control Timeline

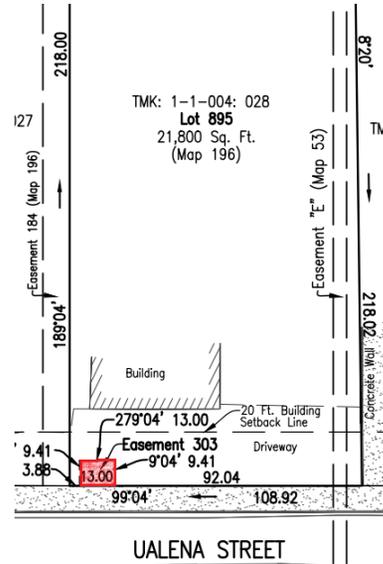


# **Resolution No. 2015-44**

## **K.J.L. Associates**

### **Tax Map Key: 1-1-004-028 (Partial)**

**Resolution No. 2015-44**  
**K.J.L. Associates**  
**Tax Map Key: 1-1-004-028 (Partial)**



Red = Utility  
Easement Acquisition



**Resolution No. 2015-44**  
**K.J.L. Associates**  
**Tax Map Key: 1-1-004-028 (Partial)**

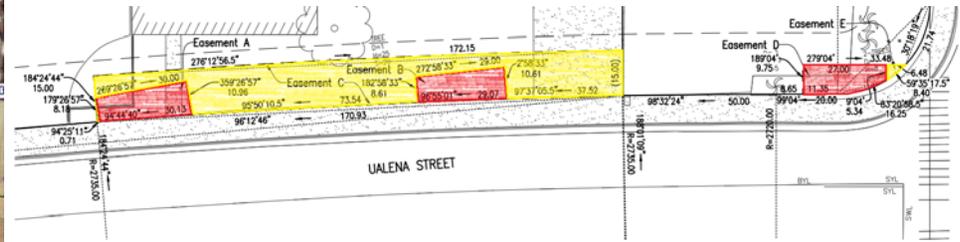
- Electrical Utility Easement Acquisition
- Total Acquisition: 122 square feet
- An appraisal report with an effective date of April 8, 2015 was conducted.
- A Letter of Offer dated June 4, 2015 was delivered.
- Owner has provided a counteroffer to HART's Letter of Offer.
- Negotiations are ongoing.
- Recommendation for Eminent Domain to maintain Project timeline.

# **Resolution No. 2015-45**

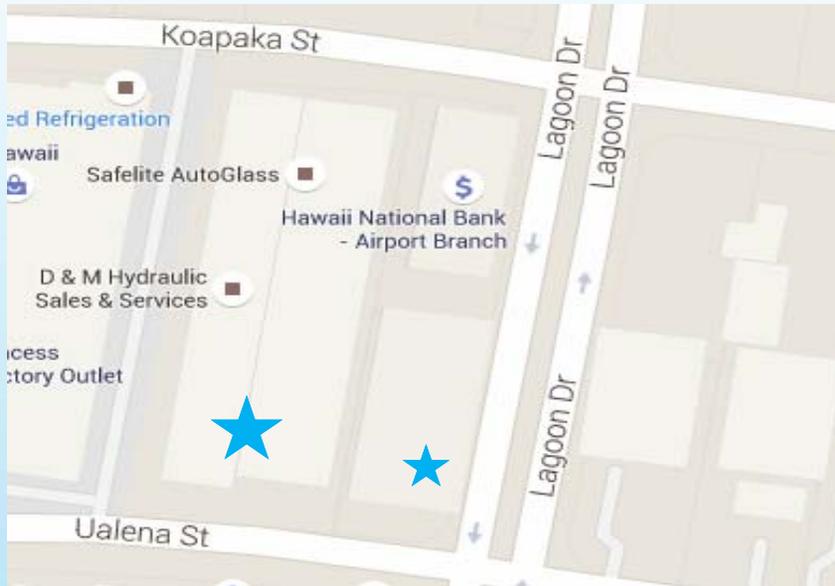
## **K.J.L. Associates**

**Tax Map Keys: 1-1-004-035 (Partial) and  
1-1-004-039 (Partial)**

**Resolution No. 2015-45**  
**K.J.L. Associates**  
**Tax Map Keys: 1-1-004-035 (Partial) and 1-1-004-039 (Partial)**



Red = Guideway Easement Acquisitions  
 Yellow = Temporary Construction Easements



# Resolution No. 2015-45

## K.J.L. Associates

**Tax Map Keys: 1-1-004-035 (Partial) and 1-1-004-039 (Partial)**

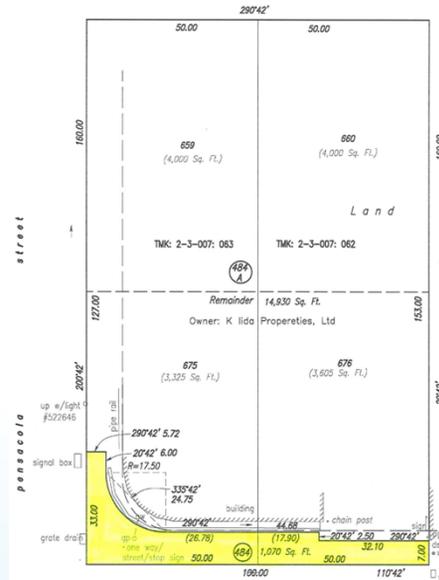
- Guideway Easement Acquisitions and Temporary Construction Easements
- Total Acquisition: 3,397 square feet
- An appraisal report with an effective date of April 8, 2015 was conducted.
- A Letter of Offer dated June 4, 2015 was delivered.
- Owner has not provided a counteroffer to HART's Letter of Offer.
- Negotiations are ongoing.
- Recommendation for Eminent Domain to maintain Project timeline.

# **Resolution No. 2015-83**

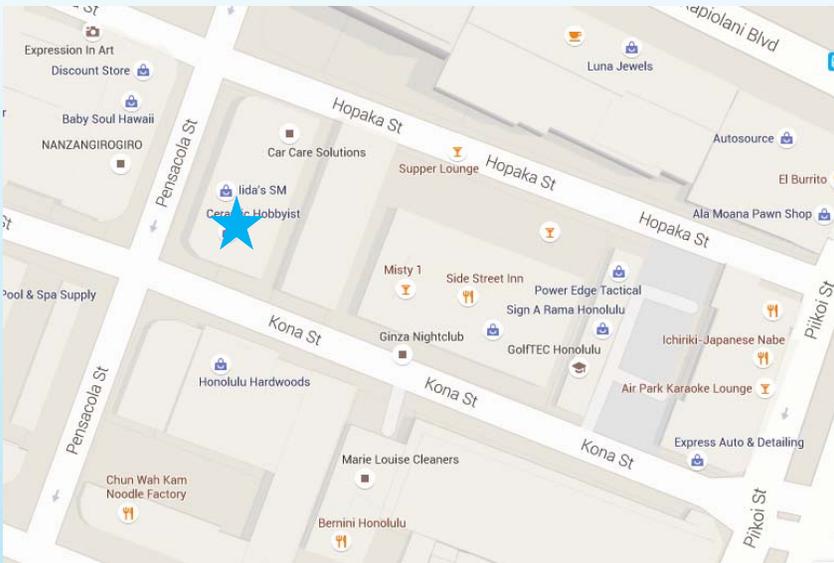
**K. Iida Properties, LTD.**

**Tax Map Keys: 2-3-007-062 (Partial)  
and 2-3-007-063 (Partial)**

**Resolution No. 2015-83**  
**K. Iida Properties, LTD.**  
**Tax Map Keys: 2-3-007-062 (Partial) and 2-3-007-063 (Partial)**



**Yellow = Partial Fee Acquisition**



## **Resolution No. 2015-83**

### **K. Iida Properties, LTD.**

#### **Tax Map Keys: 2-3-007-062 (Partial) and 2-3-007-063 (Partial)**

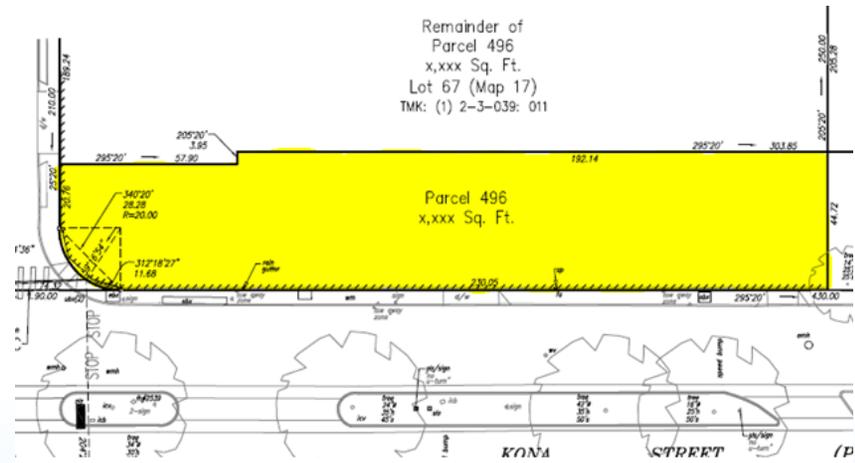
- Partial Fee Acquisition
- Total Acquisition: 1,070 square feet
- An appraisal report with an effective date of February 5, 2015 was conducted.
- A Letter of Offer dated July 14, 2015 was delivered.
- Owner has retained legal counsel.
- Owner is currently obtaining an appraisal of their own.
- Owner has not provided a counteroffer to HART's Letter of Offer.
- Recommendation for Eminent Domain to maintain Project timeline.

**Resolution No. 2015-84**

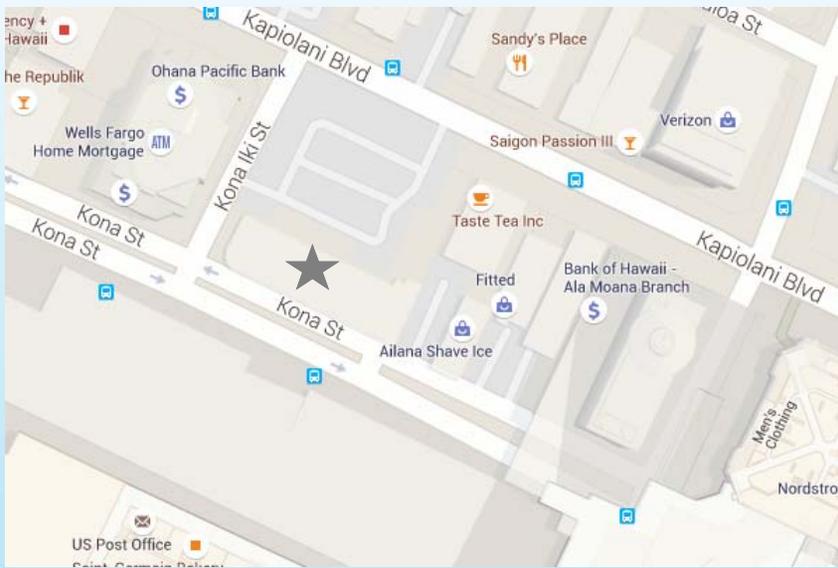
**Samkoo Hawaii, LLC**

**Tax Map Key: 2-3-039-011 (Partial)**

**Resolution No. 2015-84  
Samkoo Hawaii, LLC  
Tax Map Key: 2-3-039-011 (Partial)**



**Yellow = Partial Fee Acquisition**



**Resolution No. 2015-84**  
**Samkoo Hawaii, LLC**  
**Tax Map Key: 2-3-039-011 (Partial)**

- Partial Fee Acquisition
- Total Acquisition: 13,238 square feet
- An appraisal report with an effective date of February 10, 2015 was conducted.
- A Letter of Offer dated June 5, 2015 was delivered.
- Owner has not submitted a formal counteroffer.
- Recommendation for Eminent Domain to maintain Project timeline.

# *Mahalo!*



*HONOLULU RAIL TRANSIT*

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

## Honolulu Authority for Rapid Transportation

### RESOLUTION NO. 2015-44

APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE ELECTRICAL EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-004-028 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain ... all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, prior to such acquisition the Charter directs HART to submit a list of real property and easements to be acquired by eminent domain to the City Council; and

WHEREAS, the City Council may approve the acquisition by eminent domain or may object by adoption of a resolution within 45 days of the notification to acquire the real property and easements; and

WHEREAS, the acquisition by eminent domain of the electrical easement over, on, and across the real property identified as Tax Map Key (TMK) 1-1-004-028 (Portion) and more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That written notification to the City Council is approved, for the acquisition by eminent domain of the electrical easement over, on, and across the real property identified as TMK 1-1-004-028 (Portion); and
2. That in the event the City Council approves or does not object to the acquisition within 45 days of notification, then HART is authorized to publish in a daily newspaper at least three days prior to Board action, the attached resolution marked as Exhibit B, authorizing acquisition by eminent domain of said easement.

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

Exhibit A – Legal description of TMK 1-1-004-028 (Portion)

Exhibit B – Resolution No. 2015-\_\_\_\_, Authorizing the Acquisition of Electrical Easement  
Over, On, and Across the Real Property Identified as Tax Map Key 1-1-004-  
028 (Portion) by Eminent Domain.

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

ATTEST:

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

DRAFT

Easement 303  
For Electrical Purposes  
Affecting Lot 895 (Map 196) of Land Court Application 1074  
In Favor of Hawaiian Electric Company

SITUATE AT MOANALUA, HONOLULU, ISLAND OF OAHU, HAWAII

Beginning at the Southwest corner of this easement, along the North side of Ualena Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 10,914.23 feet South and 4,284.25 feet West, thence running by azimuths measured clockwise from true South:

- 1. 189° 04' 9.41 feet;
- 2. 279° 04' 13.00 feet;
- 3. 9° 04' 9.41 feet;
- 4. 99° 04' 13.00 feet along the North side of Ualena Street to the point of beginning and containing an area of 122 Square Feet, more or less.



R. M. TOWILL CORPORATION

Description prepared by:

*Ryan M. Suzuki*  
 Ryan M. Suzuki Exp: 4/30/16  
 Licensed Professional Land Surveyor  
 Certificate Number 10059

2024 North King Street, Suite 200  
 Honolulu, Hawaii 96819  
 July 16, 2015  
 TMK: 1-1-004: 028 (PDQ 303)

Note: This description is for exhibit purposes only and does not purport a legally subdivided lot.



**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-\_\_**

**AUTHORIZING THE ACQUISITION OF ELECTRICAL EASEMENT OVER, ON, AND  
ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-004-028  
(PORTION) BY EMINENT DOMAIN**

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART “to acquire by eminent domain . . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;” and

WHEREAS, the City Council approved or did not object to the acquisition of the electrical easement over, on, and across the real property identified as Tax Map Key (TMK) 1-1-004-028 (Portion) by eminent domain after written notification by HART; and

WHEREAS, the acquisition by eminent domain of said electrical easement over, on, and across the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That acquisition by eminent domain of the electrical easement over, on, and across the real property identified as TMK 1-1-004-028 (Portion) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of said easement by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of said easement by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

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

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

ATTEST:

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

Exhibit A – Legal description of TMK 1-1-004-028 (Portion)

DRAFT

Easement 303  
For Electrical Purposes  
Affecting Lot 895 (Map 196) of Land Court Application 1074  
In Favor of Hawaiian Electric Company

SITUATE AT MOANALUA, HONOLULU, ISLAND OF OAHU, HAWAII

Beginning at the Southwest corner of this easement, along the North side of Ualena Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 10,914.23 feet South and 4,284.25 feet West, thence running by azimuths measured clockwise from true South:

1. 189° 04' 9.41 feet;
2. 279° 04' 13.00 feet;
3. 9° 04' 9.41 feet;
4. 99° 04' 13.00 feet along the North side of Ualena Street to the point of beginning and containing an area of 122 Square Feet, more or less.



R. M. TOWILL CORPORATION

Description prepared by:

Ryan M. Suzuki Exp: 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
July 16, 2015  
TMK: 1-1-004: 028 (PDQ 303)

Note: This description is for exhibit purposes only and does not purport a legally subdivided lot.



# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

**TITLE:**  
**RESOLUTION NO. 2015-44 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE ELECTRICAL EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-004-028 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN**

**STAFF CONTACT:**  
 Elizabeth Scanlon  
 Morris Atta

**DATE:**  
 09/24/2015

Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input checked="" type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

### 1. Purpose:

Review of Notification to City Council for condemnation of land for public use, identified as Tax Map Key 1-1-004-028 (Portion), and situated at 2918 Ualena Street, Honolulu, Hawaii 96819, which is required for electrical easement purposes for the Honolulu Rail Transit Project (HRTTP). This property, for which 122 square-foot electrical easement is required, is on the critical path for successful completion of the Airport Section of the HRTTP. The property is owned by K.J.L. Associates.

HART recommends use of eminent domain to acquire the property.

### 2. Background/Justification

This property (Tax Map Key 1-1-004-028 (Portion)) was designated as needed for the HRTTP and identified in the Final Environmental Impact Statement (FEIS). As required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and FTA C5010.1D, the Owners were notified of HART's intent to acquire the property. An appraisal was conducted following URA guidelines, which took into consideration all site conditions and potential impacts.

- An appraisal report with an effective date of April 8, 2015 was conducted.
- A Letter of Offer dated June 4, 2015 was delivered.
- Owner has provided a Counteroffer to the Letter of Offer.
- Negotiations are ongoing.

This parcel is being referred to eminent domain in order to adhere to the project construction timeline. Access to this parcel is needed as soon as possible in order to avoid costly delays to the project schedule and timing. Negotiations with the Owner will continue during the eminent domain process.

### 3. Procurement Background

N/A

### 4. Financial/Budget Impact

The project budget includes an estimated cost for legal action associated with the eminent domain of the property.

**5. Policy Impact**

There is no policy impact since this action conforms to the requirement of the URA, FTA 5010.1D and Article XVII of the Charter of the City and County of Honolulu.

**6. Public Involvement**

N/A

**7. Alternatives**

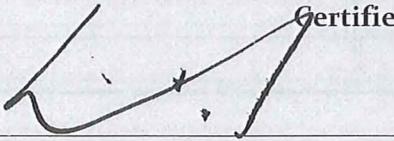
There is no feasible alternative to avoid the above described impacts to the property.

**8. Exhibits**

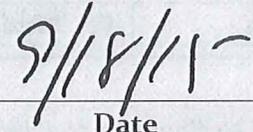
Exhibit 1 – Letter of Offer dated June 4, 2015

Exhibit 2 – Appraisal Summary prepared by Yamaguchi & Yamaguchi, Inc. with an effective appraisal date of April 8, 2015

**Certified and Recommended by:**



Executive Director and CEO



Date

8/2/15

Exhibit 1



IN REPLY REFER TO:  
CMS-AP00ROW-00902

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

June 4, 2015

*Cathy Luke*  
 Received  
*Cathy Luke* *6/4/15*  
 Print Name Date  
 Delivered: *J. Blayden*  
*Jackson Blayden*

BOARD OF DIRECTORS

Ivan M. Lui-Kwan, Esq.  
CHAIR

Donald G. Horner  
VICE CHAIR

George I. Atta  
Robert Bunda  
Michael D. Formby  
Ford N. Fuchigami  
William "Buzz" Hong  
Keslie W.K. Hui  
Damien T.K. Kim  
Carrie K.S. Okinaga, Esq.

Ms. Cathy Luke  
K.J.L. Associates  
45 North King Street, Suite 600  
Honolulu, Hawaii 96817

Dear Ms. Luke:

Subject: Honolulu Rail Transit Project (H RTP)  
2918 Ualena Street  
Parcel 303: Tax Map Key (TMK) 1-1-004-028 (Portion)  
**Letter of Offer**

The Honolulu Authority for Rapid Transportation (HART) is constructing the H RTP. As part of the H RTP, HART will need to acquire a portion of your property. An appraisal of the property identified as TMK 1-1-004-028 has been completed to determine just compensation.

A review of public records indicates that you are the Owner of Record of the property HART is seeking to acquire for this Project. Based on our findings as contained in the enclosed Statement of Just Compensation, HART offers to purchase a portion of your property, a total of 122 square feet, for electrical utility easement purposes, for the total consideration of \$14,000 (Fourteen Thousand Dollars), as shown colored in red on the enclosed map.

The total offer for acquiring the interest in your property is \$14,000 (Fourteen Thousand Dollars). Costs incidental to closing escrow for this transaction will be paid by HART except prorated costs such as taxes and insurance.

The amount of offer is predicated on the assumption that there exists no hazardous substance, product, or waste on the subject property. Please be advised that the amount offered is subject to completion of an environmental site assessment by HART, and the cost to remediate any identified findings may affect the valuation of the subject property.

If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by July 6, 2015. The remaining copy is for your file. Enclosed for your information are the Appraisal Summary Statement and General Acquisition and Relocation Information Brochure.

Ms. Cathy Luke  
Page 2  
June 4, 2015

Also enclosed is a draft Possession and Use Agreement for your review, consideration, and for further discussion with your acquisition agent. The Possession and Use Agreement is intended to provide you early access to most of the purchase price of this acquisition subject to HART being provided access to the portion of your property required for construction of the HRTP with minimal risk to the Project. Under this agreement, your rights to the full just compensation amount are fully reserved and enforceable.

It is the desire of HART to acquire private property through voluntary purchase if possible. While HART has the power of eminent domain, HART has not sought the authority nor made any decision to exercise the power of eminent domain to acquire your property at this time.

In accordance with federal regulations affecting real property transactions, we request your cooperation in providing us with your Taxpayer Identification Number. Please execute and return the enclosed IRS Form W-9 at the same time. The W-9 is required by our Department of Budget and Fiscal Services to release the check.

HART has retained the services of Paragon Partners Ltd to assist you with the acquisition process. Please contact Mr. Jackson Blagden at 536-5900 if you have any questions or to discuss this matter further.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

Enclosures

ACCEPTED:

K.J.L. Associates

By \_\_\_\_\_  
Its

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_

Exhibit 2



**Yamaguchi &  
Yamaguchi, Inc.**  
Real Estate Appraisal &  
Consulting Services

**PROJECT**

Honolulu Rail Transit Project

Parcel Designation: (1) 1-1-004-028

HART RW Parcel: 303

Owner: KJL Associates

2918 Ualena Street

Honolulu, Hawaii 96819

Effective Date: April 8, 2015

**AN APPRAISAL REPORT OF**

I-2 Intensive Industrial Zoned  
Electrical Easement Acquisition

**CLIENT**

Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation

**PREPARER**

Jon F. Yamaguchi, CRE, FRICS, SRPA, SRA



**Yamaguchi &  
Yamaguchi, Inc.**  
Real Estate Appraisal &  
Consulting Services

April 23, 2015

Ms. Georgia Marques  
Project Manager  
Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649

Re: Honolulu Rail Transit Project  
Permanent Electrical Easement Acquisition  
Parcel Designation: 1-1-1-004-028; 23,440 square feet  
HART RW Parcel 303  
2918 Ualena Street  
Honolulu, Hawaii 96819

Dear Mr. Marques,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one opinion about the market value for the Permanent Electrical Easement Acquisition on the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record. The Lessor of this property is KJL Associates and the Lessee is Charles H. McDonald & Co.

The purpose of this appraisal report is to assist the Honolulu Authority for Rapid Transportation in the valuation of a permanent electrical easement for Eminent Domain acquisition proceedings of the subject property as part of the Honolulu Rail Transit Project.

As a preview, the subject property identified as the "Larger Parcel" physically consists of a rectangular, non-corner parcel constituting 23,440 square feet. According to tax office records, the site is improved with a 48-year old warehouse consisting of a building footprint of 8,520 square feet that is not included in our appraisal valuation. The Permanent Utility Easement consists of 122 square feet as described on the survey map herein, submitted to us from the Honolulu Authority for Rapid Transportation (HART) identified as Easement 303. The subject easement is located near the front left southwest corner of the site situated adjacent to the front boundary. It is rectangular in size and approximately 122 square feet in size and approximately 9.04 feet x 13.00 feet.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached Appraisal report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of April 23, 2015.

For purposes of this appraisal report the definition of market value from the fifth edition of the *Uniform Appraisal Standards for Federal Land Acquisitions* was utilized and is defined in the Market Value Criterion section of this report.

This letter is not an appraisal report hence it must not be removed from the attached 111-page report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves a few complex issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to, and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the *Partial Acquisition* as of April 8, 2015.

\$ 2,652,000	<i>"As Is" Indicated Market Value of the Larger Parcel (Rounded)</i>
\$ 14,000	<i>"As Is" Indicated Market Value of Electrical Easement (Rounded)</i>
\$ 0	<i>Add: Total Severance Damages to the Remainder Property</i>
\$ 0	<i>Less: Special Benefits to the Remainder Property</i>
\$ 0	<i>Add: Contributory Value</i>
\$ 14,000	<i>Total Fair Market Value of the Electrical Easement Acquisition (Rounded)</i>

Thank you for your business. Let us know how we may further serve you.



Jon F. Yamaguchi, CRE, FRICS, SRPA, SRA  
 President / CEO  
 Certified General Appraiser  
 Hawaii License CGA 31  
 License Expiration Date: 12/31/2015

## Honolulu Authority for Rapid Transportation

### RESOLUTION NO. 2015-45

APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE GUIDEWAY EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEYS 1-1-004-035 (PORTION) AND 1-1-004-039 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENTS BY EMINENT DOMAIN

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain ... all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, prior to such acquisition the Charter directs HART to submit a list of real property and easements to be acquired by eminent domain to the City Council; and

WHEREAS, the City Council may approve the acquisitions by eminent domain or may object by adoption of a resolution within 45 days of the notification to acquire the real property and easements; and

WHEREAS, the acquisition by eminent domain of the guideway easement and temporary construction easement over, on, and across the real property identified as Tax Map Keys (TMKS) 1-1-004-035 (Portion) and 1-1-004-039 (Portion) and more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That written notification to the City Council is approved, for the acquisition by eminent domain of the guideway easement and temporary construction easement over, on, and across the real property identified as TMKS 1-1-004-035 (Portion) and 1-1-004-039 (Portion); and
2. That in the event the City Council approves or does not object to the acquisition within 45 days of notification, then HART is authorized to publish in a daily newspaper at least three days prior to Board action, the attached resolution marked as Exhibit B, authorizing acquisition by eminent domain of said easements.

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

Exhibit A – Legal description of TMKS 1-1-004-035 (Portion) and 1-1-004-039 (Portion)  
Exhibit B – Resolution No. 2015-\_\_\_\_, Authorizing the Acquisition of Guideway  
Easement and Temporary Construction Easement Over, On, and Across the  
Real Property Identified as Tax Map Keys 1-1-004-035 (Portion) and 1-1-  
004-039 (Portion) by Eminent Domain.

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

ATTEST:

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

DRAFT

Legal  
Description  
Unavailable

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-\_\_**

**AUTHORIZING THE ACQUISITION OF GUIDEWAY EASEMENT AND TEMPORARY  
CONSTRUCTION EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY  
IDENTIFIED AS TAX MAP KEYS 1-1-004-035 (PORTION) AND  
1-1-004-039 (PORTION) BY EMINENT DOMAIN**

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART “to acquire by eminent domain . . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;” and

WHEREAS, the City Council approved or did not object to the acquisition of the guideway easement and temporary construction easement over, on, and across the real property identified as Tax Map Keys (TMKS) 1-1-004-035 (Portion) and 1-1-004-039 (Portion) by eminent domain after written notification by HART; and

WHEREAS, the acquisition by eminent domain of said guideway easement and temporary construction easement over, on, and across the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That acquisition by eminent domain of the guideway easement and temporary construction easement over, on, and across the real property identified as TMKS 1-1-004-035 (Portion) and 1-1-004-039 (Portion) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of said easements by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of said easements by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate terms of

settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

\_\_\_\_\_.

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

ATTEST:

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

Exhibit A – Legal description of TMKS 1-1-004-035 (Portion) and 1-1-004-039 (Portion)

Legal  
Description  
Unavailable

# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

<b>TITLE:</b> <b>RESOLUTION NO. 2015-45</b> APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE GUIDEWAY EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEYS 1-1-004-035 (PORTION) AND 1-1-004-039 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENTS BY EMINENT DOMAIN	<b>STAFF CONTACT:</b> Elizabeth Scanlon Morris Atta	<b>DATE:</b> 09/24/2015
--	---	----------------------------

Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input checked="" type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

**1. Purpose:**

Review of Notification to City Council for condemnation of land for public use, identified as Tax Map Keys 1-1-004-035 (Portion) and 1-1-004-039 (Portion), and situated at 2815 Koapaka Street; 2806 Ualena Street; 520 Lagoon Drive, Honolulu, Hawaii 96819, which is required for guideway easement and temporary construction easement purposes for the Honolulu Rail Transit Project (H RTP). This property, for which a 805 square-foot guideway easement and 2,592 square-foot temporary construction easement is required, is on the critical path for successful completion of the Airport Section of the H RTP. The property is owned by K.J.L. Associates.

HART recommends use of eminent domain to acquire the property.

**2. Background/Justification**

This property (Tax Map Key 1-1-004-035 (Portion) and 1-1-004-039 (Portion)) was designated as needed for the H RTP and identified in the Final Environmental Impact Statement (FEIS). As required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and FTA C5010.1D, the Owners were notified of HART's intent to acquire the property. An appraisal was conducted following URA guidelines, which took into consideration all site conditions and potential impacts.

- An appraisal report with an effective date of April 8, 2015 was conducted.
- A Letter of Offer dated June 4, 2015 was delivered.
- Owner has not provided a Counteroffer to the Letter of Offer.
- Negotiations are ongoing.

This parcel is being referred to eminent domain in order to adhere to the project construction timeline. Access to this parcel is needed as soon as possible in order to avoid costly delays to the project schedule and timing. Negotiations with the Owner will continue during the eminent domain process.

**3. Procurement Background**

N/A

**4. Financial/Budget Impact**

The project budget includes an estimated cost for legal action associated with the eminent domain of the

property.

**5. Policy Impact**

There is no policy impact since this action conforms to the requirement of the URA, FTA 5010.1D and Article XVII of the Charter of the City and County of Honolulu.

**6. Public Involvement**

N/A

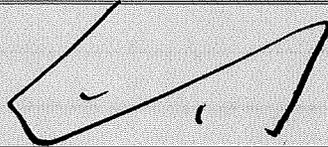
**7. Alternatives**

There is no feasible alternative to avoid the above described impacts to the property.

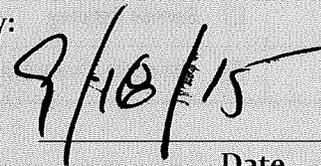
**8. Exhibits**

Exhibit 1 – Letter of Offer dated June 4, 2015

Exhibit 2 – Appraisal Summary prepared by Yamaguchi & Yamaguchi, Inc. with an effective appraisal date of April 8, 2015



Certified and Recommended by:



Executive Director and CEO

Date



IN REPLY REFER TO:  
CMS-AP00ROW-00903

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

BOARD OF DIRECTORS

June 4, 2015

Ivan M. Lui-Kwan, Esq.  
CHAIR

Donald G. Horner  
VICE CHAIR

Ms. Cathy Luke  
K.J.L. Associates  
45 North King Street, Suite 600  
Honolulu, Hawaii 96817

George I. Atta  
Robert Bunda  
Michael D. Formby  
Ford N. Fuchigami  
William "Buzz" Hong  
Kestlie W.K. Hui  
Damien T.K. Kim  
Carrie K.S. Okinaga, Esq.

Dear Ms. Luke:

Subject: Honolulu Rail Transit Project (H RTP)  
2815 Koapaka Street; 2806 Ualena Street; 520 Lagoon Drive  
Parcel 303A: Tax Map Keys (TMKs) 1-1-004-035 and 1-1-004-039 (Portions)  
**Letter of Offer**

The Honolulu Authority for Rapid Transportation (HART) is constructing the H RTP. As part of the H RTP, HART will need to acquire a portion of your property. An appraisal of the property identified as TMKs 1-1-004-035 and 1-1-004-039 has been completed to determine just compensation.

A review of public records indicates that you are the Owner of Record of the property HART is seeking to acquire for this Project. Based on our findings as contained in the enclosed Statement of Just Compensation, HART offers to purchase a portion of your property, a total of 805 square feet, for guideway easement purposes, for the total consideration of **\$52,000** (Fifty-Two Thousand Dollars), as shown colored in red on the enclosed map.

In addition, HART offers to purchase two Temporary Construction Easements (TCE) consisting of 2,592 square feet (shown colored in yellow on the enclosed map) for a consideration of **\$21,920** (Twenty-One Thousand Nine Hundred Twenty Dollars). The intent of the TCE is to provide temporary access to and use of a portion of your property for the purpose of facilitating Project construction activities. These activities may involve operation of equipment, movement of a work force on the described easement, and may include site security with temporary fencing. The duration of the TCE will be twelve months with a start date to be determined thru coordination with you and HART's contractor.

The total offer for acquiring the interest in your property is **\$73,920** (Seventy-Three Thousand Nine Hundred Twenty Dollars). Costs incidental to closing escrow for this transaction will be paid by HART except prorated costs such as taxes and insurance.

Ms. Cathy Luke  
Page 2  
June 4, 2015

The amount of offer is predicated on the assumption that there exists no hazardous substance, product, or waste on the subject property. Please be advised that the amount offered is subject to completion of an environmental site assessment by HART, and the cost to remediate any identified findings may affect the valuation of the subject property.

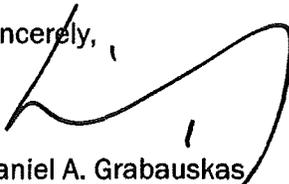
If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by **July 6, 2015**. The remaining copy is for your file. Enclosed for your information are the Appraisal Summary Statement and General Acquisition and Relocation Information Brochure. Also enclosed is a draft Possession and Use Agreement for your review, consideration, and for further discussion with your acquisition agent. The Possession and Use Agreement is intended to provide you early access to most of the purchase price of this acquisition subject to HART being provided access to the portion of your property required for construction of the H RTP with minimal risk to the Project. Under this agreement, your rights to the full just compensation amount are fully reserved and enforceable.

It is the desire of HART to acquire private property through voluntary purchase if possible. While HART has the power of eminent domain, HART has not sought the authority nor made any decision to exercise the power of eminent domain to acquire your property at this time.

In accordance with federal regulations affecting real property transactions, we request your cooperation in providing us with your Taxpayer Identification Number. Please execute and return the enclosed IRS Form W-9 at the same time. The W-9 is required by our Department of Budget and Fiscal Services to release the check.

HART has retained the services of Paragon Partners Ltd to assist you with the acquisition process. Please contact Mr. Jackson Blagden at 536-5900 if you have any questions or to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel A. Grabauskas', written over a horizontal line.

Daniel A. Grabauskas  
Executive Director and CEO

Enclosures

Ms. Cathy Luke  
Page 3  
June 4, 2015

ACCEPTED:

K.J.L. Associates

By \_\_\_\_\_  
Its

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_



**Yamaguchi &  
Yamaguchi, Inc.**  
Real Estate Appraisal &  
Consulting Services

**PROJECT**

Honolulu Rail Transit Project

Parcel Designation: (1) 1-1-004-039 & (1) 1-1-004-035

HART RW Parcel: 303A

Owner: KJL Associates

2806 Ualena Street & 2815 Koapaka Street

Honolulu, Hawaii 96819

Effective Date: April 8, 2015

**AN APPRAISAL REPORT OF**

I-2 Intensive Industrial Property

Permanent and Temporary Construction Easements

**CLIENT**

Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation

**PREPARER**

Jon F. Yamaguchi, CRE, FRICS, SRPA, SRA

ONE KAPIOLANI BUILDING

600 Kapiolani Boulevard Suite 405 • Honolulu, Hawaii 96813

Bus: 808.533.8849 • Fax: 808-533-8088 • E-mail: [appraisals@yamaguchiinc.com](mailto:appraisals@yamaguchiinc.com)



**Yamaguchi &  
Yamaguchi, Inc.**  
Real Estate Appraisal &  
Consulting Services

April 24, 2015

Ms. Georgia Marquis  
Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649

Re: Honolulu Rail Transit Project  
Permanent and Temporary Construction Easements  
HART RW Parcel 303 A  
Parcel Designation: TMK (1) 1-1-004-039 & (1) 1-1-004-035  
2806 Ualena Street & 2815 Koapaka Street, Honolulu, Hawaii 96819

Dear Ms. Marquis,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record. The Lessor of this property is KJL Associates and the Lessee is Malolo Beverages & Supply and various tenants.

The purpose of this appraisal report is to assist the Honolulu Authority for Rapid Transportation in the valuation of permanent easements and temporary construction easements for Eminent Domain acquisition proceedings of the subject property as part of the Honolulu Rail Transit Project.

As a preview, this appraisal consists of two separate tax map key parcels TMK: (1) 1-1-004-039 and (1) 1-1-004-035. They consist of 22,215 square feet and 4.12 Acres (179,361 square feet) respectively, and are zoned I-2 Intensive Industrial Use (Via HART Survey). Per our exterior observation and tax office records, Parcel 39 is improved with a 34-year old, industrial building with a 17,954 square foot footprint and Parcel 35 is improved with a 138,257 square foot (footprint), 53-year old industrial building. These improvements are not included as part of our appraisal job scope.

Parcel 39 includes two adjacent easements, Easement D (Permanent Guideway Easement) consisting of 241 square feet and Easement E (Temporary Construction Easement) consisting of 19 square feet located at the north west corner of Ualena Street and Lagoon Drive.

Parcel 35 includes three adjacent easements, Easements A and B (Permanent Guideway Easements) consisting of 286 square feet and 278 square feet respectively and Easement C (Temporary Construction Easement) consisting of 2,573 square feet located Along the Ualena Street frontage of the subject parcel.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached Appraisal report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of April 24, 2015.

For purposes of this appraisal report the definition of market value from the fifth edition of the *Uniform Appraisal Standards for Federal Land Acquisitions* was utilized and is defined in the Market Value Criterion section of this report.

This letter is not an appraisal report hence it must not be removed from the attached 128-page report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject property permanent easement acquisition and temporary construction easement as of April 8, 2015:

\$18,000	<i>Permanent Guideway Easement A</i>	<i>286 square feet</i>
\$18,000	<i>Permanent Guideway Easement B</i>	<i>278 square feet</i>
\$16,000	<i>Permanent Guideway Easement D</i>	<i>241 square feet</i>
\$52,000	<i>Total Permanent Easement Acquisition</i>	
\$ 0	<i>Add: Total Severance Damages to the Remainder Property</i>	
\$ 0	<i>Less: Special Benefits to the Remainder Property</i>	
\$ 0	<i>Add: Contributory Value</i>	
\$52,000	<i>Total Fair Market Value of the Partial Acquisition (Rounded)</i>	
\$ 21,760	<i>Estimated Annual Rent Per Annum @ 8% for the TCE C</i>	
\$1,813.33	<i>Estimated Monthly Rent Per Annum @ 8% for the TCE C</i>	
\$160	<i>Estimated Annual Rent Per Annum @ 8% for the TCE E</i>	
\$13.33	<i>Estimated Monthly Rent Per Annum @ 8% for the TCE E</i>	

Thank you for your business. Let us know how we may further serve you.



Jon F. Yamaguchi, CRE, FRICS, SRPA, SRA  
 President / CEO  
 Certified General Appraiser  
 Hawaii License CGA 31  
 License Expiration Date: 12/31/2015

## Honolulu Authority for Rapid Transportation

### RESOLUTION NO. 2015-83

APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE A FEE SIMPLE INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEYS 2-3-007-062 (PORTION) AND 2-3-007-063 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID PROPERTY BY EMINENT DOMAIN

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain ... all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, prior to such acquisition the Charter directs HART to submit a list of real property to be acquired by eminent domain to the City Council; and

WHEREAS, the City Council may approve the acquisition by eminent domain or may object by adoption of a resolution within 45 days of the notification to acquire the real property; and

WHEREAS, the acquisition by eminent domain in fee simple of the real property identified as Tax Map Keys (TMKS) 2-3-007-062 (Portion) and 2-3-007-063 (Portion) and more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That written notification to the City Council is approved, for the acquisition by eminent domain in fee simple of the real property identified as TMKS 2-3-007-062 (Portion) and 2-3-007-063 (Portion); and
2. That in the event the City Council approves or does not object to the acquisition within 45 days of notification, then HART is authorized to publish in a daily newspaper at least three days prior to Board action, the attached resolution marked as Exhibit B, authorizing acquisition by eminent domain in fee simple of the above-identified real property.

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

Exhibit A – Legal description of TMKS 2-3-007-062 (Portion) and 2-3-007-063 (Portion)  
Exhibit B – Resolution No. 2015-\_\_\_\_, Authorizing the Acquisition of the Fee Simple  
Interest Real Property as Tax Map Keys 2-3-007-062 (Portion) and 2-3-007-  
063 (Portion) by Eminent Domain

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

ATTEST:

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

DRAFT

## HONOLULU HIGH-CAPACITY TRANSIT CORRIDOR PROJECT

### PARCEL 484

**Being portions of Lots 675 and 676, as shown on Map 4  
of Land Court Application 880, Section 2.  
Situate at Kewalo, Honolulu, Oahu, Hawaii**

Beginning at the Southeast corner of this parcel of land, being also the Southwest corner of Lot 892 (Map 66) of Land Court Application 880, Section 2, and on the Northerly side of Kona Street, the coordinates of which referred to Government Survey Triangulation Station "PUNCHBOWL" being 835.68 feet South and 1323.76 feet East and running by azimuths measured clockwise from true South:

1. 110° 42' 100.00 feet along the Northerly side of Kona Street;
2. 200° 42' 33.00 feet along the Southeasterly side of Pensacola Street;
3. 290° 42' 5.72 feet along remainder of Lot 675 (Map 4) of Land Court Application 880, Section 2;
4. 20° 42' 6.00 feet along remainder of Lot 675 (Map 4) of Land Court Application 880, Section 2;  
  
thence along remainder of Lot 675 (Map 4) of Land Court Application 880, Section 2, on a curve to the left with a radius of 17.50 feet, the chord azimuth and distance being:
5. 335° 42' 24.75 feet;
6. 290° 42' 44.68 feet along remainders of Lots 675 and 676 (Map 4) of Land Court Application 880, Section 2;
7. 20° 42' 2.50 feet along remainder of Lot 676 (Map 4) of Land Court Application 880, Section 2;
8. 290° 42' 32.10 feet along remainder of Lot 676 (Map 4) of Land Court Application 880, Section 2;

9. 20° 42' 7.00 feet along Lot 892 (Map 66) of Land Court Application 880, Section 2, to the point of beginning an containing and area of 1,070 square feet.



Description Prepared By:  
ENGINEERS SURVEYORS HAWAII, INC.

Miles S. Horie Exp. 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10007

1320 North School Street  
Honolulu, Hawaii 96817

August 20, 2015

Tax Map Keys: (1<sup>st</sup> Div.) 2-3-07: 62 and 63

14-73

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-\_\_\_\_**

**AUTHORIZING THE ACQUISITION OF THE FEE SIMPLE INTEREST REAL  
PROPERTY IDENTIFIED AS TAX MAP KEYS 2-3-007-062 (PORTION)  
AND 2-3-007-063 (PORTION) BY EMINENT DOMAIN**

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART “to acquire by eminent domain. . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;” and

WHEREAS, the City Council approved or did not object to the acquisition of the real property identified as Tax Map Keys (TMKS) 2-3-007-062 (Portion) and 2-3-007-063 (Portion) by eminent domain in fee simple after written notification by HART; and

WHEREAS, the acquisition by eminent domain in fee simple of the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That acquisition by eminent domain in fee simple of the real property identified as TMK 2-3-007-062 (Portion) and 2-3-007-063 (Portion) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of the above-identified property by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of the above-identified property by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

\_\_\_\_\_.

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

ATTEST:

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

Exhibit A – Legal Description of TMKS 2-3-007-062 (Portion) and 2-3-007-063 (Portion)

DRAFT

## HONOLULU HIGH-CAPACITY TRANSIT CORRIDOR PROJECT

### PARCEL 484

**Being portions of Lots 675 and 676, as shown on Map 4  
of Land Court Application 880, Section 2.  
Situate at Kewalo, Honolulu, Oahu, Hawaii**

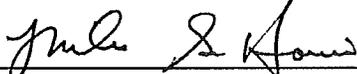
Beginning at the Southeast corner of this parcel of land, being also the Southwest corner of Lot 892 (Map 66) of Land Court Application 880, Section 2, and on the Northerly side of Kona Street, the coordinates of which referred to Government Survey Triangulation Station "PUNCHBOWL" being 835.68 feet South and 1323.76 feet East and running by azimuths measured clockwise from true South:

1. 110° 42' 100.00 feet along the Northerly side of Kona Street;
2. 200° 42' 33.00 feet along the Southeasterly side of Pensacola Street;
3. 290° 42' 5.72 feet along remainder of Lot 675 (Map 4) of Land Court Application 880, Section 2;
4. 20° 42' 6.00 feet along remainder of Lot 675 (Map 4) of Land Court Application 880, Section 2;  
  
thence along remainder of Lot 675 (Map 4) of Land Court Application 880, Section 2, on a curve to the left with a radius of 17.50 feet, the chord azimuth and distance being:
5. 335° 42' 24.75 feet;
6. 290° 42' 44.68 feet along remainders of Lots 675 and 676 (Map 4) of Land Court Application 880, Section 2;
7. 20° 42' 2.50 feet along remainder of Lot 676 (Map 4) of Land Court Application 880, Section 2;
8. 290° 42' 32.10 feet along remainder of Lot 676 (Map 4) of Land Court Application 880, Section 2;

9. 20° 42' 7.00 feet along Lot 892 (Map 66) of Land Court Application 880, Section 2, to the point of beginning an containing and area of 1,070 square feet.



Description Prepared By:  
ENGINEERS SURVEYORS HAWAII, INC.

  
\_\_\_\_\_  
Miles S. Horie Exp. 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10007

1320 North School Street  
Honolulu, Hawaii 96817

August 20, 2015

Tax Map Keys: (1<sup>st</sup> Div.) 2-3-07: 62 and 63  
14-73

# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

**TITLE:**  
**RESOLUTION NO. 2015-83 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE A FEE SIMPLE INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEYS 2-3-007-062 (PORTION) AND 2-3-007-063 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID PROPERTY BY EMINENT DOMAIN**

**STAFF CONTACT:**  
 Elizabeth Scanlon  
 Morris Atta

**DATE:**  
 09/24/2015

Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input checked="" type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

### 1. Purpose:

Review of Notification to City Council for condemnation of land for public use, identified as Tax Map Keys 2-3-007-062 (Portion) and 2-3-007-063 (Portion), and situated at 1207 Hopaka Street and 1205 Hopaka Street, Honolulu, Hawaii 96814, which is required for guideway purposes for the Honolulu Rail Transit Project (H RTP). This property, for which a 1,070 square-foot fee partial fee acquisition is required, is on the critical path for successful completion of the City Center Section of the H RTP. The property is owned by K. Iida Properties, Ltd.

HART recommends use of eminent domain to acquire the property.

### 2. Background/Justification

This property (Tax Map Keys 2-3-007-062 (Portion) and 2-3-007-063 (Portions)) was designated as needed for the H RTP and identified in the Final Environmental Impact Statement (FEIS). As required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and FTA C5010.1D, the Owners were notified of HART's intent to acquire the property. An appraisal was conducted following URA guidelines, which took into consideration all site conditions and potential impacts.

- An appraisal report with an effective date of February 5, 2015 was conducted.
- A Letter of Offer dated July 14, 2015 was delivered.
- Owner has retained legal counsel
- Owner is currently obtaining an appraisal of their own.
- No counter offer has been received.
- Negotiations are ongoing.

This parcel is being referred to eminent domain in order to adhere to the project construction timeline. Access to this parcel is needed as soon as possible in order to avoid costly delays to the project schedule and timing. Negotiations with the Owner will continue during the eminent domain process.

### 3. Procurement Background

N/A

### 4. Financial/Budget Impact

The project budget includes an estimated cost for legal action associated with the eminent domain of the property.

5. Policy Impact

There is no policy impact since this action conforms to the requirement of the URA, FTA 5010.1D and Article XVII of the Charter of the City and County of Honolulu.

6. Public Involvement

N/A

7. Alternatives

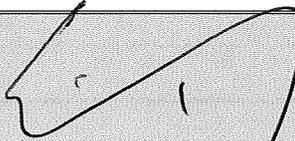
There is no feasible alternative to avoid the above described impacts to the property.

8. Exhibits

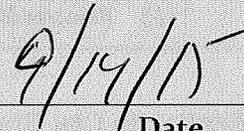
Exhibit 1 – Letter of Offer dated July 14, 2015.

Exhibit 2 – Appraisal Summary prepared by Yamaguchi & Yamaguchi, Inc. with an effective appraisal date of February 5, 2015.

Certified and Recommended by:



Executive Director and CEO



Date



IN REPLY REFER TO:  
CMS-AP00ROW-00968

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

BOARD OF DIRECTORS

July 14, 2015

Ivan M. Lui-Kwan  
CHAIR

Donald G. Horner  
VICE CHAIR

Mr. Robert S. Iida  
Ms. Shirley Iida  
K. Iida Properties, Ltd.  
P.O. Box 815  
Honolulu, Hawaii 96808

George I. Atta  
Michael D. Formby  
Ford N. Fuchigami  
Colleen Hanabusa  
William "Buzz" Hong  
Damien T.K. Kim  
Terrence M. Lee

Dear Mr. Robert S. Iida and Ms. Shirley Iida:

Subject: Honolulu Rail Transit Project (H RTP)  
1207 and 1205 Hopaka Street  
Parcel 484: Tax Map Keys (TMKs) 2-3-007-062 and 2-3-007-063 (Portions)  
**Letter of Offer**

The Honolulu Authority for Rapid Transportation (HART) is constructing the H RTP. As part of the H RTP, HART will need to acquire a portion of your property. An appraisal of the property identified as TMKs 2-3-007-062 and 2-3-007-063 has been completed to determine just compensation.

A review of public records indicates that you are the Owner of Record of the property HART is seeking to acquire for this Project. Based on our findings as contained in the enclosed Statement of Just Compensation, HART offers to purchase a portion of your property for guideway purposes. The proposed area is a total of 1,070 square feet, in fee simple, free and clear of all liens and encumbrances for the total consideration of \$277,000 (Two Hundred Seventy-Seven Thousand Dollars), as shown colored in yellow on the enclosed map.

The total offer for acquiring the interest in your property is \$277,000 (Two Hundred Seventy-Seven Thousand Dollars). Costs incidental to closing escrow for this transaction will be paid by HART except prorated costs such as taxes and insurance.

The amount of offer is predicated on the assumption that there exists no hazardous substance, product, or waste on the subject property. Please be advised that the amount offered is subject to completion of an environmental site assessment by HART, and the cost to remediate any identified findings may affect the valuation of the subject property.

Mr. Robert S. Iida  
Ms. Shirley Iida  
Page 2  
July 14, 2015

If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by **August 10, 2015**. The remaining copy is for your file. Enclosed for your information are the Appraisal Summary Statement and General Acquisition and Relocation Information Brochure. Also enclosed is a draft Possession and Use Agreement for your review, consideration, and for further discussion with your acquisition agent. The Possession and Use Agreement is intended to provide you early access to most of the purchase price of this acquisition subject to HART being provided access to the portion of your property required for construction of the H RTP with minimal risk to the Project. Under this agreement, your rights to the full just compensation amount are fully reserved and enforceable.

It is the desire of HART to acquire private property through voluntary purchase if possible. While HART has the power of eminent domain, HART has not sought the authority nor made any decision to exercise the power of eminent domain to acquire your property at this time.

In accordance with federal regulations affecting real property transactions, we request your cooperation in providing us with your Taxpayer Identification Number. Please execute and return the enclosed IRS Form W-9 at the same time. The W-9 is required by our Department of Budget and Fiscal Services to release the check.

HART has retained the services of Paragon Partners Ltd to assist you with the acquisition process. Please contact Mr. Jeremy Marlar at 536-5900 if you have any questions or to discuss this matter further.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

Enclosures

Mr. Robert S. Iida  
Ms. Shirley Iida  
Page 3  
July 14, 2015

ACCEPTED:

K. IIDA PROPERTIES, LTD.

By \_\_\_\_\_  
Its

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_



**Yamaguchi &  
Yamaguchi, Inc.**  
Real Estate Appraisal &  
Consulting Services

**PROJECT**

Honolulu Rail Transit Project

Parcel Designation: (1) 2-3-007-062 & 063

HART RW Parcel: 484

Owner: K IIDA PROPERTIES LTD

1207 Hopaka Street

Honolulu, Hawaii 96814

Effective Date: February 5, 2015

**AN APPRAISAL REPORT OF**

HCDA Central Kakaako District

Partial Land Acquisition

**CLIENT**

Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation

**PREPARER**

Jon F. Yamaguchi, CRE, FRICS, SRPA, SRA

**DATE OF APPRAISAL**

May 16, 2015



**Yamaguchi &  
Yamaguchi, Inc.**  
Real Estate Appraisal &  
Consulting Services

May 16, 2015

Ms. Georgia Marquis  
Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation  
5762 Bolsa Ave., Suite 201  
Huntington Beach, CA 92649

Re: Honolulu Rail Transit Project  
HART RW Parcel 484  
Parcel Designation: TMK (1) 2-3-007-062 & 063  
1207 Hopaka Street, Honolulu, Hawaii 96814

Dear Ms. Marquis,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record.

The purpose of this appraisal report is to assist the Honolulu Authority for Rapid Transportation in the *Partial Acquisition* and *Easement Evaluation* for Eminent Domain acquisition proceedings of the subject property as part of the Honolulu Rail Transit Project.

As a preview, the subject property physically consists one parcel consisting of 16,000 square feet and zoned Central Kakaako District. Per our exterior observation and tax office records, it is improved with a 43-year old, warehouse-office building with built in parking consisting of 10,628 square feet. These improvements are not included as part of our appraisal job scope.

The partial acquisition area along the property boundary frontage on Kona Street consists of 1,070 square feet. HART also requires a Temporary Construction Easement (TCE) identified as Easement EE that is adjacent to the partial acquisition area and consists of 293 square feet.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached Appraisal report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of May 16, 2015.

For purposes of this appraisal report the definition of market value from the fifth edition of the *Uniform Appraisal Standards for Federal Land Acquisitions* was utilized and is defined in the Market Value Criterion section of this report.

This letter is not an appraisal report hence it must not be removed from the attached 129-page report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject property partial taking and temporary construction easement as of February 5, 2015:

\$ 3,425,000	<i>"As Is" Indicated Market Value of the Larger Parcel</i>
\$ 3,196,000	<i>"As Is" Indicated Market Value of the Remainder Parcel</i>
\$ 229,000	<i>"As Is" Indicated Market Value of the Partial Acquisition</i>
\$ 229,000	<i>"As Is" Indicated Market Value of the Partial Acquisition (Rounded)</i>
\$ 48,000	<i>Add: Total Severance Damages to the Remainder Property</i>
\$ 0	<i>Less: Special Benefits to the Remainder Property</i>
\$ 0	<i>Add: Contributory Value</i>
\$ 277,000	<i>Total Fair Market Value of the Partial Acquisition (Rounded)</i>
\$ 5,040	<i>Estimated Annual Rent Per Annum @ 8% for the TCE</i>
\$ 420.00	<i>Estimated Monthly Rent Per Annum @ 8% for the TCE</i>

Thank you for your business. Let us know how we may further serve you.



John F. Yamaguchi, CRE, FRICS, SRPA, SRA  
 President / CEO  
 Certified General Appraiser  
 Hawaii License CGA 31  
 License Expiration Date: 12/31/2015

## Honolulu Authority for Rapid Transportation

### RESOLUTION NO. 2015-84

#### APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE A FEE SIMPLE INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 2-3-039-011 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID PROPERTY BY EMINENT DOMAIN

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain ... all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, prior to such acquisition the Charter directs HART to submit a list of real property to be acquired by eminent domain to the City Council; and

WHEREAS, the City Council may approve the acquisition by eminent domain or may object by adoption of a resolution within 45 days of the notification to acquire the real property; and

WHEREAS, the acquisition by eminent domain in fee simple of the real property identified as Tax Map Key (TMK) 2-3-039-011 (Portion) and more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That written notification to the City Council is approved, for the acquisition by eminent domain in fee simple of the real property identified as TMK 2-3-039-011 (Portion); and
2. That in the event the City Council approves or does not object to the acquisition within 45 days of notification, then HART is authorized to publish in a daily newspaper at least three days prior to Board action, the attached resolution marked as Exhibit B, authorizing acquisition by eminent domain in fee simple of the above-identified real property.

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

- Exhibit A – Legal description of TMK 2-3-039-011 (Portion)
- Exhibit B – Resolution No. 2015-\_\_\_\_, Authorizing the Acquisition of the Fee Simple  
Interest Real Property Identified as Tax Map Key 2-3-039-011 (Portion) by  
Eminent Domain

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

ATTEST:

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

DRAFT

HONOLULU RAIL TRANSIT PROJECT

PARCEL 496

Affecting Lot 67 (Map 17) of  
Land Court Consolidation 20

Situate at Kalia, Honolulu, Oahu, Hawaii

Beginning at the Southeast corner of this lot, being the Southwest corner of Lot 19 (Map 2) of Land Court Consolidation 20, being also along the North side of Lot 7 (Map 10) of Land Court Consolidation 65 (Kona Street), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 7,051.72 feet South and 1,783.80 feet East thence running by azimuths measured clockwise from true South:

1. 115° 20' 230.00 feet along Parcel 495-A of the Honolulu Rail Transit Project;  
  
Thence along the East side of Lot 1 (Map 1) of Land Court Consolidation 20 (Kona Iki Street), on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being:
2. 160° 20' 28.28 feet;
3. 295° 20' 14.02 feet along the remainder of Lot 67 (Map 17) of Land Court Consolidation 20;
4. 205° 20' 30.19 feet along same;
5. 295° 20' 10.16 feet along same;
6. 205° 20' 0.56 feet along same;
7. 295° 20' 154.76 feet along same;
8. 205° 20' 18.41 feet along same;
9. 295° 20' 69.00 feet along same;



10. 25° 20' 68.67 feet along Lot 19 (Map 2) of Land Court Consolidation 20, to the point of beginning and containing an area of 13,238 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

*Erik S. Kaneshiro* EXP 09/16

ERIK S. KANESHIRO  
Licensed Professional Land Surveyor  
Certificate No. 9826

Note: This description is for exhibit purposes and does not purport a legally subdivided lot.

Honolulu, Hawaii  
September 17, 2015

TMK: (1) 2-3-039: 011  
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 496.docx



**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-\_\_\_**

**AUTHORIZING THE ACQUISITION OF THE FEE SIMPLE INTEREST REAL  
PROPERTY IDENTIFIED AS TAX MAP KEY 2-3-039-011 (PORTION)  
BY EMINENT DOMAIN**

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

WHEREAS, Section 17-103.2(b) of the Charter empowers HART “to acquire by eminent domain. . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;” and

WHEREAS, the City Council approved or did not object to the acquisition of the real property identified as Tax Map Key (TMK) 2-3-039-011 (Portion) by eminent domain in fee simple after written notification by HART; and

WHEREAS, the acquisition by eminent domain in fee simple of the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

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

1. That acquisition by eminent domain in fee simple of the real property identified as TMK 2-3-039-011 (Portion) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of the above-identified property by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of the above-identified property by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

\_\_\_\_\_

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

ATTEST:

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

Exhibit A – Legal Description of TMK 2-3-039-011 (Portion)

DRAFT

## HONOLULU RAIL TRANSIT PROJECT

PARCEL 496

Affecting Lot 67 (Map 17) of  
Land Court Consolidation 20

Situate at Kalia, Honolulu, Oahu, Hawaii

Beginning at the Southeast corner of this lot, being the Southwest corner of Lot 19 (Map 2) of Land Court Consolidation 20, being also along the North side of Lot 7 (Map 10) of Land Court Consolidation 65 (Kona Street), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 7,051.72 feet South and 1,783.80 feet East thence running by azimuths measured clockwise from true South:

1. 115° 20' 230.00 feet along Parcel 495-A of the Honolulu Rail Transit Project;

Thence along the East side of Lot 1 (Map 1) of Land Court Consolidation 20 (Kona Iki Street), on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being:

2. 160° 20' 28.28 feet;

3. 295° 20' 14.02 feet along the remainder of Lot 67 (Map 17) of Land Court Consolidation 20;

4. 205° 20' 30.19 feet along same;

5. 295° 20' 10.16 feet along same;

6. 205° 20' 0.56 feet along same;

7. 295° 20' 154.76 feet along same;

8. 205° 20' 18.41 feet along same;

9. 295° 20' 69.00 feet along same;



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

501 SUMNER STREET, SUITE 521  
HONOLULU HAWAII 96817-5031

1871 WILI PA LOOP, SUITE A  
WAIKIKI MAII HAWAII 96793

100 PAUAAHI STREET, SUITE 207  
HILO, HAWAII 96720

10. 25° 20' 68.67 feet along Lot 19 (Map 2) of Land Court Consolidation 20, to the point of beginning and containing an area of 13,238 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

*Erik S. Kaneshiro* EXP 09/16

ERIK S. KANESHIRO  
Licensed Professional Land Surveyor  
Certificate No. 9826

Note: This description is for exhibit purposes and does not purport a legally subdivided lot.

Honolulu, Hawaii  
September 17, 2015

TMK: (1) 2-3-039: 011  
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 496.docx



# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

<b>TITLE:</b> <b>RESOLUTION NO. 2015-84 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE A FEE SIMPLE INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 2-3-039-011 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN</b>	<b>STAFF CONTACT:</b> Elizabeth Scanlon Morris Atta	<b>DATE:</b> 09/24/2015
---	---	----------------------------

Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input checked="" type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

**1. Purpose:**

Review of Notification to City Council for condemnation of land for public use, identified as Tax Map Key 2-3-039-011 (Portion), and situated at 1391 Kapiolani Boulevard, Honolulu, Hawaii 96814 which is required for guideway and station purposes for the Honolulu Rail Transit Project (HRTTP). This property, for which a 13,238 square-foot partial fee acquisition is required, is on the critical path for successful completion of the City Center Section of the HRTTP. The property is owned by Samkoo Hawaii, LLC.

HART recommends use of eminent domain to acquire the property.

**2. Background/Justification**

This property (Tax Map Key 2-3-039-011 (Portion)) was designated as needed for the HRTTP and identified in the Final Environmental Impact Statement (FEIS). As required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and FTA C5010.1D, the Owners were notified of HART's intent to acquire the property. An appraisal was conducted following URA guidelines, which took into consideration all site conditions and potential impacts.

- An appraisal report with an effective date of February 10, 2015 was conducted.
- A Letter of Offer dated June 5, 2015 was delivered.
- Owner has not submitted a formal counteroffer.

This parcel is being referred to eminent domain in order to adhere to the project construction timeline. Access to this parcel is needed as soon as possible in order to avoid costly delays to the project schedule and timing. Negotiations with the Owner will continue during the eminent domain process.

**3. Procurement Background**

N/A

**4. Financial/Budget Impact**

The project budget includes an estimated cost for legal action associated with the eminent domain of the property.

**5. Policy Impact**

There is no policy impact since this action conforms to the requirement of the URA, FTA 5010.1D and Article SVII of the Charter of the City and County of Honolulu.

6. Public Involvement

N/A

7. Alternatives

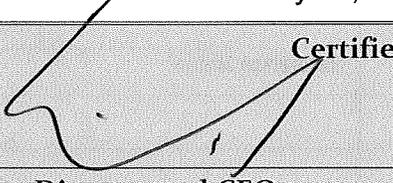
There is no feasible alternative to avoid the above described impacts to the property.

8. Exhibits

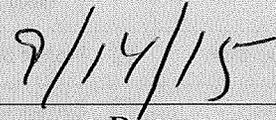
Exhibit 1 – Letter of Offer dated June 5, 2015.

Exhibit 2 – Appraisal Summary prepared by Hastings, Conboy, Braig & Associates, LTD. with an effective appraisal date of February 10, 2015.

Certified and Recommended by:



Executive Director and CEO



Date



IN REPLY REFER TO:  
CMS-AP00ROW-00873

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

BOARD OF DIRECTORS

June 5, 2015

Ivan M. Lui-Kwan, Esq.  
CHAIR

Donald G. Horner  
VICE CHAIR

Mr. Tim Yi  
Samkoo Hawaii, LLC  
1631 Kapiolani Boulevard, Suite 2201  
Honolulu, Hawaii 96814

George I. Atta  
Robert Bunda  
Michael D. Formby  
Ford N. Fuchigami  
William "Buzz" Hong  
Kestlie W.K. Hui  
Damien T.K. Kim  
Carrie K.S. Okinaga, Esq.

Dear Mr. Yi:

Subject: Honolulu Rail Transit Project (H RTP)  
1391 Kapiolani Boulevard  
Parcel 496: Tax Map Key (TMK) 2-3-039-011 (Portion)  
**Letter of Offer**

The Honolulu Authority for Rapid Transportation (HART) is constructing the H RTP. As part of the H RTP, HART will need to acquire a portion of your property. An appraisal of the property identified as TMK 2-3-039-011 has been completed to determine just compensation.

A review of public records indicates that you are the Owner of Record of the property HART is seeking to acquire for this Project. Based on our findings as contained in the enclosed Statement of Just Compensation, HART offers to purchase a portion of your property, a total of 13,238 square feet, in fee simple, free and clear of all liens and encumbrances for the total consideration of **\$4,660,000** (Four Million Six Hundred Sixty Thousand Dollars), as shown colored in yellow on the enclosed map.

The total offer for acquiring the property is **\$4,660,000** (Four Million Six Hundred Sixty Thousand Dollars). Costs incidental to closing escrow for this transaction will be paid by HART except prorated costs such as taxes and insurance.

The amount of offer is predicated on the assumption that there exists no hazardous substance, product, or waste on the subject property. Please be advised that the amount offered is subject to completion of an environmental site assessment by HART, and the cost to remediate any identified findings may affect the valuation of the subject property.

If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by **July 6, 2015**. The remaining copy is for your file. Enclosed for your information are the Appraisal Summary Statement and General Acquisition & Relocation Information Brochure.

Mr. Tim Yi  
Page 2  
June 5, 2015

Also enclosed is a draft Possession and Use Agreement for your review, consideration, and for further discussion with your acquisition agent. The Possession and Use Agreement is intended to provide you early access to most of the purchase price of this acquisition subject to HART being provided access to the portion of your property required for construction of the H RTP with minimal risk to the Project. Under this agreement, your rights to the full just compensation amount are fully reserved and enforceable.

It is the desire of HART to acquire private property through voluntary purchase if possible. While HART has the power of eminent domain, HART has not sought the authority nor made any decision to exercise the power of eminent domain to acquire your property at this time.

In accordance with federal regulations affecting real property transactions, we request your cooperation in providing us with your Taxpayer Identification Number. Please execute and return the enclosed IRS Form W-9 at the same time. The W-9 is required by our Department of Budget and Fiscal Services to release the check.

HART has retained the services of Paragon Partners Ltd to assist you with the acquisition process. Please contact Mr. Jeremy Marlar at 536-5900 if you have any questions or to discuss this matter further.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

Enclosures

ACCEPTED:

SAMKOO HAWAII, LLC

By \_\_\_\_\_  
Its

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_

**Appraisal Report**

**Prepared for  
Paragon Partners Ltd.  
5762 Bolsa Avenue, Suite 201  
Huntington Beach, CA 92649**

**Covering**

**Honolulu Rail Transit Project  
Parcel Designation (1) 2-3-39-11 (Portion)  
HART RW Parcel 496  
Owner: Samkoo Hawaii LLC  
1391 Kapiolani Boulevard  
Honolulu, Oahu, Hawaii**

**Prepared By**

**Alan J. Conboy, MAI, SRA  
Hastings, Conboy, Braig & Associates, Ltd.  
43 Oneawa Street, Suite 211  
Kailua, Hawaii 96734**

**Effective date of Appraisal – February 10, 2015**

Robert C. Hastings, Jr., CRE  
Alan J. Conboy, MAI, SRA  
Robert R. Braig, MAI, SRA  
Andrew B. Conboy

# HASTINGS, CONBOY, BRAIG & ASSOCIATES, LTD.

Real Estate Appraisers, Counselors and Economists

February 23, 2015

Ms. Georgia Marquis  
Project Manager  
Paragon Partners Ltd. For the Honolulu Authority for Rapid Transportation  
5762 Bolsa Avenue, Suite 201  
Huntington Beach, CA 92649

Dear Ms. Marquis:

**Re: Guideway Easement Acquisitions covering a Portion of the Samkoo Hawaii LLC Property, Tax Map Key (1) 2-3-39-11 (HART R/W 496)**

We have conducted, in the accompanying report, a complete appraisal of a guideway easement acquisition affecting the property located at 1391 Kapiolani Boulevard, Island of Oahu, State of Hawaii. The total property is identified on State of Hawaii tax maps as First Division Tax Map Key 2-3-39, Parcel 11.

Samkoo Hawaii LLC owns the fee simple interest in the property. The total property (Larger Parcel) consists of a 62,328 square foot parcel. The larger parcel is improved with two, one-story, steel and masonry buildings.

The guideway easement acquisition will consist of approximately 13,238 square feet located along Kona Street designated Parcel 11 (Portion). The easement will be used for "construction, operation, and maintenance of the fixed guideway, column, and other ancillary requirements for the Honolulu Rail Transit Project." The partial building acquisition will consist of the complete demolition (Taking) of the single-story building located along Kona Street containing a rentable area of approximately 19,724 square feet.

This appraisal was developed and prepared in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 (UASFLA) of the Interagency Land Acquisition Conference and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Standards Board. The results of the appraisal are communicated in the format of an Appraisal Report. The date of the appraisal report is February 23, 2015.

The sources of information and basis of the estimates and assumptions are stated herein. The appraisers have relied on certain information developed from their research and knowledge of the market, and have performed reasonable verification of facts, except as specifically set forth in the report. To the best of the appraisers' knowledge and belief, the information contained in this report, on which the analyses and conclusions expressed herein are based, is fairly stated.

The results of our complete appraisal are set forth within the attached narrative Appraisal Report. Based on our thorough research and analyses and subject to the limiting conditions and assumptions stated herein, it is our opinion that the fair market value of the guideway easement land acquisition of a 13,238 square foot portion of the 1391 Kapiolani Boulevard property, as of an effective date of February 10, 2015, is summarized as follows:

	<u>Value Indication</u>		<u>Value Conclusion of Acquisition</u>
	<u>Before</u>	<u>After</u>	
Parcel 11 (Por.) 13,238 square feet	\$21,940,000	\$17,280,000	\$4,660,000

We appreciate the opportunity to have undertaken this appraisal assignment.

Sincerely,

**HASTINGS, CONBOY, BRAIG  
& ASSOCIATES, LTD.**

Alan J. Conboy, MAI, SRA  
Executive Vice President  
Hawaii State Certified General Appraiser CGA-185  
Certificate Expires: December 31, 2015

/8170

# ATTACHMENT F

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-86**

DIRECTING STAFF TO PROVIDE THE BOARD OF DIRECTORS OF THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION WITH AN UPDATE ON THE PROJECT BUDGET AND SCHEDULE

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

WHEREAS, in December 2014, HART announced that it was projecting a project budget shortfall due to delays, revenues that were expected to fall short of projections, and the increasing cost of construction; and

WHEREAS, HART has taken steps to mitigate the forecasted shortfall and projected reduction in revenues, including repackaging construction contracts, reducing projected costs of future construction contracts, and working towards an extension of the General Excise Tax surcharge; and

WHEREAS, a review and updated analysis of HART's budget and schedule is needed as part of the overall cost control initiatives undertaken by HART;

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

1. That the HART Board of Directors hereby directs staff to provide an update on the schedule and budget of the Honolulu Rail Transportation Project; and
2. That copies of this Resolution be transmitted to the Executive Director and CEO of HART, the Mayor and the Honolulu City Council.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

\_\_\_\_\_.

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

ATTEST:

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

**Honolulu Authority for Rapid Transportation  
STAFF SUMMARY**

**TITLE: RESOLUTION NO. 2015-86 DIRECTING STAFF TO PROVIDE THE BOARD OF DIRECTORS OF THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION WITH AN UPDATE ON THE PROJECT BUDGET AND SCHEDULE**

**STAFF CONTACT:**

Diane Arakaki

**DATE:**

September 24, 2015

Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

**1. Purpose:**

To direct staff to conduct a re-examination and make a presentation of the project budget and schedule.

**2. Background/Justification**

In light of recent budget and schedule impacts, HART must re-evaluate its budget and schedule in order to control costs.

**3. Procurement Background**

N/A

**4. Financial/Budget Impact**

To be determined

**5. Policy Impact**

To be determined

**6. Public Involvement**

N/A

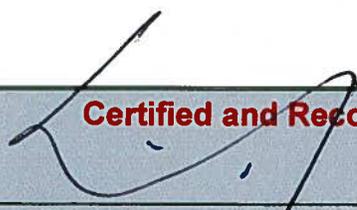
**7. Alternatives**

None

**8. Exhibits**

None

**Certified and Recommended by:**



**Executive Director and CEO**

**9/22/15**  
Date