
From: Holland, Tonya (FTA)
To: Day, Elizabeth (FTA)
CC: Eckmann, Alex (FTA)
Sent: 3/25/2010 7:42:18 AM
Subject: Contact Tool Question - Honolulu

Beth: In the past Alex has handled all Honolulu Contact Tool questions with you. Since he is on vacation, I am forwarding this question to you. Could you please answer it. Again, we 48hrs. for a response. Thanks!

Requestor: gm@alfurtado.com

Date Submitted: 03/21/2010 04:31 PM

Status: New

Category: Planning & Environment

Question: Tax revenue for rail falling short this year
Financing not meeting even lowered forecast

Tax collections needed to pay for Honolulu's planned \$5.3 billion train are slipping below the level forecast for the current fiscal year.

The city expects to raise a net \$164 million, or about \$13.7 million a month, in the 12 months ending June 30. However, through the first eight months of the fiscal year monthly collections from the half-percentage-point tax averaged \$13.1 million, according to calculations based on state Department of Taxation figures.

During the next four months the city needs to collect an average of nearly \$14.9 million a month to meet its tax revenue target.

Construction of the 20-mile East-Kapolei-to-Ala-Moana train was supposed to begin last December but has been delayed by a prolonged federal review of environmental impacts.

Through the first eight months of this fiscal year, transit-tax collections are down 1.6 percent to \$104.6 million, compared with the same period a year earlier. In February the transit tax generated \$13 million, which was down 2.3 percent from February 2009.

The city had initially expected to raise \$198 million this fiscal year, but that forecast was reduced last year when the slowing economy took a toll on tax collections.

State tax collections overall have fallen amid declining visitor arrivals and rising unemployment.

Answer:

Notes: (These notes are for internal FTA use. They are not available to users who do not have access to the Contact Us Admin Tool)

*Tonya P. Holland
Community Planner/ Special Asst.
FTA Office of Planning and Environment
1200 New Jersey Avenue SE - New Address
Washington, DC 20590
202-493-0283 - direct
202-493-2478 - fax*