

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE DEPARTMENT OF TRANSPORTATION SERVICES AND  
THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION  
REGARDING THE TRANSITION OF RESPONSIBILITIES**

This MEMORANDUM OF UNDERSTANDING (MOU) is entered into and effective as of July 1, 2011, by and between the DEPARTMENT OF TRANSPORTATION SERVICES, City and County of Honolulu, whose mailing address is 650 S. King Street, 3rd Floor, Honolulu, Hawaii 96813 (DTS) and the HONOLULU AUTHORITY FOR RAPID TRANSPORTATION, City and County of Honolulu, whose mailing address is 1099 Alakea Street, Suite 1700, Honolulu, Hawaii 96813 (HART). DTS and HART are collectively referred to as the "Parties."

WHEREAS, the City and County of Honolulu (City) through the Rapid Transit Division (RTD) of DTS is commencing work on the Honolulu High-Capacity Transit Corridor Project, a 20-mile grade-separated fixed guideway rail system from East Kapolei to Ala Moana Center (Rail Project);

WHEREAS, on December 16, 2009, the Honolulu City Council (Council) adopted Resolution 09-252, CD1, to initiate amendments to the Revised Charter of the City and County of Honolulu 1973, as amended (Charter), to create HART, a public transit authority responsible for the planning, construction, operation, maintenance and expansion of the Rail Project;

WHEREAS, at the 2010 general election, the voters approved amending the Charter as proposed by the Council to create HART;

WHEREAS, the Charter amendments established HART effective July 1, 2011; and

WHEREAS, to ensure the smooth transition from RTD to HART on July 1, 2011, DTS and HART have agreed on a division of duties and responsibilities with respect to the administration of public transportation planning and grant applications to and awards by the U.S. Department of Transportation Federal Transit Administration;

NOW, THEREFORE, the Parties hereto agree as follows:

1. Status of RTD. On July 1, 2011, RTD will cease to exist and the responsibility and staff for the Rail Project will be transferred to and assumed by HART.
2. Division of Duties and Responsibilities. As of July 1, 2011, the Parties hereto agree to the division of duties and responsibilities for public transportation planning and grant application/management activities as described in Exhibit "A."
3. Cooperation. The Parties enter into this MOU with the common goal of ensuring the smooth transition from RTD to HART on July 1, 2011, and ensuring HART's ability to concentrate its efforts on the Rail Project. In furtherance of this goal, the Parties agree to make every reasonable effort to cooperate with, and assist, each another.
4. Modification; Duration; Termination. This MOU shall take effect on July 1, 2011, and shall terminate on June 30, 2016, unless extended by DTS and HART. During the term of the MOU, this MOU and Exhibit "A" may be amended by mutual written agreement of DTS and HART.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding on the day and date first above written.

**APPROVED:**

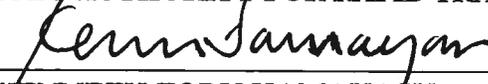
**DEPARTMENT OF TRANSPORTATION SERVICES**

By \_\_\_\_\_

  
WAYNE Y. YOSHIOKA  
Director

**HONOLULU AUTHORITY FOR RAPID TRANSPORTATION**

By \_\_\_\_\_

  
KENNETH TORU HAMAYASU  
Interim Executive Director

## **EXHIBIT “A”**

### **DTS – HART Memorandum of Understanding**

#### **Division of Duties and Responsibilities**

1. DTS and HART agree that the Financial Plan and Capital Plan Cash Flows (collectively, Financial Documents) for the Honolulu High-Capacity Transit Corridor Project (Rail Project) are critical to the success of implementing the Rail Project. The parties recognize the following:
  - A. The Financial Documents are dynamic and will be updated periodically.
  - B. The Financial Documents forecast capital costs and revenues for TheBus and TheHandi-Van programs.
  - C. The Financial Documents assume the use of FTA Section 5307 funds in certain years to cover Project capital costs.
  - D. The programming of and application for federal funds need to occur in the fiscal year preceding the year of expenditure identified in the Capital Plan Cash Flows.
2. Programming in the Transportation Improvement Program (TIP)
  - A. DTS and HART will work cooperatively to develop a financially constrained TIP for the City’s transit non-rail and rail projects. DTS will take the appropriate actions to process the TIP request to the O’ahu Metropolitan Planning Organization.
3. FTA Grants – General
  - A. Each party will be responsible for ensuring compliance with the applicable FTA program requirements so as to not jeopardize the City’s standing as a grantee.
  - B. DTS will continue to process and submit FTA annual certifications and assurances, with the HART Executive Director providing certifications & assurances from HART.
  - C. DTS will continue to be responsible for applications, management and closeout of grants for non-rail projects (i.e. JARC, New Freedom, Bus Capital) programmed in the approved Statewide Transportation Improvement Program.
  - D. HART will be responsible for applications, management and closeout of grants involving FTA New Starts funds for the Rail Project.
  - E. The responsibility for applying, managing and closeout of FTA Section 5307 grants will be determined by DTS and HART on a case-by-case basis.
4. FTA Grants – Section 5307 Funds
  - A. DTS and HART agree that, unless otherwise allowed by FTA, the City will submit one grant application for Section 5307 funds per fiscal year.
  - B. HART will estimate its cash requirements annually and advise DTS by no later than December 1<sup>st</sup> of the current year if HART will apply for FTA Section 5307 funds in the succeeding federal fiscal year (FY). For example, HART will inform DTS by no later than December 1, 2011 (City FY 2012) if HART will apply for FTA Section 5307 funds in federal FY 2013.

- C. HART will assess its cash flow requirements for the current fiscal year and advise DTS by no later than March 1<sup>st</sup> of the actual amount of FTA Section 5307 funds to be included in the annual grant application. For example, HART will inform DTS by March 1, 2012 (City FY 2012) of the amount for the Rail Project in the FY 2012 Section 5307 application.
  - D. Based on the information provided by HART under subsections 4.B and 4.C, above, DTS and HART will work cooperatively to develop a financially constrained administrative modification or amendment to the TIP. DTS will take the appropriate action to process the amendment request to the O`ahu Metropolitan Planning Organization.
5. Bus – Rail Coordination
- A. The parties recognize the successful implementation of the Rail Project depends on an effective feeder bus network. DTS and HART will work cooperatively to refine the feeder bus plan for the Rail Project and to establish a mutually acceptable Bus Fleet Management Plan. DTS will endeavor to follow the bus replacement and expansion schedule in the Bus Fleet Management Plan subject to available funding.
  - B. DTS and HART will work cooperatively to plan for establishing an integrated fare structure and collection system between rail and bus services with the option of free transfers to occur between the two modes and will also work cooperatively to develop a plan to share in the costs of equipment, hardware, software and ongoing administration, maintenance and operating costs associated with such a system.
  - C. DTS and HART will work cooperatively to ensure adequate coordination with operating policies, practices and needs of The Bus and TheHandi-Van. Representatives of O`ahu Transit Services may be included in meetings related to The Bus and TheHandi-Van operations.
6. FTA Triennial Reviews
- A. DTS will continue to coordinate the scheduling and logistics for the on-site review and any corrective actions in its areas of responsibilities.
  - B. HART will be responsible for any corrective actions in its areas of responsibilities.
7. Other FTA Reviews
- A. HART will handle all reviews related to the Rail Project.
  - B. DTS will handle all reviews related to the bus and paratransit operations, and JARC and New Freedom projects.
8. NTD Reporting
- A. DTS Director will continue to submit the report as the local CEO.
  - B. DTS will continue to input information for the motorbus and demand response modes.
  - C. HART will be responsible for inputting any required information for the Rail Project.
  - D. DTS will continue to procure services of an independent auditor for review of data submissions.

9. Disadvantaged Business Enterprise (DBE)
  - A. DTS will continue to establish, monitor, and update DBE goals for FTA-assisted projects.
  - B. Upon request, HART will provide to DTS information related to the Rail Project for establishing or revising the DBE goal for FTA-assisted projects.
  
10. Title VI of the Civil Rights Act of 1964 (Title VI)
  - A. DTS will continue to prepare and submit Title VI Program updates to the FTA.
  - B. Upon request, HART will provide to DTS information related to the Rail Project for updating the City's Title VI Program.
  
11. Equal Employment Opportunity (EEO)
  - A. DTS and HART acknowledge that it is important that the City comply with the FTA's EEO Program requirements and will work together to develop a plan that will achieve compliance.