

NEWS RELEASE



Office of the Mayor

CITY AND COUNTY OF HONOLULU

FOR IMMEDIATE RELEASE

April 20, 2011

CITY SUBMITS UPDATE TO RAIL TRANSIT FINANCIAL PLAN

(Wed., April 20, 2011)—Honolulu Mayor Peter Carlisle announced today that the Honolulu Rail Transit Project submitted its first draft of an updated financial plan to the Federal Transit Administration (FTA) for its review. The update, submitted in accordance with FTA requirements, places capital costs for the project at \$5.3 billion, which includes finance charges, adjustments for inflation, and a 21 percent contingency of \$865 million to cover unforeseen costs.

“As the project’s engineering advances and construction costs become more defined, the City and County of Honolulu is able to sharpen its financial plan to better reflect project needs and provide a more realistic financial roadmap,” said Mayor Carlisle. “So many people depend on transit now and will depend on it in the future. This plan helps those responsible to track the project and make sure every dollar is spent prudently.”

Revenue for the project continues to come from two primary sources: the general excise and use tax (GET) surcharge and federal funds. The updated plan sets revenue from the state’s GET surcharge applied to Oahu through 2022 at approximately \$3.3 billion. This number reflects up to date, actual GET surcharge collections and takes into account the most recent economic forecast of GET revenue from the State Department of Taxation. The other primary source of revenue is federal funds. FTA New Starts funding remains at \$1.55 billion, while the need for FTA section 5307 funding has been reduced in the updated plan by \$56 million, from \$300 million reported earlier to \$244 million. The latter federal funding source may also be used to support bus transportation. Remaining revenue sources of approximately \$300 million come from the project’s starting cash balance and from interest income.

“Support from Washington regarding New Starts funding for this project remains strong,” said Mayor Carlisle. “It is imperative that the City maximize its use of federal money for Oahu’s rail and bus systems over the long term. This is a priority and we will work closely with the City Council and the newly formed Honolulu Authority for Rapid Transportation to keep it this way.”

The City submitted a prior financial plan in August 2009 as part of its request to enter the preliminary engineering phase of project development. After the FTA reviews and comments on the draft plan, a final version will be submitted prior to entry into the project’s final design phase, anticipated to occur later this year.

Honolulu's 20-mile rail transit project will connect East Kapolei with Ala Moana Center and includes 21 stations along the rail line within the island's most congested urban corridor.

The draft version of the Financial Plan for Entry into Final Design is available on the Honolulu Rail Transit Project's website at www.honolulustransit.org.

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Media Contact: Louise Kim McCoy, Mayor's Office, 768-7798.