



CHAPTER 22

Honolulu Authority for Rapid Transportation

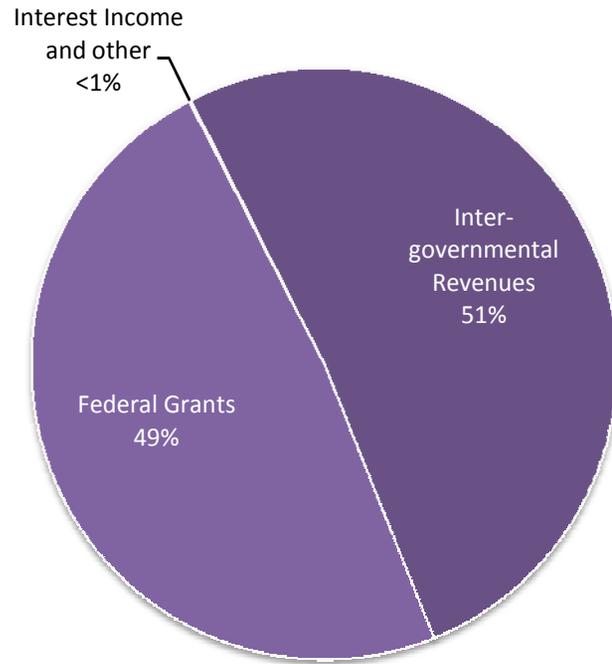
Chapter 22 Honolulu Authority for Rapid Transportation

The Revised Charter of the City and County of Honolulu authorizes the Honolulu Authority for Rapid Transportation (HART) to develop, operate, maintain, and expand the city's fixed guideway system. HART is a semi-autonomous government unit of the city. The HART Board of Directors is the policymaking body for the agency and appoints the Executive Director/CEO. HART's CEO provides leadership, direction and supervision of the day-to-day business activities of the agency.

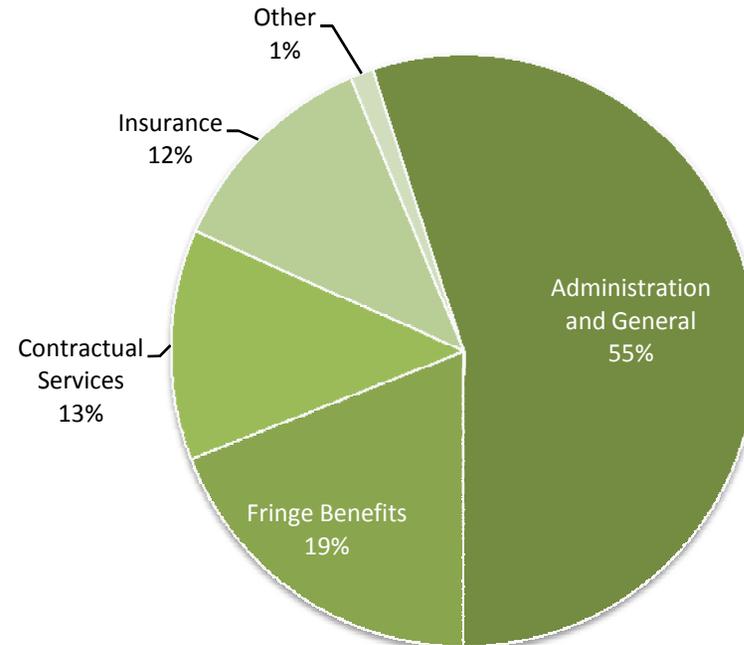
The Honolulu Rail Transit Project (HRTP) is a 20.1 mile rail transit system on O`ahu extending from East Kapolei to Ala Moana Center via the Honolulu International Airport and the downtown business district. The HRTP is expected to be fully integrated with fixed bus route services (TheBus). Full revenue service is projected to begin in FY 2019.

HART's activities to construct Honolulu's rail transit project on time and on budget are aligned with Mayor Kirk Caldwell's priority to build rail better.

Funding Sources¹



Funding Uses



¹Percentages do not total to 100% due to rounding.

	Operating Expenditures ² (\$ million)	Staffing ²			Overtime Expenditures ²	
		Total Authorized FTE	Total Vacant FTE	Cost Per FTE ^{1,2}	Total	Non-Holiday
FY 2009	-	-	-	-	-	-
FY 2010	-	-	-	-	-	-
FY 2011	-	-	-	-	-	-
FY 2012	\$15.9	136	49	\$116,944	0.00	\$40,617
FY 2013	\$15.4	139	21	\$110,966	0.00	\$53,978
Change from last year	-3.0%	2.2%	-57.1%	-5.1%	-	32.9%

Source: Office of the City Auditor based on Honolulu Authority for Rapid Transportation Financial Statement and Independent Auditor's Report (June 30, 2013 and 2012). ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²HART was established on July 1, 2011. There is no data prior to this date.

Highlights

FY 2013 was HART's second year of existence. Construction on the project was suspended in August 2012 after a ruling by the Hawai'i Supreme Court that required the completion of the Archaeological Inventory Survey (AIS) for the entire 20 mile project. HART completed the AIS requirements and construction restarted in September 2013. HART estimates the delays will cost the project \$64 to \$120 million.

During the suspension period, final design work continued on all contracts that were awarded prior to the Supreme Court ruling. The first segment, from Kapolei to Waipahu, was 96% completed and the second segment, from Waipahu to Pearlridge, was 95% completed. Design on the third segment from Pearlridge to Aloha Stadium was 94% completed. The design work on the maintenance and storage facility was 90% completed as of the end of FY 2013. The project will affect an estimated 170 parcels of real property. As of June 2013, HART had acquired title to, or use of, 35 parcels of real property.

In June 2012, HART submitted the city's request for a Full Funding Grant Agreement (FFGA) to the Federal Transportation Agency (FTA).

The grant was awarded in December 2012 and provides about \$1.55 billion for the project. The project risks include unanticipated construction delays, cost inflation, economic downturns, and the availability of federal funding.

HART Finances

Capital assets increased from over \$548.6 million in FY 2012 to over \$857.9 million in FY 2013. As of FY 2013, HART has not issued any long-term bonds.

A primary HART revenue source is the Hawai'i General Excise Tax county surcharge of 0.5%. The State of Hawai'i remits 90% of the county surcharge each quarter. The surcharge revenues totaled over \$173.8 million in FY 2013. Federal grants totaled \$164 million in FY 2013.

In comparison, FY 2012 federal grants totaled over \$42.7 million and intergovernmental revenues totaled \$631.7 million. The latter included the transfer of the city's Transit Fund net assets to HART (over \$447.3 million less \$6.1 million in liabilities) and over \$190.6 million in General Excise Tax surcharges.

	Non-Operating Revenues ² (\$ million)				Total Non-Operating Revenues
	Capital Assets ¹ (\$ million)	Intergovernmental Revenues	Federal Grants	Interest Income and Other	
FY 2009	-	-	-	-	-
FY 2010	-	-	-	-	-
FY 2011	-	-	-	-	-
FY 2012	\$548.6	\$631.8	\$42.7	\$0.5	\$674.9
FY 2013	\$858.0	\$173.8	\$164.1	\$0.4	\$338.2
Change from last year	56.4%	-72.5%	284.5%	-26.2%	-49.9%

Source: Office of the City Auditor based on Honolulu Authority for Rapid Transportation Financial Statement and Independent Auditor's Report (June 30, 2013 and 2012)

¹HART was established on July 1, 2011. There is no data prior to this date. ²Operating revenues of HART will be realized when rail system operations commence.



Source: Honolulu Authority for Rapid Transportation

HART Design and Construction

Major events included the re-start of construction on the West O`ahu/Farrington Highway guideway section and completion of 16 columns.

Archaeological Inventory Survey (AIS) work was completed two months ahead of schedule. During the AIS work, HART developed a cultural monitoring program which will serve as a model for the remainder of the rail project.

In response to public input and comments, HART approved funding for 800 additional seats on the railcars, a 25% increase in seating capacity.

HART Board Activities

In FY 2013, a new chairman of the Board of Directors was elected. The board met with the city’s bus operator, O`ahu Transit Services (OTS), and approved the formation of a working group to explore how

best to integrate bus and rail services, consolidate administrative functions, improve efficiency, and improve customer service.

The board approved the formation of a group to develop and recommend fare policy, investigate fare policies of other transit agencies, review bus and fare box recovery ratios, and identify fare collection systems and technologies. The board also formed a Transit-Oriented Development (TOD) group, consisting of members from various government agencies and private sector organizations, to address TOD issues.

HART Organization, Staffing, and Initiatives

In FY 2013, HART hired a Deputy Executive Director, Chief Financial Officer and accounting and financial analysis staff. HART prepared its first financial statements and passed its first external financial audit. It established a Disadvantaged Business Enterprise (DBE) program as required by the U.S. Department of Transportation regulations and designated a liaison officer to implement the program.

HART streamlined its public involvement division by eliminating several external contractors. The public involvement team made dozens of community and Neighborhood Board presentations and continued to inform the public about the progress of the rail project. The team increased the frequency of its outreach by moving from a monthly newsletter to a weekly eBlast and expanded its reach by using the project website, print and broadcast media, social media and its monthly cable television show to keep the public informed. Public Involvement continued to connect with the public by staffing the 24-hour Project Hotline to answer questions and concerns.

In FY 2013, HART announced its Arts-in-Transit program, a \$5 million initiative to include public art at rail stations and its operation center. More than 400 submissions were received. HART and the State Department of Transportation agreed to establish a State Rail Safety Oversight Program as required by federal law.

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