



## RESOLUTION

REQUESTING THE CITY ADMINISTRATION TO PROVIDE AN UPDATE ON THE STATUS OF THE TRANSIT CONSTRUCTION MITIGATION FUND AND PROGRAM.

WHEREAS, Section 6-55, Revised Ordinances of Honolulu 2021 ("ROH"), codifies Ordinance 15-37, which established a special fund to address mitigation costs relating to the construction of the Honolulu High-Capacity Transit Corridor Project ("Rail Project"); and

WHEREAS, ROH Section 6-55.1 identifies the special fund as the "transit construction mitigation fund"; and

WHEREAS, per ROH Section 6-55.2, the purpose of the transit construction mitigation fund is to "receive and expend moneys to mitigate negative economic impacts from the construction of the Honolulu High Capacity Transit project"; and

WHEREAS, the Honolulu Authority for Rapid Transportation ("HART"), which oversees construction of the Rail Project, has begun or will shortly begin the construction phase for projects connected to the City Center Section Utilities Relocation ("CCUR") and City Center Guideway and Stations ("CCGS") contracts; and

WHEREAS, the CCUR and CCGS contracts involve utilities and guideway construction work along major transit corridors, such as Dillingham Boulevard, which will negatively impact many local businesses; and

WHEREAS, HART issued a Notice to Proceed to the contractor responsible for the Dillingham Boulevard Utility Relocation project on or around October 10, 2022, and construction disruption is anticipated to last at least 38 months; and

WHEREAS, other municipalities such as Seattle have offered mitigation funds in the form of business interruption payments to support local businesses adversely affected by transit construction; and

WHEREAS, the City Council ("Council") appropriated two million dollars to provide real property tax relief to assist businesses adversely affected by rail construction in fiscal year 2018 and provided \$750,000 of funding to the transit construction mitigation fund in fiscal year 2019; and



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WHEREAS, in Mayor's Message 31 (2019), the Department of Budget and Fiscal Services in 2019 took the position that "HART should be responsible for the transit construction mitigation measures and to pay for any associated costs" and that "[c]onsequently, a program to provide loans for businesses has not been established and none of the \$750,000 has been spent"; and

WHEREAS, at present, HART's business mitigation program is limited to promoting businesses located along the rail line during times of construction, having stated publicly in testimony to the Council and others that the City and County of Honolulu ("City") must provide financing in order for HART to offer business interruption payments to businesses adversely impacted by rail construction; and

WHEREAS, on April 18, 2018, the former Director of Budget and Fiscal Services testified that HART should be responsible for the transit construction mitigation during a discussion on Bill 9 (2018); and

WHEREAS, the City Council ("Council") finds that it is in the best interest of the City to offer direct financial assistance to offset business losses caused by the Rail Project construction; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City Administration is requested to provide an update on the status of the transit construction mitigation fund and program; and

BE IT FURTHER RESOLVED that the update include an estimate amount of funding needed to support businesses negatively impacted by construction related to the CCUR and CCGS contracts, details on the proposed administration of the transit construction mitigation fund and program, including the division of responsibility between HART and the Department of Budget and Fiscal Services, and a proposed timeline for providing financial assistance to affected businesses; and

BE IT FURTHER RESOLVED that the Council requests the Administration to provide its update to the Council no later than 30 days after the adoption of this resolution; and



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-231

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BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, the Executive Director and Chief Executive Officer of the Honolulu Authority for Rapid Transportation, and the Director of Budget and Fiscal Services.

INTRODUCED BY:

*Radiant Cordaro*

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DATE OF INTRODUCTION:

**NOV 30 2022**

Honolulu, Hawai'i

Councilmembers