'23JUN07 AM 7:52 CITY CLERK

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

RICK BLANGIARDI
MAYOR

ANDREW T. KAWANO
DIRECTOR

CARRIE CASTLE
DEPUTY DIRECTOR

June 6, 2023

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Waters and Councilmembers:

We are submitting the attached draft resolution authorizing the issuance and sale of a not to exceed $15,000,000 principal amount of City and County of Honolulu ("City") General Obligation Bonds to finance the capital costs of the Honolulu Rail Transit Project ("HRTP"). The $12,000,000 is the City Subsidy for fiscal year 2024 which is included in the Honolulu Authority for Rapid Transportation Recovery Plan of 2022 for the HRTP dated June 3, 2022, and approved by the Federal Transit Authority in September 2022.

Due to the rising interest rates in the market, the not to exceed amount of $15,000,000 in the draft resolution is set higher than the actual City's subsidy to HART of $12,000,000. The excess amount is to cover any costs of issuance or potential discount amounts which is a possibility in the current market conditions.

Your favorable action on this resolution is respectfully requested. If you have any questions, please call me at 768-3901.

Sincerely,

Digitally signed by
Kawano, Andy
Date: 2023.06.05
21:18:58 -10'00'

Andrew T. Kawano, Director
Department of Budget and Fiscal Services

Attachment

APPROVED:

Michael D. Formby
Managing Director

DEPT. COM. 366

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAI'I

No. _____

RESOLUTION

AUTHORIZING THE DIRECTOR OF BUDGET AND FISCAL SERVICES TO ISSUE AND SELL IN ONE OR MORE SERIES NOT TO EXCEED $15,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY AND COUNTY OF HONOLULU FOR FINANCING THE AMOUNT APPROPRIATED IN ORDINANCE NO. 23-__ (ALSO REFERRED TO, UPON ITS APPROVAL, AS BILL 12 (2023) AND AS MAY BE FURTHER AMENDED) OF THE CITY AND COUNTY OF HONOLULU FOR THE PURPOSE OF FINANCING CAPITAL COSTS OF THE HONOLULU RAIL TRANSIT PROJECT.

WHEREAS, Ordinance No. 23-__ (also referred to, upon its approval, as Bill 13 (2023) and as may be further amended) authorizes the issuance and sale of general obligation bonds of the City and County of Honolulu (the "City") in an aggregate of the amount appropriated in the Capital Budget Ordinance for Fiscal Year July 1, 2023 to June 30, 2024, including for the purpose of financing capital costs of the Honolulu High Capacity Transit Corridor Project, now known as the Honolulu Rail Transit Project; and

WHEREAS, Ordinance No. 99-11 authorizes the issuance and sale of general obligation bonds of the City for the purpose of refunding certain outstanding general obligation bonds of the City theretofore or thereafter issued, provided that pursuant to Section 7 thereof the sale is approved by resolution of this Council; and

WHEREAS, said ordinances authorize said general obligation bonds of the City to be sold in their entirety at one time as a separate series of general obligation bonds of the City, or as a part of a series of other general obligation bonds of the City or from time to time in series; and

WHEREAS, the Council adopted Resolution 18-237 on October 30, 2018, which approved an agreement (the "Original Agreement") entered into by the Honolulu Authority for Rapid Transportation ("HART") and the City regarding the obligations of HART to the City and the City to HART concerning said bonds; and

WHEREAS, the Council adopted Resolution 19-286, CD1, FD1 on December 4, 2019, which approved the First Amended and Restated Agreement between the City and HART regarding the obligations of HART to the City and the City to HART concerning said bonds; and

WHEREAS, said ordinances provide that the Council shall by resolution determine the principal amount of bonds authorized thereby to be offered for sale; now, therefore,

RESOLUTION

BE IT RESOLVED by the Council of the City and County of Honolulu that:

1. Of the total amount of bonds authorized for issuance and sale by Ordinance Nos. 23-__ (also referred to, upon its approval, as Bill 13 (2023) and as may be further amended) and 99-11, the Director of Budget and Fiscal Services be and is hereby authorized to offer general obligation bonds at competitive sale or negotiate the sale in one or more series up to but not to exceed $15,000,000 in aggregate principal amount for the purposes provided in said ordinances, upon such terms and conditions and at such price or prices as the Director of Budget and Fiscal Services shall deem in the best interest of the City and County of Honolulu.

2. The Director of Budget and Fiscal Services be and is hereby authorized to issue bonds of each series in their entirety at one time as a separate series of general obligation bonds of the City and County of Honolulu, or as a part of a series of other general obligation bonds of the City and County of Honolulu or from time to time in series.

3. Pursuant to Section 47-7, Hawaii Revised Statutes, the Director of Budget and Fiscal Services be and is hereby authorized to fix and determine the form, date, denomination, maturity and other terms of the bonds of each series, which shall mature in substantially equal installments of principal, or mature in substantially equal installments of both principal and interest, the first installment of which shall mature not later than five years from the date of the bonds of such series and the last installment of which shall mature not later than twenty-five years from the date of the bonds of such series.

4. Pursuant to Section 47-8, Hawaii Revised Statutes, the bonds shall bear interest at such rate or rates or at such varying rates determined from time to time in such manner as the Director of Budget and Fiscal Services shall determine; provided however that in the event that all or any of such series of such bonds shall bear interest at a rate or rates which may vary from time to time or with a right of holders to tender bonds of such series for purchase, or both, the Director of Budget and Fiscal Services be and is hereby authorized and shall, in accordance with Section 47-11, Hawaii Revised Statutes, contract for such credit support or liquidity facility or facilities and remarketing and tender arrangements as are required to market the bonds of such series or series to the greatest advantage of the City and County of Honolulu, upon such terms and conditions as the Director of Budget and Fiscal Services deems necessary and proper, and any and all such contracts are hereby approved and shall be deemed approved by this resolution. In addition, the Director of Budget and Fiscal Services may

procure insurance for the payment of the principal of and interest on all or any of the bonds.

5. The bonds of each series shall be substantially in the form of the general obligation bonds of the City and County heretofore issued, with such omissions from such form, such insertions therein and such variations thereto as shall be deemed necessary and desirable to reflect the provisions of the Constitution and statutes of the State of Hawaii, the Charter and ordinances of the City and County of Honolulu, this resolution and the terms of such bonds. The bonds of each series shall have such further details as shall be determined by the Director of Budget and Fiscal Services consistent with the provisions of Chapter 47, Hawaii Revised Statutes; and

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Director of Budget and Fiscal Services and the Chief of Treasury.

INTRODUCED BY:

_____

_____

_____

_____

_____

_____

DATE OF INTRODUCTION: _____

_____

_____ _____

Honolulu, Hawai'i Councilmembers