'23JUN07 PM 2:00 CITY CLERK

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
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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:

In anticipation of a request from the Honolulu Authority for Rapid Transportation ("HART") to the City Council for the issuance and sale of City and County of Honolulu ("City") General Obligation Bonds not to exceed $175,545,000 to refund outstanding Honolulu Rail Transit Project ("HRTP") General Obligation Bonds, we are submitting the attached draft resolution authorizing the issuance and sale of not to exceed $175,545,000 principal amount of General Obligation Bonds to refund outstanding General Obligation Bonds, Series 2019E issued for the HRTP.

We understand that the HART Board of Directors ("Board") will be meeting on Thursday, June 8, 2023 regarding the HART Resolution and will submit to the Council and the Director of Budget and Fiscal Services of the Board's final disposition of the HART Resolution on June 8, 2023.

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

Sincerely,

A. C. Kawano
Digitally signed by Kawano, Andy
Date: 2023.06.06 20:04:35 -10'00'

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

Attachment

APPROVED:

Michael D. Formby
Managing Director

DEPT. COM. 368

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 $175,545,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY AND COUNTY OF HONOLULU TO REFINANCE CAPITAL COSTS OF THE HONOLULU RAIL TRANSIT PROJECT.

WHEREAS, pursuant to Section 17-109 of Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended ("Charter"), and at the request of the Honolulu Authority for Rapid Transportation ("HART"), this Council may by resolution approve the issuance and sale of bonds to finance the capital costs of the Honolulu High Capacity Transit Corridor Project, now known as the Honolulu Rail Transit Project ("HRTP"); and

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

WHEREAS, HART is required under Charter Section 17-109 to make a request to this Council for the issuance and sale of general obligation bonds, which proceeds will be used to finance the capital costs of the HRTP ("HRTP GO Bonds") and refunding of HRTP GO Bonds issued and has made such request; and

WHEREAS, HART and the City and County of Honolulu (the "City") have entered into a memorandum of understanding regarding the issuance and sale of bonds; and

WHEREAS, the memorandum of understanding sets forth the obligations of HART to the City concerning HRTP GO Bonds and providing for HART's reimbursement to the City for any payments of principal and interest and any other costs incurred by the City relating to the issuance of HRTP GO Bonds; and

WHEREAS, Charter Section 17-109 states that at the request of the Board of Directors of HART, this Council may by resolution approve all bond sales; now, therefore,

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

1. That the Director of Budget and Fiscal Services be and is hereby authorized to offer HRTP GO Bonds at competitive sale or negotiate the sale in one or more

series up to but not to exceed $175,545,000 in aggregate principal amount for the purposes provided in Ordinance 99-11, 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. That the Director of Budget and Fiscal Services be and is hereby authorized to issue HRTP GO Bonds of each series in their entirety at one time as a separate series of HRTP GO 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. That, 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 HRTP GO 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 HRTP GO Bonds of such series and the last installment of which shall mature not later than twenty-five years from the date of the HRTP GO Bonds of such series.

4. That, pursuant to Section 47-8, Hawaii Revised Statutes, the HRTP GO 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 HRTP GO Bonds shall bear interest at a rate or rates which may vary from time to time or with a right of holders to tender HRTP GO 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 HRTP GO 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 HRTP GO Bonds.

5. That the HRTP GO Bonds of each series shall otherwise 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

RESOLUTION

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 HRTP GO Bonds. The HRTP GO 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, the Chief of Treasury, and the Honolulu Authority for Rapid Transportation.

INTRODUCED BY:

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DATE OF INTRODUCTION: _____

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Honolulu, Hawai'i Councilmembers