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March 27, 2025

The Honorable Tyler Dos Santos-Tam, Chair
and Members of the Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Dos Santos-Tam:

Subject: Budget Communication No. 8
Council Com. 67/BUD
Follow Up Questions to Departmental Briefings

In response to your letter dated March 21, 2025, the Honolulu Authority for Rapid Transportation (HART) is submitting the following budget documents for your review in accordance with Chapter 2, Article 18 of the Revised Ordinances of Honolulu.

Department/Agency Bud Comm #8 Questions for the Honolulu Authority for Rapid Transportation

- 1. Question -- Please provide an explanation for the (\$92,171,250) in general fund revenue variance in recovery costs for debt services.**

Answer: As this relates to a variance in general fund revenues, the question would be better addressed by BFS. However, HART believes this amount relates to a deposit that HART has historically been required to fund with BFS related to GO Bond issuances.

- 2. Question -- What are the proposed properties that will be impacted through the eminent domain process in Segment 3? Please provided a list of addresses and tenants.**

Answer: The following properties in Operating Segment 3 have been identified for eminent domain actions, the HART Board has already approved. Although the properties listed below have been approved to move through the eminent domain process, if negotiations are favorable and a settlement can be reached, the eminent domain process will be canceled. As this segment is constructed during the next several years, additional properties may be identified for eminent domain action.

Item #	Property Address	TMK	Acquisition Type	Use	Square Footage
1	1414 Dillingham Boulevard	1-5-027-004	Partial	Column	187
2	1190 Dillingham Boulevard	1-5-022-001	Easement	Guideway, Column, and Utilities	9016
3	1210 Dillingham Boulevard	1-5-022-002	Easement	Guideway, Column, and Utilities	11418
4	1336 Dillingham Boulevard	1-5-022-003	Easement	Guideway, Column, and Utilities	7061
5	1350 & 1354 Dillingham Boulevard	1-5-022-004/005	Easement and Partial Fee	Guideway, Column, and Utilities	2561 Easement 376 Partial Fee
6	1366 Dillingham Boulevard	1-5-022-006	Easement	Guideway, Column	700
7	1404 Colburn Street	1-5-029-79	Easement	HECO	105

3. Question -- Explain how you arrived at the revised Project Estimate-At-Completion (EAC).

Answer: The EAC is the estimated cost to complete the approved project scope, which is defined in the Amended Full Funding Grant Agreement. The amount of the EAC includes consideration of the dollar amounts of currently awarded contracts, estimated amounts of anticipated future contracts, costs of project oversight, contingency amounts for each contract, and other related expenditures. The EAC also considers the outcome of risk analyses and an established project schedule.

4. Question -- What level of confidence do you have for opening the section between Halawa and Middle Street?

Answer: HART is scheduled to complete the rail system's Second Operating Segment before the end of 2025. Upon completion, the assets will be transferred to DTS for opening and operating the rail system. The Second Operating Segment includes four rail stations and 5.2 miles of guideway from the Aloha Stadium Station to the Middle Street Station. The Mayor has set a goal of opening this segment on October 1, 2025, which HART will work diligently to achieve. However, note that this schedule is highly dependent on the Core Systems Contractor meeting the minimum required System Service Availability and the achieving safety certifications of multiple agencies.

5. Question -- What are any outstanding major settlements/change orders HART BOD is considering?

Answer: Currently, the most significant settlements/change orders that HART is tracking are (1) a delay claim by the core systems contractor, Hitachi Rail, related to Operating Segments 1 and 2; (2) a claim by Victoria Ward, Limited related to the valuation of property easements; and (3) a claim made by a business which asserts damages from rail-related relocation activities.

6. Question -- Please update on the Pearl Highlands pedestrian connection to station.

Answer: The Pearl Highlands pedestrian bridge is not within the HART scope. DTS has taken on the responsibility of completing the pedestrian bridge.

7. Question -- How many parking spaces will be provided at the Pearl Highlands Transit Center since the nearest parking is out in Ho'opili or Halawa Station?

Answer: The Pearl Highlands Transit Center's scope does not include parking spaces for public use; however, additional parking lots, with just over 2,000 spaces, will be constructed near the East Kapolei Station and the UH West Oahu Station.

8. Question -- Do OTAT projections take into consideration the softening of the economy?

Answer: BFS is responsible for forecasting OTAT funding relative to the overall city budget and would need to address this question. However, HART maintains its own funding forecast. For forecasting GET and TAT, HART has used 10-year historical growth rates. The same growth rate used for TAT is also used for OTAT funding.

9. Question -- Please provide location of proposed Ala Moana Station; we have money in the budget that was expended for a property, what was that money for?

Answer: The Ala Moana Station will be located on Kona Street between Pi'ikoi Street and Kona Iki Street. In 2019, a settlement was reached with the owner of the Ala Moana Station site that required payment under the terms of the settlement. HART assumes this is the property that is being referred to in the question.

If there should be any further questions, please do not hesitate to contact me.

Very truly yours,



For: Lori M.K. Kahikina, P.E.
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The Honorable Tyler Dos Santos-Tam, Chair
and Members of the Committee on Budget

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cc: Office of the City Clerk

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