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DEPARTMENT OF TRANSPORTATION SERVICES
KA 'OIHANA LAWELAWE 'ŌHUA
CITY AND COUNTY OF HONOLULU
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RICK BLANGIARDI
MAYOR
MEIA

J. ROGER MORTON
DIRECTOR
PO'O

JON Y. NOUCHI
DEPUTY DIRECTOR
HOPE PO'O

July 22, 2025

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

Dear Chair Waters and Councilmembers:

SUBJECT: Resolution Authorizing Promotional Transit Fares and Special HOLO Card Distribution to Promote Ridership on the Multimodal Municipal Transportation System and to Celebrate the Opening of Segment 2 of the Skyline Rail Project

The Department of Transportation Services ("DTS") requests your review and appropriate action on the attached draft resolution authorizing promotional suspended transit fares and the distribution of special HOLO cards with a promotional one-day pass to promote ridership on the multimodal municipal transportation system and to celebrate the opening of Segment 2 the Skyline rail system scheduled for October 1, 2025.

The purpose of the resolution is (1) to build public ridership on the City's bus system, special transit service and Skyline rail system and other public transit modes; and (2) to celebrate and promote the opening of Segment 2 of the Skyline rail system, which extends service to four new stations including Joint Base Pearl Harbor-Hickam (Makalapa), Daniel K. Inouye International Airport (Lelepaua), Lagoon Drive (Āhua), and the Middle Street Transit Center (Kahauiki). The expansion of the Skyline service represents a significant milestone in the development of the City's multimodal transportation network, offering increased connectivity to major employment centers, including Joint Base Pearl Harbor-Hickam ("JBPHH") and the Honolulu International Airport.

DTS seeks the Council's approval of a promotional transit fares program in connection with the above-mentioned purpose. The promotion will be three-fold:

1. DTS will be producing and distributing up to 50,000 commemorative HOLO cards, with each card pre-loaded with a free one-day transit pass that must be activated and used no later than December 31, 2025;

2. Each HOLO card will be affixed to a specially designed transit informational brochure, highlighting transit options for JBPHH and Airport area workers; and

3. DTS will be instituting a systemwide suspension of transit fares for all services including Skyline, TheBus, and TheHandi-Van on Saturday, October 4, 2025, and Sunday, October 5, 2025, to celebrate the launch of Segment 2, and to encourage broad community participation and trial use of the expanded system; provided that Segment 2 service commences on October 1,2025. In the event that Segment 2 service commences after October 1, 2025, DTS proposes to suspend fares for all users of Skyline, TheBus, and TheHandi-Van on the first Saturday and Sunday following the date that Segment 2 service commences.

DTS is authorized under Section 15B-2.1(d), Revised Ordinances of Honolulu 2021 ("ROH"), to allow a person to board a city transit system vehicle or enter a designated paid fare area without being charged a fare as part of a promotional offer or package made available by the City, which includes the issuance of free one-day transit passes. In addition, the City, with the Council's approval, may implement suspension-of-fares promotions. Specifically, ROH § 15B-2.6(a)(1) provides that the Council may suspend the fare structure, or any part thereof, in ROH § 15B-2.1 or § 15B-4.5, the supplemental bus service or the supplemental special transit service, for promotional purposes for a period not exceeding one week; provided that any such suspension does not decrease the total average monthly fare collection, when full fares are collected, by more than five percent; and provided further that such suspension be for the purpose of promoting the public ridership of the City's bus system or the special transit service by eligible persons.

Within 60 days following the suspension-of-fares promotion, the DTS shall submit a report to the Council that includes the benefits gained, ridership data, associated costs, an assessment and evaluation of the overall success, and recommendations for future promotions.

We ask for your favorable consideration of our request. Should you have questions, please contact Director J. Roger Morton at (808) 768-8303.

Very truly yours,

J. Roger Morton
Director

Attachment

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

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July 1, 2025

MEMORANDUM

TO: The Honorable Rick Blangiardi, Mayor

VIA: Michael D. Formby, Managing Director
Office of the Managing Director

Dana M.O. Viola, Corporation Counsel
Department of the Corporation Counsel

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

FROM: J. Roger Morton, Director
Department of Transportation Services

SUBJECT: Resolution Authorizing Promotional Transit Fares and Special HOLO Card Distribution to Promote Ridership on the Multimodal Municipal Transportation System and to Celebrate the Opening of Segment 2 of the Skyline Rail Project

For your review and appropriate action is a resolution authorizing promotional suspended transit fares and the distribution of special HOLO cards with a promotional one-day pass to promote ridership on the multimodal municipal transportation system and to celebrate the opening of Segment 2 of the Skyline rail system scheduled for October 1, 2025.

Resolution Purpose:

The purpose of the resolution is (1) to build public ridership on the City's bus system, special transit service and Skyline rail system and other public transit modes; and (2) to celebrate and promote the opening of Segment 2 of the Skyline rail system, which extends service to four new stations including Joint Base Pearl Harbor-Hickam

(Makalapa), Daniel K. Inouye International Airport (Lelepaua), Lagoon Drive (Āhua), and the Middle Street Transit Center (Kahauiki). The expansion of the Skyline service represents a significant milestone in the development of the City's multimodal transportation network, offering increased connectivity to major employment centers, including Joint Base Pearl Harbor-Hickam ("JBPHH") and the Honolulu International Airport.

The Department of Transportation Services ("DTS") seeks the Council's approval of a promotional transit fares program in connection with the above-mentioned purpose. The promotion will be three-fold:

1. DTS will be producing and distributing of up to 50,000 commemorative HOLO cards, with each card pre-loaded with a free one-day transit pass that must be activated and used no later than December 31, 2025;

2. Each HOLO card will be affixed to a specially designed transit informational brochure, highlighting transit options for JBPHH and Airport area workers; and

3. DTS will be instituting a systemwide suspension of transit fares for all services including Skyline, TheBus, and TheHandi-Van on Saturday, October 4, 2025, and Sunday, October 5, 2025, to celebrate the launch of Segment 2, and to encourage broad community participation and trial use of the expanded system; provided that Segment 2 service commences on October 1,2025. In the event that Segment 2 service commences after October 1, 2025, DTS proposes to suspend fares for all users of Skyline, TheBus, and TheHandi-Van on the first Saturday and Sunday following the date that Segment 2 service commences.

Change to Current Policy and Pros/Cons:

Pros	Cons
Promotes the Opening of Segment 2 of the Skyline Rail System.	Loss of Cash Fares ~ $42,000 or 1.0% of monthly revenue.
Provides targeted transit informational brochure focused on transit options for JBPHH and Airport area workers.	
Promotes overall ridership in the City's multimodal transit system.	

Provides a mechanism and incentive for residents to see the expanded transit system.

Helps to build goodwill and improve the image of the Skyline rail system.

Resolution History:

The resolution follows a previous promotion approved by the Council with the adoption of Resolution 23-97 on May 17, 2023, which approved a four-day suspension of fares and the distribution of HOLO cards with a promotional one-day pass to celebrate the grand opening of the Skyline rail system, and to promote general ridership on the multimodal transit system.

DTS is authorized under Section 15B-2.1(d), Revised Ordinances of Honolulu 2021 ("ROH"), to allow a person to board a city transit system vehicle or enter a designated paid fare area without being charged a fare as part of a promotional offer or package made available by the City, which includes the issuance of free one-day transit passes. In addition, the City, with the Council's approval, may implement suspension-of-fares promotions. Specifically, ROH § 15B-2.6(a)(1) provides that the Council may suspend the fare structure, or any part thereof, in ROH § 15B-2.1 or § 15B-4.5, the supplemental bus service or the supplemental special transit service, for promotional purposes for a period not exceeding one week; provided that any such suspension does not decrease the total average monthly fare collection, when full fares are collected, by more than five percent; and provided further that such suspension be for the purpose of promoting the public ridership of the City's bus system or the special transit service by eligible persons.

Within 60 days following the suspension-of-fares promotion, the DTS shall submit a report to the Council that includes the benefits gained, ridership data, associated costs, an assessment and evaluation of the overall success, and recommendations for future promotions.

City Fiscal Impact:

It is anticipated that there will be very little to no impact to the Administration's current fiscal program. It is the intention of this promotion to increase overall revenue during the FY26 period beyond what would be expected in the absence of any promotion. DTS plans to undertake the promotional program within its existing budgeted resources.

City Human Resources Impact:

DTS does not anticipate any human resources impact for the City other than work related to the implementation and administration of the promotional fares and HOLO card production and distribution. DTS plans to undertake the promotional program within its existing staff resources.

Consultation with City Departments:

The proposed resolution allows for promotional efforts related to the opening of Segment 2 of the Skyline rail system, as discussed with the City's Administration. DTS has been in discussions with the City Administration and transportation related agencies regarding the opening of Segment 2 including the Honolulu Authority for Rapid Transportation, Oahu Transit Services, Hitachi Rail Honolulu Joint Venture, and the State Department of Transportation.

Community & Stakeholder Engagement:

The proposed resolution allows for grand opening and promotional efforts discussed with the City's Administration. DTS has been in discussions with administrative personnel at JBPHH and the airport regarding the proposed promotional program.

Should you have any questions, please contact me at (808) 768-8303.

Attachments

APPROVED AS TO FORM AND LEGALITY:

Digitally signed by Viola, Dana M O
Date: 2025.07.01 13:32:01 -10'00'

Dana M.O. Viola, Corporation Counsel
Department of the Corporation Counsel

APPROVAL RECOMMENDED:

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

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. _____

RESOLUTION

AUTHORIZING PROMOTIONAL TRANSIT FARES AND SPECIAL HOLO CARD DISTRIBUTION FOR THE OPENING OF SEGMENT 2 OF THE SKYLINE RAIL PROJECT.

WHEREAS, the City and County of Honolulu ("City"), through its Department of Transportation Services ("DTS"), will inaugurate operations of Segment 2 of the Skyline rail system on Tuesday, October 1, 2025, extending service to four new stations including Joint Base Pearl Harbor-Hickam (Makalapa), Daniel K. Inouye International Airport (Lelepaua), Lagoon Drive (Ahua), and the Middle Street Transit Center (Kahauiki); and

WHEREAS, this expansion represents a significant milestone in the development of the City's multimodal transportation network, offering increased connectivity to major employment centers, including Joint Base Pearl Harbor-Hickam ("JBPHH") and the Honolulu International Airport; and

WHEREAS, to promote awareness of and increase ridership on Skyline and TheBus among workers in these newly served areas, DTS proposes a promotional fare program authorized under Section 15B-2.6(a)(1), Revised Ordinances of Honolulu 2021 ("ROH"), which allows the DTS Director to suspend transit fares for promotional or demonstration purposes with City Council approval; provided that the suspended fare structure, or any part thereof, does not exceed a period of one week and does not decrease the total average monthly fare collection, when full fares are collected, by more than five percent; and

WHEREAS, the promotional program would include the distribution of up to 50,000 commemorative HOLO cards, each affixed to a specially designed brochure highlighting transit options for JBPHH and Airport area employees, and each pre-loaded with a free one-day transit pass that must be activated and used no later than December 31, 2025; and

WHEREAS, in addition to the targeted distribution of these commemorative HOLO cards, DTS proposes to suspend fares for all users of Skyline, TheBus, and TheHandi-Van on Saturday, October 4, 2025, and Sunday, October 5, 2025, to celebrate the launch of Segment 2 and to encourage broad community participation and trial use of the expanded system; and

RESOLUTION

WHEREAS, the estimated revenue loss to the City from this promotional fare program is approximately $42,000, representing about one percent of expected monthly transit fare revenue; now, therefore,

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

1. Pursuant to Section 15B-2.6(a)(1), Revised Ordinances of Honolulu 2021, the Council hereby approves the Director of Transportation Services' request to suspend transit fares for promotional purposes as described herein.

2. The Director of Transportation Services is authorized to implement a one-time promotional fare program in support of the opening of Skyline Segment 2, including:

    - The production and distribution of up to 50,000 commemorative HOLO cards, each including a free one-day pass, to be used on or before December 31, 2025;

    - The attachment of each HOLO card to a transit informational brochure focused on Joint Base Pearl Harbor-Hickam and Airport workers; and

    - The institution of a system wide suspension of transit fares for all services—Skyline, TheBus, and TheHandi-Van—on October 4 and 5, 2025.

BE IT FURTHER RESOLVED that in accordance with Section 15B-2.6(c), Revised Ordinances of Hawaii 2021, within 60 days after the conclusion of the promotional project, the Department of Transportation Services shall submit a written report to the Council that includes, at a minimum, the following information:

1. Discuss the community benefits gained from the project, including an estimate, where possible, of the number of new daily riders of the City transit services including rail, bus system, or special transit services, resulting from the project;

2. Include data on the number of riders using City transit services during the promotional period and the cost to the City of the project;

3. Evaluate the overall success or failure of the project based on the program objectives set forth in this resolution; and

4. Make recommendations regarding any future actions related to similar promotional or demonstration projects.

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. _____

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director, the Director of Transportation Services, the Director of the Hawaii Department of Transportation, and the Commander of Joint Base Pearl Harbor-Hickam.

INTRODUCED BY:

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DATE OF INTRODUCTION: _____

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_____ _____

Honolulu, Hawai'i Councilmembers

Report Title:

Promotional Transit Fares; Fares Suspension; HOLO Card; Department of Transportation Services ("DTS"); Skyline Rail Project; TheBus; TheHandi-Van; Joint Base Pearl Harbor-Hickam ("Makalapa"), Daniel K. Inouye International Airport ("Lelepaua"), Lagoon Drive ("Ahua"); Middle Street Transit Center ("Kahauiki").

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.