

## HART board says 'no' to dissolution, warns it would imperil rail project

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**GORDON Y.K. PANG** AUGUST 6, 2019

Members of the board tasked with overseeing the agency building Oahu's \$9.2 billion rail project are going on record against City Council Chairman Ikaika Anderson's plan to dissolve the agency, warning it would imperil the project.

The Executive Matters Committee of the Honolulu Authority for Rapid Transportation board of directors voted 3-0 to send its own resolution opposing Anderson's Council , which proposes a City Charter amendment asking Oahu voters to dissolve HART and transfer its duties to the city Department of Transportation Services.

Anderson reasons that transferring construction duties to DTS, which is run by a director and deputy director appointed by the mayor, would provide more accountability for the troubled project, which has seen its budget balloon from \$5.3 billion in 2012.

But the HART message to the Council, , warns that the agency's dissolution could pose serious issues for the project at a time when the agency is trying to find a private, third-party partner to help complete it.

The five-member committee was designed to make decisions expeditiously without the full nine-member board's vote, so the HART resolution will now be sent to the Council.

HART board Chairman Damien Kim, who also chairs the Executive Matters Committee, said he intends to be at Wednesday's Council meeting in Kapolei, where the Council resolution is getting its first airing, to present the board's resolution and testify against the Council proposal.

HART was created as a semi-autonomous agency tasked specifically to build the project, while DTS is supposed to be in charge of operations when it begins. HART's plan for a third-party private partner, also known as a "Triple P" arrangement, would be a mix of both phases.

The HART resolution states that transferring the agency's powers to DTS "could compromise its ability to complete construction" of the project.

The resolution echoes the sentiments made by HART Executive Director and CEO Andrew Robbins last month shortly after he learned of Anderson's resolution. That the resolution could jeopardize the city's efforts to collect \$744 million from the Federal Transit Administration as part of a promised \$1.55 billion for the project.

In response to the project's alarming price increase and timetable delays, the FTA withheld the money pending submission of a satisfactory recovery plan detailing how the city intends to pay for the project.

Robbins told reporters two weeks ago that the FTA is expected to soon approve the recovery plan and that he worried the uncertainty of how the project would proceed, pending a November 2020 ballot vote, could jeopardize the \$744 million allotment.

Robbins said Friday, however, that his discussions with FTA officials since then suggest the recovery plan's approval likely won't be affected by the charter amendment.

Nonetheless, he said, FTA officials indicated they want to see what bid proposals for a third-party partner look like before they will actually release the remaining funds. HART anticipates securing one by the end of the year.

The uncertainty raised by a 2020 charter vote could result in potential private partners submitting proposals less favorable to the city, said Robbins, himself a former executive for an international mass transit company for 37 years.

Robbins told board members that many of the issues raised in the Council resolution were "issues from the past before 2017," which is when Robbins was appointed to lead HART's administrative staff.

Kim, the HART chairman, who's been on the board since its inception in 2011, said he appreciates the frustration felt by Anderson and other Council members. However, "I've seen a lot of big changes with Andy to mitigate risk management," he said. And there's nothing to assure that a handoff would result in a more efficient and smoother-running project, he said.

A majority of the political leaders at Honolulu Hale, including Mayor Kirk Caldwell, will be leaving office due to term limits at the end of 2020, Kim said. It's uncertain what the future mayor or Council members think about the rail project, so the city should "wait until at least the half-opening" of the rail line, the East Kapolei-to-Aloha Stadium segment now slated to open in December 2020, before deciding to ask to transfer HART's duties to DTS. (The full line is scheduled to be done at the end of 2025.)

Kim also questioned whether DTS was ready for such a large handover, especially since the proposed transfer would allow only a limited number of existing HART employees to move

over. "They're going to have to rehire, do a lot of things (where) momentum is already going," he said.

Board member Glenn

Nohara said both the FTA and state lawmakers, who approved additional funding for the project via transient accommodations and general excise taxes and then inserted four additional members on the HART board, need to be part of the discussion. "This is such a huge project that we all need to be at the table trying to solve problems," Nohara said.

HART Vice Chairman Terrance Lee voted "yes" with reservations. Lee said while he agreed with the points made by his colleagues, he questioned whether the board, which is supposed to be apolitical, should take a position at all.

Anderson, who was in Japan on Friday, said by telephone that he wasn't surprised by the committee's stand, and he is looking forward to hearing the HART board's input at Wednesday's Council meeting.

Anderson said he does not believe that FTA cares who is in charge of rail construction. On the other hand, he said, "The City Council is concerned about how a 30-year public-private partnership agreed upon by an appointed board of directors will obligate future mayors and future Councils."

The Council chairman has voiced frustration that HART officials have not worked more collaboratively with the Council, a gripe he reiterated Friday after learning that Robbins spoke to FTA officials without Council input.

"It's in HART's best interest to include the City Council in these discussions," Anderson said. "That best not happen again. That type of action by HART would just make it clearer that this resolution is necessary."