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SEEKING COST-EFFECTIVE SOLUTIONS TO TRAFFIC CONGESTION

December 19, 2006.

To all interested parties in the rail debate:

In our view, the City Council needs to take three actions before the end of December:

- A. Delay the start of the tax increase,
- B. Investigate the cause of Parsons Brinckerhoff's (PB) blatant bias towards rail in the Alternatives Analysis (AA) and,
- C. Insist that the City Administration and PB redo the AA.

A. The City Council needs to delay implementing the tax because PB has not provided sufficient unbiased information in the AA that the Council can make a clear decision. The cart is before the horse in three ways:

- 1. The City is imposing the tax increase before the public or the City Council really knows what we are getting.
- 2. The City Administration has admitted that it must redo the Scoping Process shortly, including public hearings, and so the process that the public has relied upon as providing an adequate consideration of options to be included in the Alternatives Analysis has yet to occur.
- 3. The Oahu Metropolitan Planning Organization (OMPO) has yet to approve the Oahu Regional Transportation Plan (ORTP) that PB cited in the AA as providing much of the input for the Alternatives Analysis.

B. The City Council should investigate PB's bias towards rail and against Managed Lanes (HOT lanes). The following three examples are just some of the indications of bias:

- 1. The Tampa Expressway cost \$400 million. The City and Parsons Brinckerhoff project the Managed Lanes Alternative (MLA), a similar highway, to cost \$2.6 billion — a clearly overstated forecast. On the other hand, the cost forecast for rail is that its cost per mile would be less than that forecast for the 1992 rail line, allowing for inflation — a clearly understated forecast.
- 2. The MLA is forecast to be burdened with the operating and capital costs of 960 buses (50 percent more than the No-Build Alternative) and 5,200 parking spaces in park-and-ride lots more than No-Build, yet it is projected to generate only five percent more riders.
- 3. The State statute reads, "No moneys received from the surcharge shall be used to build or repair public roads or highways or bicycle paths, or to support public transportation systems already in existence prior to July 12, 2005" and the city's Bill 40 contains a similar provision. Therefore, highway solutions are given little consideration.

C. The City Council should insist that the Administration and PB redo the Alternatives Analysis for the following reasons:

1. The City used faulty reasoning in determining that highway expansion could not reduce traffic congestion. The City and PB are trying to “solve” our traffic congestion problems with transit “solutions.” This will not work since highway traffic congestion can only be resolved with highway solutions. The public is not generally aware that it was never the City’s intent to reduce traffic congestion below present levels.
2. PB uses highly sophisticated computer simulations to calculate ridership projections, but they use a single flawed assumption: *Transit ridership increases with population*. Clearly, it does not. Since 1984, our population has increased 13.5 percent but our bus ridership has declined 10 percent, a 21 percent decline relative to population.
3. There is no financial plan: The AA recommended a full corridor alignment from the University of Hawaii at Manoa and Kalaeloa via Halekauwila Street but provided unacceptable options for funding it. The AA and its Financial Feasibility Report shows us that,
 - a) If the prudent “trend forecast” of new tax revenues is used, \$1.234 billion would be required from “Other Sources,” a euphemism for future tax increases, and,
 - b) the AA uses \$1.2 billion as the federal funding despite the fact that The Federal Transit Administration (FTA) told the OMPO Policy Committee that \$500 million would be the practical limit, which is why OMPO used \$456 million in its forecast. FTA also told our recent Council delegation to Washington DC, that they should consider the historical record of FTA funding. From that record, the outer limit appears to be \$750 million. Obviously, the prudent amount to use would be \$500 million, or less. If a prudent estimate of likely (not wishful thinking) federal funding of \$456 million is used there will be a further \$744 million shortfall, and,
 - c) the City and PB used a projected cost of the 28-mile option as \$4.6 billion. At that price, simply allowing for inflation shows that the new rail plan's cost per mile is much less than the 1992 rail plan. That is not logical, especially considering that land condemnation will cost the City far more now than it would have in 1992, even allowing for inflation. We should at least use the same cost per mile as the 1992 plan, which amounts to \$6.4 billion, or another \$1.8 billion to add to “Other Sources.”

Thus, the total shortfall from these three items is likely to be \$3.8 billion. Where is it to come from other than tax increases?

In addition, there is the remarkable lack of diligence shown by the Transit Advisory Task Force in trying to resolve the major discrepancies between the conclusions of the AA and the conclusions of its critics.

The following omissions from the Transit Advisory Task Force Reportⁱ demonstrate this:

The summary does not even mention the enormous disparity between the \$420 million actual cost of the Tampa Expressway, and the AA's projected cost of \$2.6 billion for the similarly sized Managed Lanes alternative in Honolulu. Task Force sub-committee members made only one phone call to Dr. Martin Stone, the Director of Planning for the Tampa Expressway Authority who told them it could be built for less than a billion dollars. The Report omits this.

The Task Force members did not call the Honolulu office of PCL Civil Constructors, who built the Tampa Expressway and the Hawaii Convention Center. There should have been extensive discussions with PCL.

The Report ignores Councilmember Djou's report of his Tampa visit: "The Tampa transportation officials universally expressed disbelief at the City's AA cost estimate. They all stated that none of them were ever contacted by any City official or the City's transit consultant, nor did the City or its consultant ever request any information from any Tampa officials on their elevated expressway system. Every single Tampa official I met with felt a similar system could be built in Honolulu for about \$500 million, and none of the officials felt that it would cost over \$1 billion." [Djou's report was made prior to the one phone call.]

The Report ignores Djou's report that: "Ft. Lauderdale, Florida and Birmingham, Alabama have not only inspected, but have now opted to select an elevated toll way as their locally preferred transit alternative to address their respective community's transportation needs. In particular, both Ft. Lauderdale and Birmingham contemplated building a rail system for their respective communities, but rejected them after inspecting the Tampa expressway system." The Task Force should have checked these facts with the respective authorities and determined why these cities changed their minds.

The Report ignores the fact that, allowing for inflation, the AA's projected rail costs are less per mile than that of the 1992 FEIS — let alone why.

The Report ignores the fact that Honolulu bus ridership does not grow with population, a basic assumption made in the ridership-forecasting model used for the AA. Using such an assumption, it is clear that if PB were to run a backcast of the ridership model to predict today's No-Build ridership from 1991 data, it would overstate the ridership we actually have.

The Report ignores the fact that the Task Force was asked "whether the AA's forecast of ridership ... data provided is comparable to historical data from operating systems in other jurisdictions." Had they done so, they would have found that the AA forecasts a 35 percent increase in transit's market share over the next 25 years, whereas no other metro area has achieved any increase at all in a comparable period.

In attempting to make the case that the budgeted amount for the federal contribution in the AA is not that much more than "the amount the FTA gives to most projects," it uses an incorrect amount of \$950 million; the correct amount is \$1.2 billion.

The financial forecast in the AA and the Financial Feasibility Reports, such as it is, is more an exercise in wishful thinking than a prudent assessment of the City's future

financial condition under any of the alternatives. As detailed in C. 3. above, there is a likely shortfall of \$3.8 billion for the full rail alignment. The Report does not deal with such possibilities.

The Report discusses the fact that the Oahu Regional Transportation Plan, cited frequently in the AA as a data source, does not exist other than in draft form. It soothingly assures us that the final version "is substantively unchanged." How does he know? OMPO has yet to approve the final version. Why is this, when it was supposed to have been produced six months ago? OMPO has been sitting on it for a reason and it would be useful to know why.

The Report mentions that the City is to perform the Scoping Process but does not tell the Council why it has to be *redone*, and why the FTA will have to re-issue a new Notice of Intent to enter the National Environment Protection Act (NEPA) process *again*. Nor does the Report mention the dilemma that no officials appear to know whether the City is currently in the NEPA process or not.

Incredibly, the Task Force by a vote of 5-1 found nothing unusual about any of this. Dr. Prevedouros, the only traffic engineer on the Task Force, cast the negative vote. The Council should insist on a more honest process; this one has been far too biased.

Sincerely,

A handwritten signature in black ink, appearing to read "Cliff Slater". The signature is fluid and cursive, with a large initial "C" and "S".

Cliff Slater
Chair

Footnotes:

ⁱ Exclusive of the Appendix.