**ISLAND MATTERS  Mufi Hannemann**

**Key Points Missing From The Rail Audit**

There’s a lot missing in the Hawai‘i state auditor’s report on Honolulu’s rail project, a Rip Van Winkle-ish account that has forgotten the period between my departure from city hall in 2010 and the ensuing eight years. Let me recap the missing pieces. (By the way, the auditor never asked to interview me, although I would have been happy to participate.)

My administration awarded the first rail construction contract in 2009. It was the sole contract awarded during my tenure; the others were awarded by my successors. We did it to take advantage of an economy reeling from the Great Recession and to stimulate a weak construction industry. In so doing, we realized huge savings for taxpayers of $90 million when the bid came in below our estimate.

When I left office in mid-2010, the rail project had earned the Federal Transit Administration’s approval of our final environment impact statement (FEIS). An independent evaluation by Jacobs Engineering, the agency’s project overseer, stated we were within 2 percent of their estimates and recommended the FTA proceed with full funding for 2012.

Plus, we possessed a $1.3 billion contingency fund for future and unanticipated rail costs. Our Congressional delegation, led by the late U.S. Sen. Daniel Inouye, was fully on board, and the FTA had approved distribution of the FEIS. This meant mostly approvals awaited, and nothing significant stood in the way of proceeding with preliminary work necessary for groundbreaking.

The auditor’s report makes no mention of Gov. Linda Lingle’s role in the delays. While it was Lingle who first proposed building a state-city rail system in early 2003, she would subsequently impede its progress: by stalling tax collection even after it became law, in having how with them. Grabauskas decided to revisit the original plans and contracts. By the time he realized the original work had been well-conceived, work had been delayed and costs increased. In 2014, Jacobs Engineering, which had been continuously monitoring the work, discovered costs were exceeding earlier estimates.

The state had approved are along the rail route.) By the time the Caldwell administration and HART board had had enough of Grabauskas, years of lax oversight had resulted in ballooning costs, delays and a loss of public confidence. As Grabauskas bid aloha, he secured an agreement from HART that the city will not refer to or name him publicly, lest they be subject to a law-

Over time, as the benefits of rail and transit-oriented development come to fruition, history will validate our work, as it has in other cities around the world. Locally, look no further than the history of H-3 as a prime example of a project that took years to start, fraught with cost overruns, controversy and setbacks, but once completed became an overnight sensation.

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