

FFYs 2011, 2012, 2013, AND 2014
TRANSPORTATION IMPROVEMENT PROGRAM

Approved by the OahuMPO Policy Committee
July 2, 2010



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Prepared by
OAHU METROPOLITAN PLANNING ORGANIZATION

In Cooperation with
State of Hawaii Department of Transportation
State of Hawaii Department of Business, Economic Development, and Tourism
City and County of Honolulu Department of Transportation Services
City and County of Honolulu Department of Planning & Permitting

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1.0 ABBREVIATIONS

1.1 OVERALL ABBREVIATIONS

3-C	Continuing, Cooperative, Comprehensive
ADA	Americans with Disabilities Act
CAC	OahuMPO Citizen Advisory Committee
DTS	City and County of Honolulu Department of Transportation Services
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FFY	Federal Fiscal Year (October - September)
HDOT	Hawaii Department of Transportation
HR	House Report
JARC	Job Access and Reverse Commute
NTD	National Transit Database
OahuMPO	Oahu Metropolitan Planning Organization
ORTP	Oahu Regional Transportation Plan
RY	Report Year
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users
STIC	Small Transit Intensive Cities
STIP	Statewide Transportation Improvement Program
TIP	Transportation Improvement Program

1.1 OVERALL ABBREVIATIONS (Continued)

USC	United States Code
UZA	Urbanized Areas

1.2 ABBREVIATIONS USED IN PROJECT LISTING

1.2.1 FHWA Funding Categories

Bridge Off	Bridge Off-System
Bridge On	Bridge On-System
CMAQ	Congestion Mitigation and Air Quality Improvement Program
FHWA X-fer	FHWA transfer from FTA
NHS	National Highway System
HSIP	Highway Safety Improvement Program
Rec Trails Prog	Recreational Trails Program
STP	Surface Transportation Program
STP Flex	Surface Transportation Program Flexible funds

1.2.2 FTA Funding Categories

§	Section
§5307	Urbanized Area Formula Program
§5309 BC	Bus and Bus-Related Facilities
§5309 FGM	Fixed Guideway Modernization
§5309 NS	New Starts
§5316	Job Access Reverse Commute Program (JARC)

1.2.2 FTA Funding Categories (Continued)

§5317	New Freedom Program
§5340	Growing States and High Density States Formula Program

1.2.3 Locally Funded Categories

Local Only	Locally Funded
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1.2.4 Project Phases

ADVCON	Advance Construction Reimbursement
CON	Construction
DES	Design
EQP	Equipment
INSP	Inspection
OPR	Operations
PLN	Planning
PREROW	Pre-Right-of-Way
PROF SVCS	Professional Services
REL	Relocation
ROW	Right-of-Way

2.0 INTRODUCTION

The *FFYs 2011, 2012, 2013, and 2014 Oahu Transportation Improvement Program (TIP)* was prepared in accordance with the requirements of the Safe, Accountable, Flexible, Efficient Transportation Equity Act – a Legacy for Users (SAFETEA-LU). It describes and prioritizes the surface transportation programs and projects that the Oahu Metropolitan Planning Organization (OahuMPO) Policy Committee has selected for implementation during the program period. The TIP is the adopted list of public transit, highway, bicycle, and pedestrian projects that will receive federal transportation funds in the near future. The TIP needs to be financially constrained; that is, there must be a reasonable expectation that projects that are identified will have the necessary federal and local funding.

The FFYs 2011-2014 TIP covers a period of four years (FFYs 2011-2014) and contains two additional years (FFYs 2015 and 2016) for information only. The TIP will be updated at least every four years, and revised as needed. The TIP, as approved by the Policy Committee and Governor (or her designee), is the Oahu element of the Statewide TIP (STIP).

The following types of projects are included in the TIP:

- Surface transportation projects that are proposed to be funded with federal funds;¹
- Regionally-significant projects that require action by the Federal Highway Administration (FHWA) or the Federal Transit Administration (FTA), regardless of whether or not they are funded with federal funds; and

¹ Under 23 U.S.C. and 49 U.S.C. Chapter 53 (including transportation enhancements, Federal Lands Highway Program projects, safety projects included in the State's Strategic Highway Safety Plan, trails projects, pedestrian walkways, and bicycle facilities).

- Regionally-significant projects that are proposed to be funded with non-federal funds or with federal funds other than those administered by the FHWA or the FTA, such as congressional earmarks. These projects are included in the TIP for informational purposes.

The TIP identifies transportation programs and projects totaling approximately \$4.3 billion to be implemented during the four-year program period. The projects include those eligible for federal funding assistance, as well as regionally significant locally-funded projects.

FFY 2011 projects represent those with the highest implementation priority. The largest State of Hawaii-sponsored project in FFY 2011 is OS17 (Interstate Route H-1, Eastbound Improvements, Vicinity of Ola Lane to Vineyard Boulevard Off-Ramp. In FFY 2011, \$20 million in federal funds and \$83.5 million in local funds are programmed for the project. OC15 (Honolulu High-Capacity Transit Corridor Project) is the largest City and County of Honolulu-sponsored project in FFY 2011 of the TIP. Eighty million dollars in federal funds and \$405 million in local funds are programmed for the project in FFY 2011.

3.0 PREVIOUS TIP (FFYS 2008-2011)

The FFYs 2008-2011 TIP was endorsed by the Policy Committee in July 2007.

3.1 REVISIONS TO THE PREVIOUS TIP

As of June 17, 2010, the FFYs 2008-2011 TIP was revised twenty-three times as documented in Table 1 below.

TABLE 1

FFYs 2008-2011 TIP REVISIONS	
Revision Number	Description
<i>Pre-approved Administrative Modifications</i>	
1	January 2008: Revised cost estimates.
7	January 2009: Deferred projects and revised funding categories.
11	May 2009: Revised cost estimates, deferred projects, revised funding categories, and changed funding from federal to local.
12	June 2009: Deferred projects and revised cost estimates.
14	August 2009: Revised funding categories and revised cost estimates.
15	September 2009: Revised funding categories, deferred projects, and revised cost estimates.
16	January 2010: Advanced and deferred projects, revised funding categories, and revised cost estimates.
20	April 2010: Identified projects for potential second recovery bill, advanced projects, and revised cost estimates.
21	June 2010: Removed references to potential ARRA-2 funding. TIP Revision #20 was rescinded.
22	July 2010: Deferred projects, revised cost estimates, and revised funding categories.

Revision Number	Description
<i>Expedited Administrative Modifications</i>	
2	January 2008: Deferred projects, revised funding categories, and revised cost estimates.
4	July 2008: Deferred projects, revised cost estimates, and revised funding categories.
8	January 2009: Advanced projects, deferred projects, and changed local funds to federal funds.
17	January 2010: Deferred projects and revised cost estimates.
<i>Amendments</i>	
3	January 2008: Deleted projects, deferred projects, and revised cost estimates.
5	July 2008: Deleted projects, added projects, revised cost estimates, and revised the scope of one of the projects.
6	July 2008: Revised the thresholds used to determine whether a revision is an administrative modification or an amendment.
9	January 2009: Added and deleted projects.
10	February 2009: Identified projects to be funded with ARRA-09 funds. Added projects, revised funding categories, and revised cost estimates.
13	July 2009: Added projects, deleted projects, and revised cost estimates.
18	January 2010: Added projects, deleted projects, deferred projects, revised the scope of one of the projects, and changed project limits for one project.
19	February 2010: Added a project, advanced a project, and reprogrammed funds for projects.
23	July 2010: Added a project and deleted a project.

Pre-approved administrative modifications were those that consisted of actions that were pre-approved by the Policy Committee. Expedited administrative modifications consisted of actions that were submitted directly to the Policy Committee for action without prior review by the OahuMPO Technical Advisory Committee or solicitation of public comment. Amendments were those that were

significant enough to require public review and comment, Technical Advisory Committee action, as well as Policy Committee action.

3.2 STATUS OF PREVIOUS TIP PROJECTS

The status of the projects programmed in FFY 2009 of the FFYs 2008-2011 TIP as of September 30, 2009 is found in Appendix A. This information was provided to the Policy Committee and to the public via direct mail and e-mail. It was also posted on the OahuMPO website.

The project status is based on information obtained from the Hawaii Department of Transportation (HDOT) and the City and County of Honolulu Department of Transportation Services (DTS). OahuMPO does not directly participate in the project obligation and project implementation processes.

4.0 TIP DEVELOPMENT PROCESS

Many of the projects in the TIP are programmed over several years. For example, a highway improvement project consists of right-of-way acquisition, planning, design, and construction phases. Each of these phases may last one or more years. In addition to new projects, the TIP includes many projects that were programmed in previous years.

The TIP development process spans over a year. The process is illustrated in Figure 1 and described below.

4.1 EARLY PUBLIC INPUT

The development of a TIP update begins with early public input. For the FFYs 2011-2014 TIP, the OahuMPO Citizen Advisory Committee and the Freight Task Force developed recommended lists of transportation projects for inclusion into the FFYs 2011-2014 TIP. Their recommendations were presented to the Policy Committee for their consideration when selecting projects for the TIP. The Policy Committee requested that the recommendations be forwarded to the City and State implementing agencies.

4.2 DEVELOPMENT OF FINANCIAL ESTIMATES

OahuMPO, HDOT, and DTS cooperatively formulate estimates of FHWA funds that are reasonably expected to be available for projects on the island of Oahu. These estimates are usually based on historic data.

4.3 CALL FOR PROJECTS

OahuMPO does a “call for projects” to the implementing agencies. In response, the HDOT and DTS submit projects to be considered for inclusion in the TIP.

4.4 PUBLIC OUTREACH ON THE DRAFT TIP

4.4.1 Visualization

For visualization purposes, project location maps are developed for each project in the draft TIP, as applicable. Additional interactive project location maps are posted the OahuMPO website that allow the user to “turn off” and “turn on” layers to compare how each proposed project interacts with other plans and programs (e.g., conservation, natural resources, etc.).

4.4.2 Interested Parties

Opportunities are provided for interested parties to review and comment on the draft TIP project listing and financial plan. The draft TIP, as well as the interactive project location maps, are posted on the OahuMPO website during the public comment period. Information on the draft TIP is also distributed to the public via email or direct mail.

4.4.3 Agency Consultations

Details on the draft TIP are also circulated under OahuMPO’s intergovernmental review process. A goal of the TIP process is to promote stakeholder relationships that foster cooperative efforts to achieve common transportation goals. Agencies responsible for planning activities that may be affected by the proposed transportation project are consulted for their perspectives on planning issues, needs, and priorities. Stakeholder agencies are provided with details on each TIP project, as well as the interactive project location maps, and are consulted with to ensure compatibility with their respective plans, maps, inventories, and planning documents.

4.4.4 Responses to Comments Received

All comments received, as well as responses to the comments, are provided to the Policy Committee for their consideration when selecting projects for the final TIP.

4.5 TECHNICAL PROJECT EVALUATIONS

Various technical project evaluations are performed on the draft TIP in order to assist the Policy Committee in selecting projects. These technical evaluations include the following:

- Compliance with SAFETEA-LU planning factors;
- Detailed project evaluations;
- Consistency with the Oahu Regional Transportation Plan;
- Consistency with the Oahu Regional ITS Architecture;
- Title VI and Environmental Justice compliance; and
- Congestion Management Process analyses.

The Technical Advisory Committee reviews the results of the technical evaluations prior to making a recommendation to the Policy Committee.

4.6 PROJECT SELECTION

After reviewing the results of the agency consultations and the technical analyses, the Technical Advisory Committee makes a recommendation to the Policy Committee regarding endorsement of the TIP. The Policy Committee decides whether or not to endorse the TIP after considering and discussing the early project recommendations, public comments on the draft TIP, the results of the technical analyses, and the Technical Advisory Committee's recommendation. Following endorsement by the Policy Committee, the TIP is also sent to the Governor's designee for approval. On June 26, 2003, the Governor of the State of Hawaii designated the HDOT Director as the official responsible for approving the TIP and its amendments.

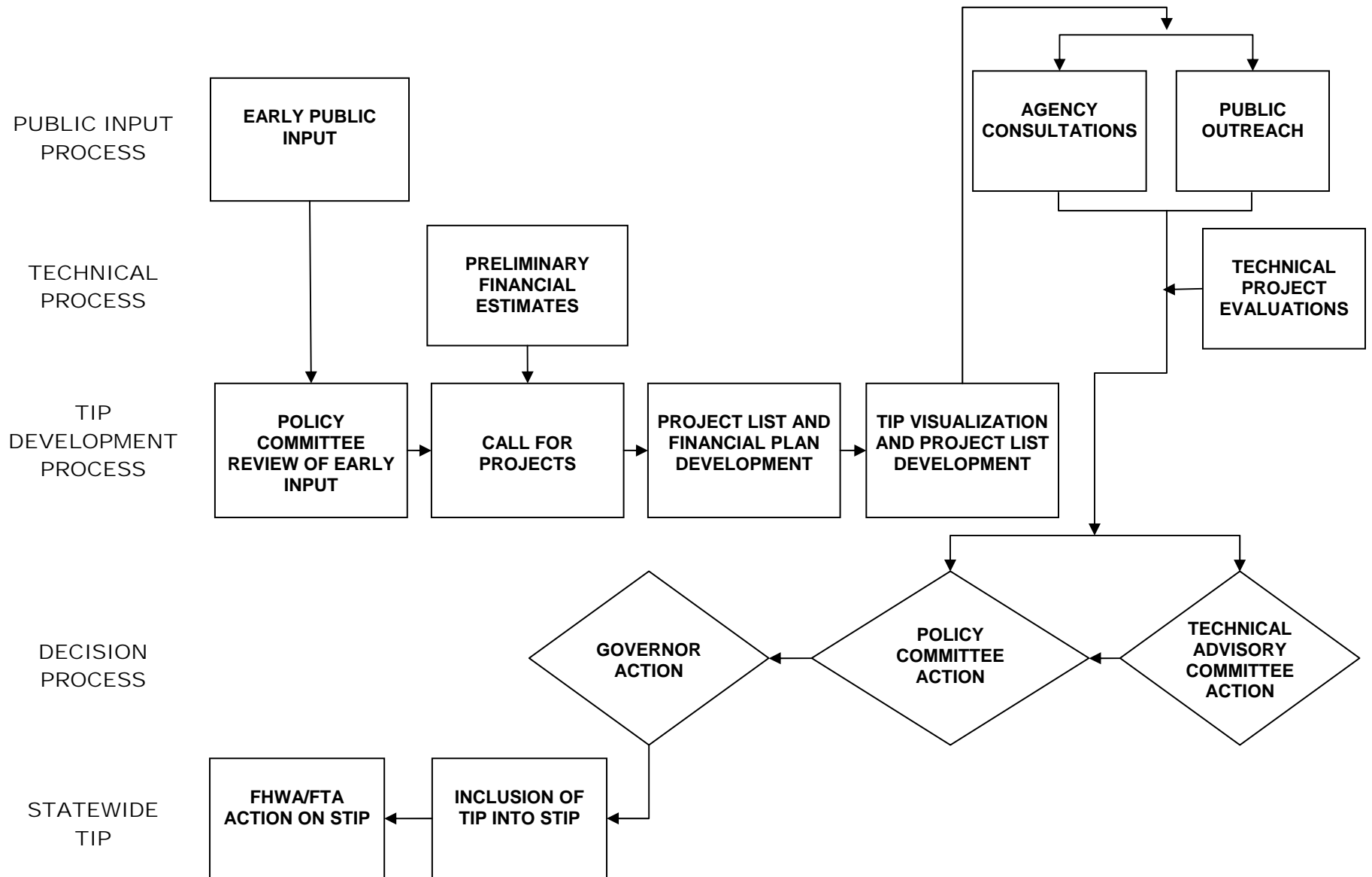
4.7 INCORPORATION OF THE TIP INTO THE STIP

Upon approval by the Policy Committee and the Governor's designee, the TIP is incorporated, without change, as the Oahu element of the STIP.

4.8 FHWA AND FTA ACTION ON THE STIP

The FHWA and FTA jointly determine whether the STIP is based on a statewide transportation planning process that meets federal requirements.

FIGURE 1: TIP PROCESS



5.0 REVISIONS TO THE TIP

The TIP covers a period of four years and a new TIP will be adopted every four years. The following administrative provisions have been established in order to ensure timely implementation and oversight of the TIP. A revision refers to a change to the TIP that occurs between triennial updates. A minor revision is an “administrative modification,” while a major revision is an “amendment.”²

5.1 ADMINISTRATIVE MODIFICATIONS

Administrative modifications are minor revisions to the TIP. The Policy Committee has identified two types of administrative modifications: pre-approved and expedited. These revisions do not require solicitation of public comment or redemonstration of financial constraint. However, the following must be true:

- The administrative modifications must not affect the financial constraint of the TIP;
- The administrative modifications must not result in the addition or deletion of another project, including the deferral of a project to a year that is outside of the four-year TIP; and
- The affected project’s implementing agency must concur with the actions.

5.1.1 Pre-approved Administrative Modifications

To prevent TIP procedures from becoming overly burdensome, federal regulations allow procedures for administrative modifications to be commensurate with its perceived impact. Recognizing the need to streamline the process for these minor changes, the Policy

Committee has pre-approved certain administrative modifications as long as the following are true:

- The sum of regular formula FHWA funds programmed for Oahu is not reduced; and
- The administrative modification does not change the design concept or scope of the project, or the prescribed environmental determination under the National Environmental Policy Act (NEPA) process.

The Policy Committee is provided with copies of pre-approved administrative modifications.

5.1.2 Expedited Administrative Modifications

Requests for expedited approval of administrative modifications are submitted directly to the Policy Committee without prior review by the Technical Advisory Committee or solicitation of public comment.

5.2 AMENDMENTS

Amendments are revisions to the TIP that involve a major change to a project in the TIP. TIP amendments are submitted to the Technical Advisory Committee, the Policy Committee, and the Governor’s designee for action. Financial constraint is redemonstrated, and the technical project evaluations are reevaluated. Public comments are also solicited based on the strategies and procedures outlined in the *OahuMPO Participation Plan*.

5.3 REVISION EXAMPLES

Table 2 below provides examples of administrative modifications and amendments.

² As defined in 23 CFR 450.104.

TABLE 2
Examples of Administrative Modifications and Amendments

Revision	A. Pre-Approved Administrative Modification	B. Expedited Administrative Modification	C. Amendment*
Project	<ol style="list-style-type: none"> 1. Advancing a project from its programmed year if it is ready-to-go.** 2. Deferring a project to a later year within the current TIP if it is not ready-to-go as originally programmed. 3. Revising, clarifying, or expanding a project’s description as long as the project’s scope is not modified. 4. Splitting or grouping projects (e.g., guardrail replacement or bridge rehabilitation) as long as the scope remains unchanged, and the funding amounts stay within the guidelines in Table 2, C.8. 5. Adding or deleting projects from grouped listings as long as the funding amounts stay within the guidelines in Table 2, C.8. 6. Revising projects that are included in the TIP for illustrative purposes. 	<ol style="list-style-type: none"> 1. Changing the scope of a project to accommodate prescribed actions made under NEPA processes and requirements. 2. Changing the size of revenue rolling stock (e.g., vans, 30’ buses, 40’ buses, 60’ buses) if the change results in a change in the total carrying capacity by 20 percent or less. 3. Changing the quantity for revenue rolling stock that exceeds 20 percent (plus or minus) of the original quantity, if the change in quantity results in a change in the total carrying capacity by 20 percent or less. 	<ol style="list-style-type: none"> 1. Adding a project to the TIP. 2. Deleting a project from the TIP, including deferring a project to a year that is outside of the four-year TIP. 3. Modifying the design concept or design scope of a programmed project (e.g., changing the project termini or the number of through traffic lanes). 4. For projects programmed with FTA funds, a change in a project’s scope is considered “major” if the change materially alters the objective or description of the project, or the size, type, or quantity of items. Examples include: <ol style="list-style-type: none"> a. Changing from replacement buses to expansion buses (and vice versa); b. Changing the size of revenue rolling stock (e.g., vans, 30’ buses, 40’ buses, 60’ buses) if the change results in a change in the total carrying capacity by more than 20 percent. c. Changing the quantity for revenue rolling stock that exceeds 20 percent (plus or minus) of the original quantity, if the change in quantity results in a change in the total carrying capacity by more than 20 percent.

TABLE 2, CONTINUED

Revision	A. Pre-Approved Administrative Modification	B. Expedited Administrative Modification	C. Amendment
Project Phase ***	7. Deleting or deferring a project phase to a year that is outside of the four-year TIP, as long as another phase of the project remains in the TIP and the project's scope is not modified.	4. Adding a project phase to an existing project, as long as the phase is estimated to be \$3 million or less and the project's scope is not modified.	5. Adding a project phase to an existing project, if the phase is estimated to be more than \$3 million. 6. Deferring a project phase to a year that is outside of the four-year TIP, when there are no other project phases in the TIP and the project's scope is modified.
Funding Source	8. Revising the source of federal funds designated for a project to reflect a different funding program administered by the same U.S. DOT operating agency (e.g., NHS to STP). 9. Changing a project's funding from federal to local or state funding. 10. Adding additional federal funding, such as congressional earmarks or discretionary funds, to a project currently included in the TIP.	5. Changing a project's funding from local or state funds to federal funds.	7. Switching from FTA to FHWA funds (and vice versa).
Cost Estimates	11. Revising the amount programmed for a project phase to reflect changes in cost estimates, as long as it does not meet the thresholds identified in Table 2, C.8.	6. Reducing the sum of regular formula FHWA funds programmed for Oahu.	8. Revising the amount programmed for a project phase, if all of these thresholds are met: a. The total estimated project cost, after the revision, exceeds \$10 million; and b. The amount programmed for the federal portion of the project cost is increased by more than 50%; and c. The total estimated project cost is increased by more than \$3 million.

TABLE 2, CONTINUED

Revision	A. Pre-Approved Administrative Modification	B. Expedited Administrative Modification	C. Amendment
<p>TABLE 2 FOOTNOTES</p> <p>* Amendments include revisions that are not listed as administrative modifications.</p> <p>** Projects must be “ready-to-go” in the year that they are programmed to be funded. Projects must have cleared previous federal requirements, which include:</p> <ul style="list-style-type: none"> a. Construction projects must have FHWA-approved Plans, Specifications, and Estimates (PS&E). b. For projects heading into construction, land for the project must also have already been acquired. c. Design projects must have cleared all NEPA requirements. d. Rights-of-Way acquisition cannot occur without clearing NEPA requirements. e. All projects must also have the appropriate matching local funds in place. <p>*** For example, design or right-of-way, as defined in 23 CFR 450.324(e). Refer to Section 1.2.4 for a list of project phases.</p>			

6.0 PROJECT MONITORING

6.1 SEMI-ANNUAL STATUS REPORTS

The Policy Committee is provided with semi-annual status reports of progress toward TIP project implementation in order to monitor and, if needed, revise the program.

A report prepared in April of each year covers the period from October of the prior year through March of the current year. A report prepared in October of each year covers the period from April through September of the current year. The reports include the projects programmed for the year the reporting period covers. The following information is provided for each project:

- Current cost estimates;
- Status of the project; and
- Whether the project has been obligated.

6.2 ANNUAL LISTING OF OBLIGATED PROJECTS

Every year, OahuMPO, HDOT, and DTS cooperatively develop a listing of projects for which federal funds were obligated in the preceding year. Investments in pedestrian walkways and bicycle transportation facilities are included in this list. This list is posted on the OahuMPO website and provided to the Policy Committee.

7.0 FINANCIAL PLAN

The primary sources of revenues used to support the surface transportation system for Oahu have been, and will continue to be, the federal, State, and local governments. Federal funds are provided through the FHWA and the FTA. The FFYs 2011-2014 TIP is financially-constrained – that is, there is a reasonable expectation that projects can be implemented using committed, available, or reasonably available federal and local funding.

An inflation factor was used in the financial assumptions to reflect “year of expenditure” dollars. In December 2007, HDOT set a flat inflation rate of 4% for all STIP projects. Therefore, agencies were requested to apply a 4% inflation factor to all project estimates.

7.1 FUNDING SOURCES

7.1.1 FHWA Program

The FHWA funds are appropriated annually by Congress. SAFETEA-LU is the authorization bill that governs federal surface transportation spending. It was signed into law by President George W. Bush on August 10, 2005 and expired as of September 30, 2009. SAFETEA-LU was extended through 2010 by the Continuing Appropriations Resolution, 2010 (Public Law 111-68), as amended.

About \$140-\$150 million in obligation authority is estimated to be available for the entire *State of Hawaii* each fiscal year. Detailed information on the revenues estimated to be available for the State of Hawaii is available in HDOT’s FFYs 2011-2014 STIP. The TIP focuses on transportation programs and projects for the *island of Oahu* only.

In developing the FFYs 2011-2014 TIP, OahuMPO, HDOT, and DTS cooperatively formulated estimates of FHWA funds that were reasonably expected to be available for projects on the island of Oahu. These estimates were based on historic data. It was estimated

that about \$78 million would be available annually for projects sponsored by the State of Hawaii, and about \$17 million would be available for projects sponsored by the City and County of Honolulu, for a total of about \$95 million for the island of Oahu.

Under SAFETEA-LU, HDOT may transfer apportionments from one program to another (with associated repercussions). For example, HDOT may transfer up to 50% of its National Highway System apportionment to the Statewide Transportation Program apportionment. Therefore, the total amount of FHWA funds programmed is key. However, although this provides more immediate flexibility, transferring from one fund type to another reduces the ability to follow through with the intent of the fund and temporarily eliminates the possibility of applying for certain discretionary funds.

FHWA funding sources include:

- Congestion Mitigation Air Quality Improvement Program;
- Discretionary funds;
- High Priority Projects Program;
- Highway Bridge Program;
- Highway Safety Improvement Program;
- Interstate Maintenance Program;
- National Highway System funds;
- Recreational Trails Program
- STP Flexible funds; and
- Transportation Enhancement Program.

Each of the funding sources is described below.

Congestion Mitigation and Air Quality Improvement Program

The Congestion Mitigation and Air Quality (CMAQ) Improvement Program provides funding for transportation projects or programs that will contribute to attainment or maintenance of the national ambient air quality standards for ozone, carbon monoxide, and particulate matter. Because Oahu is an air quality attainment area, CMAQ funds provide a flexible funding source for transportation projects.

Discretionary Funds

Discretionary funds are additional funds (not formula funds) that the federal government may decide to award to the region. Examples include Transportation, Community, and System Preservation funding; Public Lands Highways funding; and congressional allocations.

High Priority Projects Program

The High Priority Projects Program provides designated funding for specific projects identified in SAFETEA-LU.

Highway Bridge Program

The Highway Bridge Program provides funding to improve the condition of highway bridges through replacement, rehabilitation, and systematic preventive maintenance. Bridge On-System funds are those for use on the Federal-aid highway system. Bridge Off-System funds are those for use not on the Federal-aid highway system.

Highway Safety Improvement Program

The purpose of the Highway Safety Improvement Program (HSIP) is to reduce traffic fatalities and serious injuries on all public roads. Funds may be used for projects on any public road or publicly owned bicycle and pedestrian pathway or trail

Interstate Maintenance Program

The Interstate Maintenance Program provides funding for resurfacing, restoring, rehabilitating, and reconstructing routes on the Interstate System. The Dwight D. Eisenhower National System of Interstate and Defense Highways retains a separate identity within the National Highway System.

National Highway System

The National Highway System (NHS) provides funding for improvements to rural and urban roads that are part of the NHS, including the Interstate System and designated connections to major intermodal terminals. The NHS includes the Interstate Highway System, as well as other roads important to the nation's economy, defense, and mobility.

Recreational Trails Program

The Recreational Trails Program provides funds to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses. Federal transportation funds benefit recreation, including hiking, bicycling, in-line skating, equestrian use, cross-country skiing, snowmobiling, off-road motorcycling, all-terrain vehicle riding, four-wheel driving, or using other off-road motorized vehicles.

Surface Transportation Program (STP) Flexible (STP Flex)

The Surface Transportation Program provides flexible funding that may be used for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, and public bus terminals and facilities.

Transportation Enhancement Program

The Transportation Enhancement Program funds activities or projects that add community or environmental value to any active or completed transportation project, and are over and above what is

required for normal environmental mitigation for transportation improvements. The maintenance of these projects is not eligible for those funds. Ten percent of federal funds distributed to the STP are dedicated to transportation enhancement activities.

7.1.2 FTA Program

For financial constraint purposes, FTA formula apportionments, as estimated for FFYs 2011 and 2012 (http://www.fta.dot.gov/index_4696.html#Transit_Funding_Information), were used. For FFYs 2010 to 2011, the nationwide funding level is assumed to grow at an annual rate of 2.1%, consistent with the Congressional Budget Office forecast of the Highway Trust Fund revenues through 2016. The share of Honolulu and Kailua apportionments are assumed at the SAFETEA-LU level of 0.693%.

FTA funds include:

- §5307 Urbanized Area Formula funds;
- §5309 Bus Capital funds;
- §5309 Fixed Guideway Modernization funds;
- §5309 New Starts (Ferry Allocation) funds;
- §5309 New Starts (pre-2005) funds;
- §5316 Job Access and Reverse Commute Program; and
- §5317 New Freedom Program

The following sections describe the various funding sources for FTA programs.

Urbanized Area Formula Program, 49 U.S.C. §5307 (Section 5307) and Growing States and High-Density States Formula Program, 49 U.S.C. §5340 (Section 5340)

Section 5307 may be used for federal capital, operating, and planning assistance for transit in Urbanized Areas (UZAs), although operating assistance is generally not an eligible expense for UZAs with populations of 200,000 or more. A UZA is an area with a population of 50,000 or more that has been defined and designated as such in the most recent decennial census by the U.S. Census Bureau.

The City and County of Honolulu (City) is the designated recipient of funds apportioned to the Kailua-Kaneohe and Honolulu UZAs. The funds are apportioned based on legislative formulas, with different formulas applying to UZAs with populations less than 200,000 and UZAs with populations of 200,000 or more. The Kailua-Kaneohe UZA apportionment formula is based on population and population density statistics from the most recent decennial census. The Honolulu UZA apportionment formula is based on a combination of population and population density statistics, and validated mileage and transit service data in FTA's National Transit Database (NTD). FTA will use data from NTD report year (RY) 2009 to apportion FFY 2011 funds, RY 2010 for FFY 2012 funds, and so on.

One percent of funds appropriated for Section 5307 is set aside for Small Transit Intensive Cities (STIC). FTA apportions these funds to UZAs under 200,000 in population that operate at a level of service equal to or above the industry average level of service for all UZAs with a population of at least 200,000, but not more than 999,999, in one or more of six performance categories. FTA also apportions funds to urbanized areas under Section 5340 Growing States and High-Density States formula factors based on State population forecasts for 15 years beyond the most recent Census. Based on language in the SAFETEA-LU conference report, FTA consolidates the Section 5307, STIC, and Section 5340 amounts and identifies a single apportionment amount for each UZA. Section

5307 funds are available during the year of apportionment plus an additional three years, for a total of four years.

Section 5307 funds are programmed for transit vehicles and facilities, preventive maintenance, and a transfer to FHWA for use in the State of Hawaii's vanpool program. FTA allows all maintenance costs as reported to the NTD to be eligible for capital assistance under "preventive maintenance." The amounts programmed for transfer to FHWA represent the estimated incremental increase of Section 5307 funds apportioned to the City attributable to vanpool operating data from the NTD.

FTA Capital Investment Program, 49 U.S.C. §5309 – Fixed Guideway Modernization

Fixed Guideway Modernization (FGM) funds are apportioned by a statutory tiered formula to fixed guideway systems at least seven years old. In the City's case, the term "fixed guideway system" refers to facilities on which bus service operates on exclusive or controlled rights-of-way (e.g., Hotel Street), and high-occupancy vehicle lanes. Like the Section 5307 funds, NTD data is used to apportion FGM funds; the funds are available during the year of apportionment plus an additional three years, for a total of four years. Transit vehicles are the only programmed use for these funds.

FTA Capital Investment Program, 49 U.S.C. §5309 – New Starts

New Starts funds are discretionary and are usually allocated by Congress. The New Starts program provides funds for construction of new fixed guideway systems or extensions to existing fixed guideway systems. Eligible purposes are light rail, rapid rail (heavy rail), commuter rail, monorail, automated fixed guideway system (such as a "people mover"), or a busway/high-occupancy vehicle facility, Bus Rapid Transit that is fixed guideway, or an extension of any of these. Annual allocations of New Start funding are also made available to Alaska and Hawaii for ferryboats and to the Denali Commission in Anchorage.

The financial plan identifies three types of New Starts funds:

- Pre-FFY 2005 allocation that was extended until expended by the Conference Report on House Report 418, Consolidated Appropriations Act, 2005 (H.R. 108-792). These funds can be used for replacement, rehabilitation, and purchase of buses and related equipment and construction of bus-related facilities. The programmed use of these funds is to purchase transit vehicles.
- Post-FFY 2005 allocation for new fixed guideway systems or extensions to existing fixed guideway systems. These funds are programmed for the Honolulu High-Capacity Transit Corridor Project.
- Ferry allocation for Hawaii. These funds were programmed for the Intra-Island Ferry Project that ended service in December of 2009.

The Post-FFY 2005 and the ferry allocations were available during the year of allocation plus two additional years, for a total of three years dependent on availability of local matching funds.

FTA Capital Investment Program, 49 U.S.C. §5309 – Bus & Bus-Related Facilities

Funds for Bus and Bus-Related Facilities (Bus Capital) funds are discretionary and are allocated for specific uses. Honolulu received \$1.3 million dollars in 2009. Transit vehicles and facilities are programmed with these funds.

FTA Job Access and Reverse Commute Program, 49 U.S.C. §5316 (JARC) and FTA New Freedom Program, 49 U.S.C. §5317

The JARC program provides formula funding to states and designated recipients to support the development and maintenance of job access projects designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment, and for reverse commute projects

designed to transport residents of UZAs and other than urbanized to suburban employment opportunities.

The New Freedom program provides new public transportation services and public transportation alternatives beyond those currently required by the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) that assist individuals with disabilities with transportation, including transportation to and from jobs and employment support services.

Governor Linda Lingle designated the City & County of Honolulu as the recipient for JARC and New Freedom funds apportioned to the Honolulu UZA, and the HDOT as the designated recipient for funds apportioned to the Kailua-Kaneohe UZA and non-urbanized areas.

HDOT transferred its apportionment of FFY 2007 and FFY 2008 JARC and New Freedom funds for small urbanized areas to the City and County of Honolulu for use in the City's human services transportation coordination program. It is anticipated that these transfers will continue in the future.

The TIP identifies specific types of statutorily required coordinated public transit-human services transportation projects.

7.1.3 "Flexible" Funds

The Federal Highway and Transit Laws authorize certain funds to be "flexible." For example, FHWA Surface Transportation Program funds can be transferred from FHWA to FTA for use in transit projects, while FTA Urbanized Area Formula funds may be available for highway projects. The financial plan assumes that FTA Urbanized Area Formula funds will be "flexed" to FHWA for the State of Hawaii's Vanpool Program to the extent that OahuMPO is able to certify that:

- The funds are not needed for investments required by the Americans with Disabilities Act of 1990, as amended;

- A notice and opportunity for comment and appeal have been provided to affected transit providers during the public outreach period for the FFYs 2011-2014 TIP; and
- Local funds proposed for the non-federal match are eligible to provide assistance for either highway or transit projects.

The amounts programmed for transfer to FHWA represent the estimated incremental increase of Section 5307 funds apportioned to the City attributable to vanpool operating data from FTA's National Transit Database.

7.1.4 Advance Construction

Some of the projects in the TIP are sometimes programmed using this innovative financing technique. Advance construction is a technique which allows a state to initiate a project using non-federal funds while preserving eligibility for future federal-aid funds. Eligibility means that FHWA has determined that the project technically qualifies for federal-aid. After an advance construction project is authorized, the State may convert the project to regular federal-aid funding, provided federal funds are made available for the project.

7.1.5 Local Funds

State of Hawaii Funds

The State of Hawaii imposes taxes, fees, and charges relating to the operation and use of motor vehicles on the public highways of the State. These funds are deposited into the State Highway Fund, established under Section 248-8 Hawaii Revised Statutes. Monies deposited in the State Highway Fund are used for acquisition, planning, design, construction, repair, and maintenance of the State Highway System.

The current taxes, fees, and charges deposited into the State Highway Fund consist of:

- Highway fuel taxes;
- Vehicle registration and licensing fees;
- Vehicle weight tax;
- Motor vehicle rental and tour vehicle surcharge taxes.

Other miscellaneous sources of revenue include interest earnings on monies previously credited to the State Highway Fund, vehicle weight tax penalties, certain rental income from State Highway System properties, passenger motor vehicle inspection charges, overweight permits, sales of surplus lands, commercial license fees, and other miscellaneous revenues.

Every other year, the Governor submits to the State Legislature the Administration's biennium budget. The Legislature reviews the biennium budget in detail and authorizes all or a portion of the biennium budget and the individual capital improvement projects.

Authorization of the operating and capital improvement budgets by the Legislature, as part of the biennium budget, includes the appropriation of monies from designated sources. These appropriations authorize the funding for the local match for the State's federal-aid projects in the TIP.

City and County of Honolulu Funds

Where local funding is identified in the FFYs 2011-2014 TIP for City projects, City funds from existing revenue sources are programmed. The City exercises independent authority under the Hawaii State Constitution to assess, levy, and collect real property taxes. The Hawaii Revised Statutes authorizes the City to fix the fees and charges for all public services not otherwise provided for by the State and to issue general obligation bonds to finance its public improvement projects.

Under its Revised Charter, the City enacts balanced operating and capital budgets annually. The City operates on a 12-month fiscal year that begins on July 1st and ends on June 30th of the succeeding year. Appropriations authorized in the executive capital budget ordinance or any supplementary appropriation is valid for the fiscal year for which appropriation is made and twelve months thereafter; e.g., funds appropriated by the FFY 2010 capital budget ordinance are valid from July 1, 2009 until June 30, 2011 (Federal Fiscal Year 2011, quarter 2).

The City's bus preventive maintenance costs are funded by the City's annual operating budget. The Federal share of preventive maintenance costs are programmed on a reimbursable basis; i.e., funds appropriated for the City's FFY 2009 operating budget paid for preventive maintenance costs, and the Federal reimbursement was applied for and received in FFY 2009.

While it is anticipated that local funding will be available at the levels programmed in this document, enactment of the City's annual budget ordinances are still required.

7.2 ANNUAL FINANCIAL PLANS FOR MAJOR PROJECTS

Title 23 United States Code Section 106 requires recipients of Federal financial assistance for projects to develop an annual Financial Plan for those projects that fall into either of the following two tiers:

- Projects with an estimated total project cost of \$500 million or more (Major Projects - 23 USC 106(h)); or
- Projects with an estimated total project cost between \$100 million and \$500 million (Major Projects Other - 23 USC 106(i)).

At the FHWA Hawaii Division Administrator's discretion, projects within the State of Hawaii that fall in the range of \$90-\$100 million may also be required to prepare a Financial Plan.

Projects meeting these thresholds shall have Financial Plans and Annual Updates prepared by the Project Owner. The Project Owner can determine the effective date of the Annual Update submission. It could be on the anniversary of the initial financial plan or coincide with the State's fiscal year.

The FHWA Hawaii Division may provide assistance in developing Financial Plans and obtaining a Financial Plan template for Major Projects. For more information about Major Project requirements and Major Project financial plans, see the following FHWA websites:

- <http://www.fhwa.dot.gov/programadmin/mega/>; and
- <http://www.fhwa.dot.gov/programadmin/mega/fplans.cfm>.

7.3 FINANCIAL CONSTRAINT TABLES

The tables following the project information sheets demonstrate the financial constraint of each of the funding sources for each fiscal year.

7.3.1 FHWA Financial Constraint

The FHWA program is financially constrained, as demonstrated in the financial constraint tables following the project information sheets. As discussed earlier, the amount of FHWA funds estimated to be available for projects on Oahu is determined through a cooperative agreement between OahuMPO, HDOT, and DTS. Information on the revenues estimated to be available for the entire State of Hawaii is available in the HDOT's FFYs 2011-2014 STIP.

7.3.2 FTA Financial Constraint

The FTA program is financially constrained, as demonstrated by the financial constraint tables following the project information sheets.