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## In My Opinion

# Cayetano says Honolulu can't afford rail system

## Paying to operate and maintain rail will force city to either cut core services or raise taxes candidate claims

By Ben Cayetano

Earlier this month, with great fanfare, the city announced the release of the "Porter Report," a document prepared for the [Federal Transit Administration](#) by Porter & Associates Inc. to assess the City and County of Honolulu's \$5.26 billion rail financial plan.

[Honolulu Authority for Rapid Transportation](#) officials proudly say the report vindicates their scheme to build the most-expensive public works project in the history of the Aloha State.

Not so fast.

According to Porter, the city's subsidy of rail's operating and maintenance costs will grow from 10 percent to 19 percent, a 90 percent or \$201 million increase over 10 years. To put this number in perspective, in order to subsidize rail we'll need revenues equivalent to 85 percent of the entire Police Department's \$237.1 million budget.

How do we pay for rail's growing operating and maintenance costs?

There are two options: We can either cut core services or we'll need to raise taxes.

Neither of these are good solutions. The [Honolulu Star-Advertiser] is full of letters to the editor, complaining about the recent cuts in the bus system.

Likewise, increased taxes are taking a toll on citizens.

Just a few days ago, KITV reported that the Board of Water Supply is overwhelmed with phone calls — up to 700 a day — from residents who are having difficulty paying their bills.

What happens when the bimonthly sewer/water bill increases to \$396 for an average household of four in 2017, up from \$116 in 2005 — a 241 percent increase?

The reality is, to pay for rail and keep public services at their current level, taxes will need to increase annually by at least 11 percent by 2021, an additional \$533 per household.

What taxes and fees could be increased to cover rail's deficits?

To get a clue, let's look at [mayoral candidate] [Kirk Caldwell](#)'s City Hall record for 2010 and 2011.

As managing director in the Hannemann administration, he raised residential property taxes by 4 percent.

Here's what else he did:

- 67 percent increase in vehicle weight tax,
- 25 percent bus fare increase,
- 40 percent highway beautification increase,
- 25 percent increase in golf fees,
- 57 percent increase in senior golf fees,
- 50 percent increase in adult resident zoo admission fee,
- 200 percent increase in the zoo admission fee for children,

- 300 percent increase in parking rates at the Honolulu Zoo.

The Porter Report leads me to believe this is only the beginning of new taxes that will have to be levied to pay for rail.

Here's why: Historically, heavy-rail projects in this country average cost overruns of 40 percent. If Honolulu matches the historical average, Oahu residents will shoulder an additional tax burden of \$1,023 per household.

Think I worry too much about cost overruns?

To answer that question, let's look at the city's recent track record when it comes to construction projects:

- Beachwalk went from \$8 million to \$48 million (+500 percent).
- Sand Island Wastewater Treatment Plant expansion went from \$60 million to \$247 million (+311 percent).
- Sand Island Wastewater Treatment Plant UV disinfection facility went from \$20 million to \$178 Million (+790 percent).

Already, the city has spent about half-a-billion dollars on rail and we've only completed 2 percent of construction. The city's delay claims have cost taxpayers a total of \$114 million and counting.

The airwaves are full of Kirk's promises.

He says he will not only build us a shiny new train but will fix the sewers, roads and the water system while providing fire, police and EMS the resources they need to do their jobs.

What he neglects to explain is where the funding will come from.

Kirk, how are you going to raise the money?

Where is your financial plan?

*Ben Cayetano was governor of Hawaii from 1994 to 2002 and is running against Kirk Caldwell for mayor of Honolulu in the Nov. 6 election.*