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How Honolulu's Rail Compares to Other Federally Funded Projects

It's common for rail projects to have cost overruns, but few are as large as Honolulu's.

Noelle Fujii-Oride

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These numbers come from a July 27, 2021, policy brief, "Cost Overruns and Ridership Shortfalls," written by Randal O'Toole, a rail critic and senior fellow specializing in land-use and transportation issues at the Cato Institute. O'Toole is also the author of The Antiplanner blog. His brief contains a list of 75 federally funded urban transit lines that were completed between 1986 and 2015. We asked O'Toole which projects would be the best to compare Honolulu with.

URBAN AREA	Miami	Salt Lake City	San Juan	San Diego	Seattle	Honolulu
MODE	Automated Guideway	Light	Heavy	Hybrid	Light	Heavy ***
LINE	Metromover	I-15	Tren Urbano	Sprinter	Link	Honolulu Rail Transit Project
YEAR COMPLETED	1988	1999	2005	2008	2009	Expected March 2031
ROUTE MILES	21.0	15.0	10.6	22.0	15.6	20.0
PREDICTED COST *	\$84 million	\$206 million	\$1.086 billion	\$214 million	\$1.858 billion	\$5.057 billion
ACTUAL COST *	\$175 million	\$299 million	\$2.228 billion	\$478 million	\$2.558 billion	\$11.371 billion (current estimate)
DIFFERENCE	108%	45%	105%	124%	38%	125%
PREDICTED RIDERSHIP **	41,000	26,500	114,492	11,995	34,900	116,000
ACTUAL RIDERSHIP	16,836	22,100	31,749	6,600	23,400	100,000 (current estimate)
DIFFERENCE	-59%	-17%	-72%	-45%	-33%	-13%
INFLATION-ADJUSTED COST PER MILE (2021)	\$18 million	\$34 million	\$306 million	\$29 million	\$220 million	\$569 million

O'Toole pulled the cost numbers from Federal Transit Administration analyses, which used different predicted cost numbers. Earlier analyses looked at the cost projections when agencies were comparing alternatives, like rail versus bus or highway improvements. More recent analyses took estimates made at the beginning of preliminary engineering, a much later stage, when other alternative modes have already been discarded.

He writes in his brief: “The only alternatives to be considered are different routes. With no competition from other alternatives, costs can be higher without overtly admitting that bus or some other mode might be better. Thus, one of the reasons why cost overruns appear to have declined in recent years is that the FTA is using cost projections made at a later stage in the process.”

Honolulu’s \$5.057 billion predicted cost was the estimated amount when the project entered preliminary engineering.