



MEDIA STATEMENT

November 12, 2018
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FOR IMMEDIATE RELEASE

Construction Authority Announces Plan to Deliver Majority of Foothill Gold Line Light Rail Project Two Years Ahead of Schedule

New plan adjusts to unfavorable economic conditions and risk reflected in recent bid proposals

Today, the Foothill Gold Line Construction Authority (Construction Authority) announced a proposed plan to deliver nearly 70% of the Foothill Gold Line light rail extension from Glendora to Montclair at least two years ahead of schedule and avoid tens of millions of dollars annually in market escalation and risk money proposed by the four design-build teams competing for the Glendora to Montclair Alignment contract; while also increasing the budget for the 12.3-mile, six station light rail project by \$570 million to a total project budget of \$2.1 billion. The proposed plan is subject to environmental approval.

The need for the proposed plan follows receipt of bids by the four teams competing for the design-build contract. All four bids reflect a significant unfavorable shift in market conditions since the agency completed the project estimate two years ago. When added with current unknowns and risk within the construction industry locally and nationally, these factors resulted in the long-term construction project becoming especially expensive and risky for bidders.

In response, the Construction Authority is proposing to revise the phasing of project construction to deliver the first eight miles of the 12.3-mile light rail extension (including delivery of the Glendora, San Dimas and La Verne stations) at least two years ahead of the original schedule, while working to secure the additional funding necessary to complete the project to Montclair.

If the plan is approved, the agency can deliver it within the ongoing design-build procurement by asking bidders to provide revised bids for the first eight miles of the project and including an option that would allow the winning team to complete the full project to Montclair if funding is secured within two years of Notice to Proceed. The anticipated benefits of this revised plan, if approved, include:

- Completion of the majority of the Glendora to Montclair light rail extension at least two years ahead of the original schedule, including: delivery of three new stations, 65% of the grade crossings, 72% of the structures, and 80% of the freight system relocation.
- Saving tens of millions of dollars annually in escalation being charged at historically high market rates, by eliminating years off the original construction schedule.
- Isolating costs associated with building the vastly more complicated and risk-burdened eastern portion of the project that shares a corridor with Metrolink.
- Providing the Construction Authority flexibility for procuring the eastern portion of the project to ensure the best price, including the potential to complete the extension to Montclair as part of the ongoing procurement and the opportunity to re-procure it separately if market conditions improve.

In order to conduct the necessary environmental review associated with the La Verne Station becoming a possible interim terminus if full funding is not secured in time to build to Montclair during this contract, it is expected that any award of the design-build contract would be delayed by six months.

At the next Construction Authority board meeting, staff will provide an update on the procurement plan, including recommending the increase to the agency's project budget.

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About the Foothill Gold Line Construction Authority – The Foothill Gold Line Construction Authority is an independent transportation planning and construction agency created in 1998 by the California State Legislature to plan, design and build the Metro Gold Line light rail system from Union Station to Montclair, along the Foothills of the San Gabriel Valley. The agency completed the first segment from Union Station to Pasadena in 2003 and the Pasadena to Azusa segment in 2015; both on time and under budget. The agency began work on the Foothill Gold Line from Glendora to Montclair in 2003. The Glendora to Montclair project was environmentally cleared in March 2013 under the California Environmental Quality Act (CEQA) and completed advanced conceptual engineering in 2016. When completed, the extension will add new light rail stations in the cities of Glendora, San Dimas, La Verne, Pomona, Claremont and Montclair.

The project is being built in Los Angeles and San Bernardino Counties. The Los Angeles County portion will be funded mostly by Measure M, with residual funds from Measure R not used to complete the Pasadena to Azusa segment. San Bernardino County is responsible to fund their portion of the project from Claremont (in Los Angeles County) to Montclair (in San Bernardino County). The State of California is also providing funding for the project; which was awarded a \$290 million TIRCP grant earlier this year.