



## PRESS RELEASE

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FOR IMMEDIATE RELEASE

### **Construction Authority Board Receives Report on Plan to Deliver Majority of Foothill Gold Line Light Rail Project Two Years Ahead of Schedule**

*Board approves new financial plan that adjusts to unfavorable economic conditions affecting bid proposals*

**Monrovia, CA** – Yesterday, the Foothill Gold Line Construction Authority board of directors received a report on how the agency can 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 approving an increase in the overall project budget for the 12.3-mile, six station light rail extension of \$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 and updated budget follows receipt of bids by the four teams competing for the design-build contract that reflected a significant unfavorable shift in market conditions since the agency completed the project estimate in 2016. When added with current unknowns and risk within the construction industry locally and nationally, these factors resulted in bids coming in hundreds of millions of dollars above the project estimate and available funding.

“We bid the project during what has turned out to be a perfect storm,” explained Habib F. Balian, CEO of the Foothill Gold Line Construction Authority to the board. “It all comes down to bidding a long-term project in a very hot economic market, with material and labor costs at historic highs.”

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 80% of the freight relocation, 72% of the structures, 65% of the grade crossings and three of the light rail stations - Glendora, San Dimas and La Verne stations) in 2024 - two years ahead of the original schedule; while working to secure the additional funding necessary to complete the project to Montclair by 2028.

“The Metro team is committed to working closely with the Construction Authority to identify funding opportunities to build out the full project,” said Metro CEO Phillip A. Washington. “Not only is this project a key component of enhancing mobility in the San Gabriel Valley, but also a significant project to have in place in time for the 2028 Olympic and Paralympic Games.”

If the plan is approved, the agency can deliver it within the currently ongoing design-build procurement by asking bidders to provide separate bids for the first eight miles of the project and also for a contract 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. 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, the board was also provided an

update to the procurement schedule that showed a delayed expected contract award date of July 2019.

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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.