



Board Report

File #: 2019-0528, File Type: Project

Agenda Number: 36.

2nd REVISED
CONSTRUCTION COMMITTEE
JULY 18, 2019

SUBJECT: METRO GOLD LINE EXTENSION TO CLAREMONT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

DIRECT the Chief Executive Officer to:

- A. Finalize negotiations with the Gold Line Foothill Extension Construction Authority (Construction Authority) for Metro to commit \$126 million in order to ensure the extension of the Foothill Alignment to Pomona station; and
- B. Apply the San Gabriel Valley Subregional Equity funds to offset the Gold Line to Pomona shortfall.

ISSUE

New bids received by the Construction Authority in May 2019 for the Phase 1 alignment terminating in Pomona generated a funding shortfall, as anticipated in the January 2019 Metro Board Report. After cost savings are applied pursuant to the Metro Unified Cost Management Policy (UCMP) to reduce scope, apply value engineering and other cost reductions on the project, the remaining shortfall is \$126M. Preliminary cash flow projections indicate funds may be needed starting in 2023 during the course of the project in incremental amounts over approximately 4 years.

DISCUSSION

Background: The original Gold Line Foothill Extension to Claremont and beyond to Montclair is a proposed light rail transit (LRT) line starting from the existing Metro Gold Line Azusa station. The project development and construction is managed by the Construction Authority.

The Construction Authority received bids for constructing the original project alignment that exceed the budget by \$570 million. As a result of the high bids, the Metro Board, at the January 2019 meeting, approved a phased approach for implementing construction of the project. Phase 1 would complete the alignment to Pomona as the initial terminus station and Phase 2 would extend the line to Claremont and beyond to Montclair. Metro is committed to working with the Construction Authority

to continue to explore funding options for Phase 2 of the project to Claremont.

In accordance with the UCMP, funding shortfalls must be addressed with new local agency funding resources prior to the use of countywide or other funds. The Measure M Ordinance assigns funding sources including a Subregional Equity Program with total funding of \$199M (~~future dollars~~) through FY57 available for use on, as yet, unidentified Subregional projects in future years. In order to award the contract to the successful bidder and begin construction on Gold Line Foothill Extension Phase 2B, staff is seeking authorization from the Metro Board to identify these ~~future~~ funds as a source to offset the current Gold Line to Pomona project shortfall. Use of these funds on the Foothill Extension Project will be contingent upon consultation and written concurrence of the San Gabriel Valley COG. This will impact the San Gabriel region Subregional equity funds, ~~once discounted to the year of expenditure.~~

DETERMINATION OF SAFETY IMPACT

There are no safety impacts resulting from this Board report.

FINANCIAL IMPACT

There are no financial impacts to the FY20 budget resulting from this Board report. Sources of funds for the recommended action are ~~eligible Proposition A and Proposition C~~ local sales tax revenues and other regional funds, based on availability, in accordance with the cash flow needs of the project. The project manager will be accountable for budgeting the cost in future years.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Ensuring the delivery of the Gold Line Extension with a first phase to Pomona will assist in implementing the goals of the Metro Strategic Plan:

- Provide high-quality mobility options that enable people to spend less time traveling.
- Enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board may elect not to consider out-year funding sources identified in the Measure M Ordinance to address the Foothill Extension shortfall. However, resolution of the funding shortfall is critical for contract award for the Phase 1 segment to Pomona. Substantial delays may impact bid prices, State funding or other key transactions. Ultimately, the project may not proceed.

NEXT STEPS

Upon Board approval of this request, Metro will notify the Construction Authority of Metro's

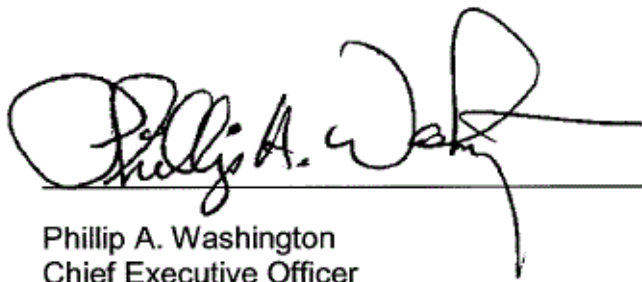
commitment to fund \$126 million for completion of the alignment to Pomona. The Construction Authority will finalize the bidding process and award a design-build construction contract to the selected bidder. Staff will continue to pursue a funding strategy for Phase 2 to Claremont and continue to coordinate with San Bernardino County to support development of the option to Montclair.

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