

Receive Update on and Discuss Diridon Construction Authority Proposal

**JPB AMP Committee
January 28, 2026**



Purpose

- Update on Diridon Program Construction Authority Concept and efforts to date
- Upcoming due diligence in coordination with Diridon Steering Committee



Program Timeline

2019-2025

- Planning Vision
- Station Alternatives Development and Community Engagement
- Alternative (~10% Design) and Diridon Program Approved
- **Construction Authority Concept Support**

2025-2028/29

- Operator coordination
- EIS/EIR
- **Establish Construction Authority**

TBD Final Design and Delivery TBD



Recommended Governance for Delivery Phase



Construction
Authority

- Construction Authority is an authorized entity legally empowered to plan, fund, manage, and deliver a project/program
- Temporary entity set up by state enabling legislation
- It is an effective way to advance a large capital project/program
- Singular mission to design and deliver – no competing priorities
- Leadership singularly focused on delivering project on time and on budget
- Proven model

What will the Construction Authority Deliver?

- Diridon Station At-Grade Alternative (\$3B - \$6B 2025 dollars)
- Rail crossing projects outside of station footprint:
 - San Carlos Bridge Replacement (auto, bus, bike, ped)
 - West Virginia Pedestrian and Bike Undercrossing
 - Auzerais Full Grade Separation
 - Park Avenue Reconfiguration
 - Reconfigure Stockton/Alameda
- Other:
 - Aesthetic/Sound Barriers
 - TOD (under consideration)

What is the Construction Authority Organization?

*Executive and
Community
Engagement
Vehicles TBD*



- ✓ *Steer & monitor*
- ✓ *Advocate*
- ✓ *Authorize*
- ✓ *Fiscal management*

**Executive
Director**

Staff Team

**Contracted
Services**



- ✓ *Funding & advocacy*
- ✓ *Design & engineering*
- ✓ *Procurement*
- ✓ *Construction*

Committee Presentations

- Discussions started in 2023
- Governance options developed and presented:
 - Diridon Station Joint Policy Advisory Board (JPAB) May 2024
 - Advocacy and Major Project Committee (AMP) July 2024
- Construction Authority concept presented:
 - JPAB Aug 2024
 - Information included in AMP and JPB packets

Construction Authority Scope Discussion

- Metropolitan Transportation Commission (MTC) requests consideration of a greater scope for the proposed Construction Authority
- MTC letter submitted to JPAB Dec 2024
- Executive discussions – not aligned but continuing

Peer Review (February 2025)

- Panel: Michael Allegra, Rick Clarke, Rick Thorpe
- Program risk scan
- Key findings related to Construction Authority
 - Single-project focused construction authority is good
 - It is more than an engineering bubble – it is an advocacy and funding agency
 - Everyone invited to the table should have a financial stake in the project
 - Board composition should be made up of project champions
 - Find Executive Director as soon as possible
 - Strong owner and construction authority relationship is a must

Work Ahead

Scope of Work

- Agreement Terms / Due Diligence
 - Station Owner (Caltrain)
 - Partner Agencies (City of San Jose, VTA, CHSRA, MTC)
 - Current Operators (ACE, CC, Amtrak, UP, CHSRA, VTA Light Rail)
 - Future Operators (CHSRA, BART, Airport Connector)
- Enabling Legislation

VTA: Santa Clara Valley Transportation Authority

CHSRA: California High Speed Rail Authority

ACE: Altamont Commuter Express Joint Powers Authority

CC: Capitol Corridor

UP: Union Pacific

BART: Bay Area Rapid Transit

Caltrain: Station Owner and Operator Priorities

- Safety first
- Rail system operations
- Manage risks
- Protect Caltrain ownership and investments

Due Diligence / Agreement Terms

Master Cooperative Agreement Objectives

- Establish binding governance and alignment in decision-making between the Authority and Partner Agencies.
- Define control of design and protocols for technical, financial, and operational aspects of the program.

Procurement of Contracts

- Authority will procure staff and consulting services, develop bid documents, award contracts, implement design and construction.
- Partner Agencies participate on contract Selection Panels.

Basis of Design and Construction

- Basis of Design – Partner Agency Design and Operations Criteria.
- Authority to produce Design and will be responsible for review and approval.
- Partner Agencies approve for compliance with Design Criteria

Communications and Dispute Resolution Process

- MCAs will define a Communications Plan for coordination between Authority, Partners, and the public.
- Disputes shall be resolved using the MCA Dispute Resolution Process with time protocols at each level.

Budget and Schedule

- Authority to develop a Baseline Budget and Schedule.
- Partner Agencies submit estimates for support cost to be included in the Budget.
- Contingency for Betterments to be included.

Substantial Completion and Turnback Process

- MCA Process for Safety and Start-Up Testing, Substantial Completion, Considerations for phased asset transfer, Turnback for public service and Asset Transfer back to Partner Agencies after Program Completion.

Enabling Legislation Content

Governance	Authorities	Staffing & Operations	Budget & Funding
Program, duties and relationship to Partners	Ability to accept funds and grants	Appointment of an Executive Director	Debt issuance & incurrence
Risk management	Acquisition of property, incl. eminent domain	Appointment of additional staff	Ability to accept funds and grants
Board composition			
Board member appointment	Debt issuance & incurrence	Ability to execute contracts with consultants	Dedicated funding (if applicable from State)
Board officer election/appointment	Execute contracts		
Board member term limits & length	Cooperative or joint development agreements	Post-delivery transition	
Code of conduct	Taxing authority		
Quorum	Relocation of highways/utilities		
Meeting frequency			
Dissolution	Duties and responsibilities		

Next Steps

- Discuss and form policy recommendation on purpose of the Construction Authority
- Complete Caltrain and partner agencies due diligence and draft agreement terms
- Construction Authority enabling legislation (2027)
 - Ready to go end of 2026