



October 9, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Programming Recommendation for the City of Newport Beach Project V Service

Overview

In September 2024, the Orange County Transportation Authority Board of Directors approved programming recommendations for the fifth Measure M2 Project V call for projects. At that time, the Board of Directors requested that staff work with the City of Newport Beach on operational refinements for its proposed Project V service. These efforts are now complete, and recommendations are presented for Board of Directors' review and approval.

Recommendations

- A. Approve Project V funding in the amount of \$2,624,060 for the City of Newport Beach's Balboa Island/Corona del Mar Local Area Transit Service.
- B. Authorize the Chief Executive Officer to negotiate and execute a cooperative funding agreement with the City of Newport Beach to support implementation of its proposed new Project V service.

Background

The Community-Based Transit Circulator Program (Project V) under Measure M2 (M2) provides funding to jurisdictions seeking to implement local transit services, which complement regional bus and rail service, while also meeting local needs in areas that may not be adequately served by regional transit. Project V provides funding opportunities for capital, initial marketing, operations, and maintenance, and is subject to minimum performance requirements, which are reported semi-annually to the Orange County Transportation Authority (OCTA) Board of Directors (Board). To date, four M2 Project V calls for projects (call) have been issued. Approximately \$96.8 million in M2 Project V funds have been awarded by the Board, with 22 services currently active, six services planned to start over the next two years, and one continuing service planned to start in 2029 when its existing Project V concludes.

On September 23, 2024, the Board awarded Project V funds to 13 local jurisdiction projects as part of a fourth M2 Project V call. At that time, the recommendation for the City of Newport Beach's (City) application for funding was deferred, primarily due to the need to further develop and refine the proposed service's operating scope and funding assumptions. The Board directed staff to continue working with the City on refinements to its proposal. In June 2025, the City completed the M2 Project V-funded Balboa Island/Corona del Mar Local Transit Feasibility Study (feasibility study), with OCTA transit planning staff input, which identified a traditional fixed-route trolley circulator service as the best option to meet the area's mobility needs

Discussion

In July 2025, the City submitted a revised application to OCTA, based on the recommendations in the feasibility study, to request funding for the new Balboa Island/Corona del Mar Local Transit Service. OCTA reviewed and scored the revised application and has now deemed the proposed service to be consistent with the overall objectives and intent of the M2 Project V program.

The Balboa Island/Corona del Mar Local Transit Service is a traditional fixed-route seasonal/weekend trolley circulator that serves neighborhoods and key activity centers within the zone that includes Balboa Island, Corona del Mar, Newport Center, and Newport Dunes, with a connection to the Balboa Peninsula area via the existing Balboa Peninsula Trolley (BPT). This service is intended to serve the local community and visitors, helping them make trips within the zone without using a personal vehicle. The Balboa Island and Corona del Mar areas have limited parking and are congested during the weekends and summer. A connection to the BPT will be made via the Balboa Ferry. The requested grant of \$2,624,060 will support 90 percent of the cost for initial marketing, purchasing of six vehicles, and operating and maintenance over a seven-year period. For more details on the project, see Attachment A.

Key revisions and clarifications that were provided in the July application included the following:

- Better defined scope of services (i.e., type of service, routing, and schedule),
- Better definition of proposed special event service types, parking lot availability (and capacity), and Americans with Disabilities Act considerations and proposed accommodations,

- More well-developed financial assumptions based upon typical costs and input from a potential vendor,
- Stronger coordination with currently active south Orange County Project V services, and
- Routing and level of service that considers previously successful Project V services.

Given these revisions, a programming recommendation of \$2,624,060 in M2 Project V funds to support initial marketing (\$18,000), capital (\$1,620,000), and operations and maintenance (\$986,060) for the Balboa Island/Corona del Mar Local Transit Service is now recommended for Board approval. The total cost for the service, including the City's required ten percent match, is estimated to be \$2,915,623.

Next Steps

Upon Board approval of the recommendations, staff will negotiate and execute a cooperative agreement with the City to determine roles and responsibilities with respect to service implementation, performance criteria, reimbursement, and payment processes. The City is anticipated to start the service in May 2027.

OCTA will continue to provide technical input on the service to the City upon request. Staff will also monitor the service and report on overall performance as part of twice yearly M2 Project V ridership reporting to the Board.

Summary

In September 2024, the Board directed staff to continue working with the City on revisions to its M2 Project V service proposal and application. These efforts are now complete, and staff is recommending that the Board award M2 Project V initial marketing, capital, operations, and maintenance funds to the City in order to support implementation of Balboa Island/Corona del Mar Local Transit Service.

Attachment

- A. Newport Beach Balboa Island/Corona del Mar Local Transit Service Description

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