

**Execute Term Sheet with the City of Newport Beach for
the Potential Relocation of the Newport Transportation
Center**





Background

- The Study is underway and launched in early February 2026
- As the Study has progressed, OCTA and City staff have continued to coordinate on the technical, operational, regulatory, financial, and implementation issues that would need to be addressed before any potential relocation of the NTC could proceed
- On June 22, 2026, the Board directed staff to continue negotiations on the term sheet with the City and execute an agreement within 30 days

Board – Board of Directors
City – City of Newport Beach
NTC – Newport Transportation Center
OCTA – Orange County Transportation Authority
Study – NTC Relocation Feasibility Study



Term Sheet Purpose

- The term sheet establishes a shared framework for OCTA and City coordination, and functions to:
 - Define major project phases, responsibilities, and decision points
 - Support objective evaluation of potential relocation sites
 - Identify key requirements before any relocation could occur
 - Guide future agreements that would return to the Board for consideration



Term Sheet Negotiations

- **May 5, 2026:** OCTA staff provided a draft term sheet to the City (Attachment A)
- **May 14, 2026:** City staff provided initial edits (Attachment B)
- **May 20, 2026:** OCTA and City staff met to discuss the term sheet and associated edits
- **May 21, 2026:** OCTA provided the City with a revised draft of the term sheet (Attachment C)
- **June 11, 2026:** Transit Committee presentation and action on term sheet
- **June 22, 2026:** Board presentation and action on term sheet
- **June 23, 2026:** OCTA followed up with the City requesting any additional edits
- **June 25, 2026:** City provided revisions to the term sheet
- **July 2, 2026:** OCTA provided a revised draft of the term sheet (Attachment D)
- **July 10, 2026:** City provided a revised draft with minor formatting revisions, forming the final term sheet (Attachment E)



Term Sheet Framework

- Key Terms
 - Mutually acceptable relocation site required
 - Site evaluation criteria jointly developed and consistently applied
 - City to fund 100 percent of project costs for a functionally equivalent replacement transit center unless otherwise agreed
 - Advancement between phases requires future agreement on scope, schedule, costs, and funding
 - Either party may decline to proceed if key issues cannot be resolved
 - If project proceeds through all phases, transition to new site could occur in 2031



Term Sheet Limitations

- The term sheet does not:
 - Approve relocation of the NTC
 - Select a replacement site
 - Commit OCTA to dispose of the existing NTC site
 - Commit OCTA funds for project delivery
 - Commit the City to approve or fund a replacement site
 - Approve construction of a replacement facility
 - Predetermine environmental review
 - Limit future Board discretion



Service Continuity and Conditions for Relocation

- Relocation Cannot Occur Until:
 - Replacement site is mutually agreed upon
 - Environmental clearance is complete
 - A mutually acceptable funding plan is approved and funding is secured
 - Replacement facility is fully constructed, tested, and operational
 - OCTA confirms the facility satisfies agreed operational performance standards
 - Required approvals are obtained by OCTA, City, and FTA
- Transit Service Continuity
 - Existing NTC remains operational until replacement facility is accepted by OCTA
 - Transition of operations to be jointly coordinated
 - OCTA retains responsibility for transit operations and service transition



Recommendation

Authorize the Chief Executive Officer to execute a non-binding term sheet between OCTA and the City, establishing a framework for continued coordination on the potential relocation of the NTC.