

Newport Transportation Center Potential Relocation Term Sheet

OCTA DRAFT May 4, 2026

Parties

Orange County Transportation Authority (OCTA) & City of Newport Beach (City), collectively referred to as the “Parties”

Project Context

Both Parties are in mutual agreement to study the potential relocation of the Newport Transportation Center (NTC) to an alternate location with a desired date of no later than January 2032. Both Parties agree that the goal of the project is to create improved transit service options for OC Bus riders and that no degradation of transit service shall occur as a result of the project and also support the City’s current and future land use goals. The Term Sheet herein documents the Parties’ understanding of the steps required to identify potential relocation sites, evaluate site feasibility, advance design and environmental, and ultimately result in a newly constructed NTC. The Term Sheet outlines the roles and responsibilities between OCTA and the City.

Both Parties endeavor to make ongoing and regular progress toward the outcome of this Project. Neither Party shall impede the decision-making process and the Parties shall ensure appropriate communication throughout the project and during established progress check-ins. The City shall not unreasonably reject sites as proposed by OCTA. The Parties agree to share in the cost of the study.

Program of Work

The Project consists of:

- Studying the potential relocation of the Newport Transportation Center (NTC) to a mutually agreed site, by November 2026
- Outreach to transit users
- Construction of a replacement transit facility within southwest Orange County
- Transition of transit operations from the existing NTC to replacement facility
- Disposition of the existing NTC site and transition to City for municipal use

The Parties agree to work collaboratively to maintain transit service continuity, minimize disruption, ensure regulatory compliance, identify project cost responsible party(ies), and optimize cost and schedule across all project components and phases. Both Parties endeavor to make ongoing and regular project progress and shall not impede decision-making. The Parties agree that there will be periodic point-in-time progress checks to advance the project components to completion.

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Project Approval / Environmental Documentation

City shall:

- Prepare its own California Environmental Quality Act (CEQA) documentation
- Conduct the appropriate public outreach consistent with CEQA requirements
- Conduct and fund necessary documentation (technical studies and appraisal)
- Endeavor to expeditiously approve the project through its land use approval authority with minimal restrictions

OCTA shall:

- Prepare its own CEQA and National Environmental Policy Act (NEPA) documentation
- Conduct the appropriate public outreach consistent with CEQA and NEPA requirements
- Provide technical input on transit operations and facility requirements
- Identify all federal improvements and costs associated with the existing project site
- Lead coordination with Federal Transit Administration (FTA)
- Confirm that the technical studies and appraisal documentation adequately address transit operational requirements prior to advancement

The Parties shall mutually:

- Coordinate methodology and scope
- Agree to project approval processes
- Review and comment on respective CEQA and NEPA documents
- Avoid pre-determination of respective environmental documents prior to environmental clearance

Project Development / Final Design

City shall:

- Ensure compliance with applicable local, state, and federal codes and standards

OCTA shall:

- Lead final design of the proposed transit facility in consultation with City
- Define operational and design requirements
- Ensure facility meets existing and future transit operational needs

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- Review and provide concurrence on design, including all elements affecting transit operations, circulation, and passenger experience

The Parties shall mutually:

- Reassess project complexities upon completion of final design and update Term Sheet, as applicable

Funding

City shall fund 100% of Project costs, including:

- Necessary technical documentation (studies and appraisal)
- Environmental clearance
- Design and engineering
- Land acquisition
- Construction and construction management

OCTA shall have no other funding obligations except as mutually agreed in writing. The Parties may jointly pursue external funding; however, such efforts shall not delay project delivery.

Project Delivery (Construction Phase)

City shall:

- Endeavor to expeditiously approve applicable project documentation related to construction activities

OCTA shall:

- Advertise, award, and manage construction contract(s)
- Deliver the project within agreed scope, budget, and schedule consistent with OCTA-approved design and operational requirements
- Provide oversight related to transit operations
- Provide coordination during construction

The Parties shall:

- Coordinate sequencing to maintain transit service

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Implementation and Transition

The replacement facility must be fully constructed, tested, and operational prior to relocation. Existing NTC shall remain operational until the replacement facility is accepted by OCTA in writing. Transition of operations shall be jointly coordinated, and any interim operational changes shall require OCTA approval.

Conditions for Relocation

All efforts shall be made to complete Project tasks by January 2032. Relocation shall not occur until:

- Environmental clearance is fully complete
- The replacement facility is fully constructed, tested, and operational
- OCTA confirms the replacement facility meets requirements
- All required approvals are obtained, including:
 - OCTA Board and related committees
 - City Council and related commissions
 - FTA concurrence
- Full project funding is secured

The Parties shall meet and confer if schedule changes or delays arise, and reasonable accommodations shall be developed.

Regulatory Compliance

The Project shall comply with local, state, and federal regulations/laws, including but not limited to:

- FTA requirements
- CEQA and applicable regulations
- California Surplus Land Act
- Applicable third-party agreements and property restrictions

Existing site disposition and replacement site concurrence shall be handled separately with FTA approval.

Operations

OCTA shall operate the replacement NTC, including:

- Bus operations
- Facility maintenance

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- Service planning
- Passenger information systems

Additional operational terms may be addressed in a future agreement.

Risk Allocation

The City shall bear all cost overrun and schedule delay risks associated with project delivery. OCTA shall be responsible for transit operations and service transition. The Parties shall coordinate on regulatory and third-party risks.

Non-Binding

This Term Sheet is non-binding and intended solely to guide negotiation of a definitive agreement.