

**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
- The Study is currently in the evaluation phase and anticipated to be complete in November 2026



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 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 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



Environmental and Regulatory Requirements

- Anticipated Project Phases
 - Feasibility and site analysis
 - Environmental review and preliminary design
 - Final design and property acquisition
 - Construction
 - Operational transition
 - Existing site disposition
- Environmental and Regulatory Review
 - City to prepare applicable CEQA documentation for City actions
 - OCTA to prepare applicable CEQA and NEPA documentation
 - OCTA to lead coordination with the FTA



Environmental and Regulatory Requirements (Cont.)

- Environmental and Regulatory Review
 - Parties to coordinate methodology, scope, and review of environmental documents
 - No action or public statement may predetermine the environmental outcome
- Regulatory Compliance
 - FTA requirements
 - CEQA and NEPA
 - California Surplus Land Act
 - Applicable third-party agreements and property restrictions



Funding, Design, and Delivery Responsibilities

- Funding Framework
 - City to fund 100 percent of project costs for functionally equivalent replacement transit center unless otherwise agreed
 - Costs include technical documentation, environmental clearance, design, land acquisition, construction, and construction management
 - OCTA has no additional funding obligation unless mutually agreed in writing
 - OCTA would be responsible for any incremental costs for OCTA-requested betterments beyond the mutually agreed replacement transit facility requirements, subject to future written agreement and Board approval
 - Construction cannot proceed unless full project funding is identified and approved
- Design and Delivery Framework
 - OCTA to define transit operational and design requirements
 - OCTA to lead final design of the replacement transit facility in consultation with the City
 - OCTA to manage construction contracts, subject to terms defined in future agreements
 - Future agreements to address risk allocation, liability, claims, and property acquisition responsibilities



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

Direct staff to continue negotiations and reach agreement on a non-binding term sheet between the Orange County Transportation Authority and the City of Newport Beach establishing a framework for continued coordination on the potential relocation of the Newport Transportation Center.