



June 16, 2026

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line.

Subject: Term Sheet with the City of Newport Beach for the Potential Relocation of the Newport Transportation Center

Overview

The Orange County Transportation Authority and the City of Newport Beach are conducting a joint feasibility study evaluating potential relocation of the Newport Transportation Center. The study was initiated in early February and is anticipated to be completed in November. To support continued coordination, the Orange County Transportation Authority and the City of Newport Beach are developing a proposed non-binding term sheet establishing a framework for future project development if a feasible relocation alternative is mutually identified.

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.

Background

The Newport Transportation Center (NTC), located at 1550 Avocado Avenue in the City of Newport Beach (City), serves as a key hub for the Orange County Transportation Authority's (OCTA) OC Bus service, providing regional access to destinations across Orange County and connections to employment, educational, recreational, and commercial centers. The NTC opened for bus service in 1991 through an agreement with the Irvine Company and currently serves four OC Bus routes: 1, 55, 57, and 79. The site also functions as a park-and-ride facility and has long served as an anchor for transit access in central coastal Orange County.

In June 2025, the Newport Beach City Council directed City staff to explore relocating Fire Station No. 3 to the current NTC site. The City subsequently requested that OCTA partner in a feasibility study to evaluate the potential relocation of the NTC. In October 2025, the OCTA Board of Directors (Board) authorized the Chief Executive Officer (CEO) to enter into a cooperative agreement with the City to perform the NTC Relocation Feasibility Study (Study) to evaluate the potential feasibility of relocating the site. The cooperative agreement was finalized on December 15, 2025, and a consultant contract with HDR Engineering, Inc., was executed on January 28, 2026. Staff provided a status update on the Study to the Transit Committee on April 9, 2026.

Discussion

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 continues to advance and is currently in the evaluation phase with a planned completion of November 2026.

To support continued coordination, OCTA and the City have developed a proposed non-binding term sheet. The term sheet is intended to document the parties' understanding of the steps required to evaluate potential relocation sites, define major project phases, responsibilities, and decision points, advance environmental review and design work, identify funding responsibilities, preserve transit service continuity, coordinate regulatory approvals, and address future property disposition considerations.

The proposed term sheet identifies the shared goal of creating improved transit service options for OC Bus riders while ensuring that any potential replacement facility maintains comparable transit service levels. OCTA's established operational performance standards include considerations related to transit access, operational efficiency, Americans with Disabilities Act accessibility, passenger circulation, and service continuity.

Consistent with OCTA's prior discussions with the City, the term sheet is intended to preserve an objective and transparent evaluation process. Site evaluation criteria would be jointly developed and consistently applied, and the environmental review process would not be predetermined. OCTA would also continue to ensure that transit riders and the public have an opportunity to be informed and provide input as the Study advances.

In summary, the key terms include the following and are further described below:

- 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 the project proceeds through all phases, transition to new site could occur in 2031

The term sheet outlines anticipated project phases, including feasibility and site analysis, environmental review and preliminary design, final design and property acquisition, construction, operational transition, and disposition of the existing NTC site. Advancement from one phase to the next would require future agreement regarding scope, schedule, estimated costs, funding availability, and applicable approvals. An illustrative schedule of the potential relocation of NTC is included in Attachment A.

The term sheet further recognizes that any potential relocation or disposition of the existing NTC site would need to comply with applicable local, state, and federal requirements, including Federal Transit Administration requirements, California Environmental Quality Act, National Environmental Policy Act, California Surplus Land Act, and applicable third-party agreements and property restrictions. Future agreements would be brought back to the Board for consideration, as applicable.

The term sheet does not approve a relocation site, commit OCTA to relocate the NTC, authorize disposition of the existing NTC site, commit OCTA funds, or approve construction of a replacement facility. Any future relocation would remain subject to environmental review, funding availability, identification of a mutually acceptable site, applicable state and federal regulatory approvals, and approval by the respective governing bodies of OCTA and the City. The term sheet commits the City to fund 100 percent of project costs for a functionally equivalent replacement transit center unless otherwise agreed. OCTA would be responsible for incremental costs for OCTA-requested betterments beyond the mutually agreed replacement transit facility requirements, subject to future written agreement and Board approval.

Approval of the proposed term sheet will allow OCTA to continue coordinating with the City while ensuring the Study fully considers near-term feasibility, long-term transit needs, rider impacts, regulatory requirements, and future implementation considerations.

Summary

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.

Attachment

- A. Illustrative Schedule of Potential Relocation of Newport Transportation Center

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