



CITY OF

NEWPORT BEACH

City Council Staff Report

September 9, 2025
Agenda Item No. 6

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Resolution No. 2025-56: Supporting Submission of a Revised Grant Application Under the Orange County Transportation Authority Measure M2 Project V Program for Local Transit Services

ABSTRACT:

City of Newport Beach staff prepared a revised grant application for Orange County Transportation Authority (OCTA) Measure M2 Project V funding for a proposed Balboa Island/Corona del Mar local area transit service. OCTA requires a City Council approved Resolution authorizing and supporting submission of the revised grant application.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Adopt Resolution No. 2025-56 *A Resolution of the City Council of the City of Newport Beach, California, Authorizing and Approving Submittal of a Revised Funding Application to the Orange County Transportation Authority for Funding Under the Project V Community-Based Transit/Circulators Program.*

DISCUSSION:

As part of Measure M2, OCTA administers several grant funding programs including the Project V grant program which is designed to fund community-based transit services that complement larger regional transit programs.

OCTA released a Project V call for projects in November 2024 and noted the next local transit grant application opportunity would not be until 2029. City staff submitted two grant applications prior to the January 25, 2025 application deadline. The first application was for the continuation of the existing Balboa Peninsula Trolley (traditional service), for which OCTA awarded grant funding and included five new trolley vehicles with an anticipated delivery in Spring 2026.

The second application was for a Balboa Island/Corona del Mar local microtransit program (on-demand service), which is the subject application being revised and seeking approval herein.

At the time of application for the Balboa Island/Corona del Mar local area micro-transit program, the City was considering an on-demand microtransit solution utilizing neighborhood electric vehicles (NEVs) limited to roadways with a speed limit of 35 miles per hour or less. Operational details were not fully formulated as they were being studied through an OCTA-grant-funded mobility study. The City submitted the application with the understanding from OCTA that it would serve as a placeholder with a conceptual program and would be revised at a future date with final details once the mobility study was completed.

During the process of the study, the City Council's Ad Hoc Transit, Transportation, Parking and Mobility Committee provided review, input and recommendations. This evaluation expanded to alternatives beyond microtransit. Ultimately, through the alternatives analysis and outreach processes, a traditional fixed-route trolley circulator service, similar to the Balboa Peninsula Trolley, was determined to be the best option to meet the study area's mobility needs. These developments were discussed at the September 24, 2024 City Council Meeting and updated at the February 1, 2025 City Council Planning Session. Lastly, at the City Council's May 13, 2025 Study Session, staff provided details on the recommended fixed-route trolley program and the Council voted unanimously to move forward with this expansion of the City trolley program.

Staff replaced the previous placeholder application with a revised grant application for a traditional fixed-route service. As required by the grant application, staff requests approval of Resolution No. 2025-56, demonstrating the City Council's support for the submittal of the revised application for funding.

Upon approval by the OCTA Board at its October 2025 meeting, the City intends to procure the six additional trolleys for the expanded service with an anticipated delivery of the trolleys in spring 2027, in time for an expanded operation in summer 2027. This will bring the City's total number of trolley vehicles to 11.

FISCAL IMPACT:

If awarded funding for the grant application, the City will be obligated to provide minimum matching funding in the amount of 10 percent for the Balboa Island/Corona del Mar Local Area Transit program. Additionally, OCTA defined a three percent per year cost escalation factor to account for increases in program costs.

The Balboa Island/Corona del Mar local area transit program concept has an estimated first year cost (second year of grant) of \$450,000 (\$405,000 in grant funds and \$45,000

in City matching funds) and a total seven-year cost of \$2,915,623,000 (\$2,624,060.70 in grant funds and \$291,562.30 in City matching funds).

Sufficient funds for the awarded project will be included in the Capital Improvement Program budget.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A - Resolution 2025-56