

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 18, 2025

FROM

NOEL CASTILLO, Director, Department of Public Works – Special Districts

SUBJECT

Temporary Stormwater and Sewer Maintenance Agreements for Community Facilities District 2025-01 (Commerce Center II) in the Fontana Area

RECOMMENDATION(S)

1. Approve Temporary Stormwater Maintenance **Agreement No. 25-452** between Speedway SBC Development, LLC, and San Bernardino County for temporary stormwater maintenance services for certain real property in connection with Speedway Commerce Center II development project, for a term to commence on the date executed by all parties and to expire when the County accepts the entirety of the storm drain improvements for the Speedway Commerce Center II development project.
2. Approve Letter **Agreement No. 25-453** between California Steel Industries, Inc., and San Bernardino County regarding maintenance of certain real property in connection with Speedway Commerce Center II development project and adjacent to California Steel Industries, Inc.'s, property, for a term to commence on the date executed by all parties and to expire when the County accepts the entirety of sewer improvements for the Speedway Commerce Center II development project.
3. Approve Temporary Sewer Maintenance **Agreement No. 25-454** between Speedway SBC Development, LLC, and San Bernardino County, for temporary sewer maintenance services for certain real property in connection with Speedway Commerce Center II development project, for a term to commence on the date executed by all parties and to expire when the County accepts the entirety of the sewer improvements for the Speedway Commerce Center II development project.
4. Authorize the Chair of the Board of Supervisors, Chief Executive Officer, or the Director of the Department of Public Works to execute the Letter Agreement with California Steel Industries, Inc., as approved in Recommendation No. 2, following receipt of a fully signed and executed copy from California Steel Industries, Inc., subject to County Counsel review.
5. Authorize the Chair of the Board of Supervisors, Chief Executive Officer, or the Director of the Department of Public Works to execute the Temporary Sewer Maintenance Agreement with the Speedway SBC Development, LLC as approved in Recommendation No. 3, only after the County receives a fully signed and executed letter agreement from California Steel Industries, Inc. The Temporary Sewer Maintenance Agreement may not be executed on behalf of the County until the California Steel Industries, Inc., letter agreement has been signed by all required parties and delivered to the County, subject to County Counsel review.
6. Direct the Department of Public Works to transmit signed copies of final contracts approved in Recommendations Nos. 2 and 3 to the Clerk of the Board of Supervisors within 30 days of final execution.

(Presenter: Noel Castillo, Director, 387-7906)

**Temporary Stormwater and Sewer Maintenance Agreements for
Community Facilities District 2025-01 (Commerce Center II) in the
Fontana Area
June 18, 2025**

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

**Ensure Development of a Well-Planned, Balanced, and Sustainable County.
Provide for the Safety, Health and Social Service Needs of County Residents.**

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). All costs, approximately \$178,765.49, will be paid for by the developer. Any additional costs exceeding \$178,765.49 will be covered by the first-year special tax for the Community Facilities District (CFD) No. 2025-01 (Commerce Center II). The CFD is expected to collect a total of \$1,826,048.37 between the developer deposit and the 2025-26 special tax assessments.

BACKGROUND INFORMATION

On October 25, 2022 (Item No. 102), the Board of Supervisors (Board) approved Tentative Parcel Map 20478 for the Speedway Commerce Center II development. As part of the development conditions, the developer entered into stormwater and sewer improvement agreements with the County on June 11, 2024 (Item No. 55), requiring the construction and ultimate transfer of these improvements to the County.

To fund ongoing maintenance services for the public improvements, the Board introduced on April 29, 2025 (Item No. 89) and adopted on May 6, 2025 (Item No. 48) an ordinance authorizing the levy of a special tax through the formation of the (CFD). The special tax is intended to support maintenance of infrastructure such as drainage and sewer systems, flood protection, landscaping, graffiti and debris removal, and other operational needs within the district.

The developer is completing stormwater and sewer improvements in two distinct phases. Construction of the first phase is complete, and the developer has deposited \$178,765.49 with the County to fund initial maintenance services for those improvements. This funding will be used until sufficient special tax revenues are collected through the Community Facilities District. The remaining improvements will be constructed in the second phase, and the County will assume full maintenance responsibility once all improvements are completed and formally accepted, which will be funded on an ongoing basis by the special taxes levied per the formation of the CFD.

Approval of these temporary agreements will allow the County to begin maintaining the first phase of stormwater and sewer improvements, while also outlining maintenance responsibilities in adjacent areas, including an agreement with California Steel Industries, Inc. (CSI), for improvements near their property. The temporary agreements will remain in effect until the County formally accepts the entirety of the improvements related to the development project.

This item seeks approval of the agreements and the letter agreement between CSI and the County (Recommendation No. 2), and the Temporary Sewer Maintenance Agreement between the County and Speedway SBC Development, LLC (Speedway) (Recommendation No. 3). It also delegates authority to the Chair of the Board or the Director of Public Works to sign these agreements. It is anticipated that CSI and the Speedway entities may not finalize and sign the agreements until after the June 18, 2025 Board meeting, this approach allows the County to execute the agreements promptly once signatures are received and avoid any unnecessary delays pending the next regularly scheduled Board meeting on August 5th. Execution of the

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Temporary Sewer Maintenance Agreement is expressly conditioned on the County first receiving a fully signed CSI letter agreement on CSI letterhead. This ensures all commitments are in place before the County assumes any sewer maintenance responsibilities.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on June 10, 2025; Finance (Amanda Trussell, Principal Administrative Analyst, 387-4773) on June 2, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on June 2, 2025.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 18, 2025



cc: PW/SD - Mac w/agree for sign
Contractor - c/o PW/SD w/agree
File - w/agree
MBA 06/26/2025