

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

June 9, 2026

FROM

NOEL CASTILLO, Director, Department of Public Works – Transportation

SUBJECT

Term Loan Agreement with the San Bernardino County Transportation Authority for the Cedar Avenue at Interstate 10 Interchange Project in the Bloomington Area

RECOMMENDATION(S)

1. Approve Term Loan **Agreement No. 26-439**(SBCTA Agreement No. 26-1003454) with the San Bernardino County Transportation Authority, including non-standard terms, for the Cedar Avenue at Interstate 10 Interchange Project, authorizing the County to borrow an amount not to exceed \$13,995,381 to fund a portion of the County's Local Agency Share obligation.
2. Authorize the Director of the Department of Public Works to execute the Term Loan Agreement and any subsequent non-substantive amendments, subject to review by County Counsel.
3. Direct the Director of the Department of Public Works to transmit the Term Loan Agreement and any non-substantive amendments to the Clerk of the Board of Supervisors within 30 days of execution.
4. Direct the Director of the Department of Public Works to return to the Board of Supervisors at a future meeting date to amend the existing Cooperative Agreement No. 22-1223 with the City of Rialto and Cooperative Agreement No. 19-703 with the City of Fontana, to update their respective fair-share contributions for the Cedar Avenue at Interstate 10 Interchange Project.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote and Fulfill the Countywide Vision.

Foster Sustainable Development Through Strategic Partnerships.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). On April 7, 2026 (Item No. 32), the Board of Supervisors (Board) approved Amendment No. 2 to Cooperative Agreement No. 18-865 with the San Bernardino County Transportation Authority (SBCTA), increasing the total estimated cost for the Cedar Avenue at Interstate 10 Interchange Project (Project) by \$20,504,000. In accordance with the SBCTA Measure I 2010-2040 Expenditure Plan and Nexus Study, SBCTA's Public Share of the increase will be \$10,782,800, the Project will receive \$5,000,000 from the Section 190 Grade Separation Program, and the remaining \$4,721,200 will be the Local Agency Share (Developer Share).

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The Developer Share will be divided between the County, the City of Rialto (Rialto), and the City of Fontana (Fontana) (collectively, Cities), based on the specified percentage shares outlined in the Nexus Study: County (68.6%), Rialto (19.5%), and Fontana (11.9%). As such, the County's share will increase by \$3,238,800, Rialto's share will increase by \$920,600, and Fontana's share will increase by \$561,800.

The remaining Developer Share amount due to SBCTA, considering Amendment No. 2 and costs paid to date, is \$17,793,982. The County has \$3,798,601 available from Development Impact Fees (DIF) leaving a need of \$13,995,381 with \$3,261,142 available from the Rialto sphere's share of Measure I Major Street Program – Arterial Sub-Program funds and \$10,734,239 from the Valley Freeway Interchange Program.

On April 1, 2026, SBCTA's Board of Directors amended the SBCTA Measure I 2010-2040 Strategic Plan Policy 40005 – Valley Freeway Interchange Program (Valley Freeway Interchange Program) to allow loans from the Valley Freeway Interchange Program for the required Developer Share of project costs for the top 10 interchanges on the SBCTA prioritization list. The Project is ranked No. 1. Under this authority, SBCTA authorized a loan of up to \$13,995,381 to assist the County in meeting its Developer Share obligation for the Project. Repayment of the loan will occur through future DIF collections and through SBCTA withholding the County's proportional share of Measure I Major Street Program – Arterial Sub-Program funds until the loan is satisfied, consistent with the provisions of the Valley Freeway Interchange Program. If full repayment does not occur by the end of Measure I 2010-2040 due to insufficient DIF funds being collected, the loan obligation will be considered fulfilled.

BACKGROUND INFORMATION

On July 8, 2014 (Item No. 44), the Board approved Cooperative Agreement No. 14-603 (Caltrans Agreement No. 08-1589) with the State of California Department of Transportation (Caltrans), authorizing Caltrans to provide design services for the Project at an estimated cost of \$4,000,000. The Project consists of improvements to the interchange at Cedar Avenue and I-10, between Slover Avenue and Bloomington Avenue. The improvements include (1) widening Cedar Avenue from Bloomington Avenue to Orange Street; (2) adding turn lanes; (3) widening the Interstate Overcrossing; (4) replacing the Union Pacific Railroad (UPRR)/Cedar Avenue Overhead; and (5) modifying existing ramps.

On January 23, 2018 (Item No. 39), the Board approved Cooperative Agreement No. 18-32 (Funding Agreement No. 17-1001710) with SBCTA for reimbursement of eligible Project Approval and Environment Document (PA/ED), Plans, Specifications and Estimate (PS&E), and Project Management Services costs, effective upon execution by SBCTA, which was February 28, 2018, through December 31, 2020, or completion of PA/ED and PS&E phase work, whichever occurs first.

On December 4, 2018 (Item No. 55), the Board approved Cooperative Agreement No. 18-865 (Funding Agreement No. 18-1001962) with SBCTA for the Project's right-of-way and construction phases, effective upon execution by SBCTA, which was December 5, 2018, through December 31, 2023, or completion of right-of-way and construction phase work, whichever occurs first. The estimated total Project cost was \$112,067,000. SBCTA agreed to serve as the lead agency for these two phases of the Project, and the County's Real Estate Services Department agreed to assist SBCTA with right-of-way services as needed.

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On December 18, 2018 (Item No. 49), the Board approved Amendment No. 1 to Cooperative Agreement No. 18-32 (Funding Agreement No. 17-1001710), revising the role of County and SBCTA for the utility potholing and coordination work.

On September 24, 2019 (Item No. 34), the Board approved Amendment No. 1 to Cooperative Agreement No. 14-603 (Caltrans Agreement No. 08-1589), with Caltrans increasing the estimated Project design cost by \$2,300,000, from \$4,000,000 to \$6,300,000.

On September 15, 2020 (Item No. 50), the Board approved Amendment No. 2 to Cooperative Agreement No. 14-603 (Caltrans Agreement No. 08-1589), with Caltrans increasing the estimated Project design cost by \$1,252,000, from \$6,300,000 to \$7,552,000, bringing the estimated total Project cost from \$112,067,000 to \$113,319,000.

On September 15, 2020 (Item No. 48), the Board approved Amendment No. 2 to Cooperative Agreement No. 18-32 (Funding Agreement No. 17-1001710), with SBCTA updating the Parties funding shares costs for the Project, including Caltrans' amended design services costs.

On October 3, 2023 (Item No. 40), the Board approved Amendment No. 1 to Cooperative Agreement No. 18-865 (Funding Agreement No. 18-1001962) with SBCTA adjusting the Parties funding share responsibilities, increasing the total Project cost by a net \$74,000, from \$112,067,000 to \$113,393,000 (Amendment No. 1 also includes the additional \$1,252,000 Caltrans design costs approved by the Board on September 15, 2020), updating the Project milestones and Point of Contact, and extending the term by five years, for a new term of January 9, 2019 to December 31, 2028.

On April 1, 2026, SBCTA approved an amendment to the SBCTA Valley Freeway Interchange Program to allow for loans from Valley Freeway Interchange Program funds for the required Developer Share of project costs for the top 10 interchanges in the most current interchange prioritization list established by the SBCTA Board of Directors. The Project is the top ranked interchange. If full repayment does not occur by the end of Measure I 2010-2040 because insufficient DIF funds are collected, the loan obligation will be considered fulfilled. On May 6, 2026, the SBCTA Board of Directors approved the Term Loan Agreement.

On April 7, 2026 (Item No. 32), the Board approved Amendment No. 2 to Cooperative Agreement No. 18-865 with SBCTA, extending the agreement term due to the limited construction work windows granted by the Union Pacific Railroad for demolition and construction of the Cedar Avenue Railroad Overhead bridge. This delay results in additional right-of-way services, increases in Project Management costs and increased construction costs. The amendment extended the termination date by five years to December 31, 2033, to allow for construction completion, plant establishment, an extended plant establishment period, and to close out the Project. SBCTA will continue to serve as the lead agency for the Project. SBCTA approved Amendment No. 2 to Cooperative Agreement No. 18-865 on March 4, 2026.

On October 22, 2019, (Item No. 26) the Board approved Cooperative Agreement No. 19-703 with Fontana, establishing its fair-share contribution for the Project. On December 6, 2022, (Item No. 44), the Board approved Cooperative Agreement No. 22-1223 with Rialto also establishing its fair-share contribution for the Project. The County is currently engaged in discussions with Fontana and Rialto and will present amendments to their existing agreements to the Board in the near future.

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The Term Loan Agreement includes provisions that differ from standard County contract language and omit certain County-required protections. The non-standard terms include the following:

1. The Agreement requires the County, as Borrower, to fully defend, indemnify, and hold harmless the Lender, SBCTA, including its officers and employees, from all claims, suits, damages, liabilities, and actions arising from anything done or omitted to be done by the County under or in connection with the Agreement.
 - The County standard contract does not include any indemnification or defense obligations by the County for other contracting parties.
 - Potential Impact: By agreeing to indemnify SBCTA, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against SBCTA without such limitations and the County would be responsible to defend and reimburse SBCTA for costs, expenses, and damages, which could exceed the total contract amount.
2. The Agreement does not include County standard insurance requirements.
 - The County standard requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department.
 - Potential Impact: The Agreement does not include County standard insurance requirements. This means that the County has no assurance that SBCTA will be financially responsible for claims that may arise from the work performed pursuant to the Agreement which could result in expenses to the County that exceed the total contract amount.
3. The Agreement includes a repayment term defined by Development Impact Fees, Measure I withholding provisions, and/or the expiration of the Measure I 2010-2040 program.
 - County Policy 11-04 does not permit indefinite terms or automatically renewing contracts unless approved by the Board.
 - Potential Impact: The Term Loan Agreement establishes a repayment period tied to Development Impact Fees, Measure I withholding provisions, and the expiration of the Measure I 2010-2040 program. Upon expiration of Measure I 2010-2040, any unpaid loan balance is considered fulfilled.
4. The Agreement does not include the County's ability to terminate the Agreement for convenience.
 - The County standard contract gives the County the right to terminate the contract, for any reason, with a 30-day written notice of termination without any obligation other than to pay amounts for services rendered and expenses reasonably incurred prior to the effective date of termination.
 - Potential Impact: There is no termination for convenience provision. The County remains obligated to the full repayment structure for the duration of the Agreement.

The Department recommends approval of this item, including non-standard terms, in order to secure immediate and necessary funding to meet the County's Local Agency Share obligation

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and avoid delays to a critical, regionally significant infrastructure project. The Term Loan Agreement provides a practical and time-sensitive financing mechanism that allows this highly ranked Project to proceed without interruption despite current funding gaps.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on May 28, 2026; and County Finance and Administration (Matthew Dalton, Administrative Analyst, 387-5005) on May 26, 2026.

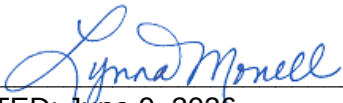
**Term Loan Agreement with the San Bernardino County Transportation
Authority for the Cedar Avenue at Interstate 10 Interchange Project in the
Bloomington Area
June 9, 2026**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 9, 2026



cc: PW/TRANS - Johnson w/agree
Contractor - c/o PW/TRANS w/agree
File - w/agree
MBA 06/23/2026