Special Called County Council Meeting

Beaufort County, SC

2nd Floor Ceremonial Courtroom, Beaufort County Courthouse, 102 Ribaut Road, Beaufort, SC 29902

Monday, May 19, 2025
5:00 PM

AGENDA

COUNCIL MEMBERS:

ALICE HOWARD, CHAIR
ANNA MARIA TABERNIK, VICE CHAIR
DAVID P. BARTHOLOMEW
PAULA BROWN
LOGAN CUNNINGHAM
GERALD DAWSON
YORK GLOVER
MARK LAWSON
LAWRENCE MCELYNN
JOSEPH PASSIMENT
THOMAS REITZ

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. STATEMENT OF COMPLIANCE WITH FOIA
4. APPROVAL OF AGENDA
5. **CITIZEN COMMENTS PERIOD – 30 MINUTES TOTAL**
6. DISCUSSION RELATED TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN BEAUFORT COUNTY AND THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK (SIB) CONCERNING IMPROVEMENTS OF HIGHWAY US 278 FROM MOSS CREEK DRIVE TO SPANISH WELLS ROAD AND THE ACTION TAKEN BY THE SIB AT THEIR MEETING ON MAY 12, 2025- *Mike Moore, County Administrator & Jared Fralix, Assistant County Administrator, Infrastructure*
7. ADJOURNMENT

TO WATCH COMMITTEE OR COUNTY COUNCIL MEETINGS OR FOR A COMPLETE LIST OF AGENDAS AND BACKUP PACKAGES, PLEASE VISIT:
https://beaufortcountysc.gov/council/council-committee-meetings/index.html

BEAUFORT COUNTY COUNCIL
AGENDA ITEM SUMMARY

ITEM TITLE:

DISCUSSION RELATED TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN BEAUFORT COUNTY AND THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK (SIB) CONCERNING IMPROVEMENTS OF HIGHWAY US 278 FROM MOSS CREEK DRIVE TO SPANISH WELLS ROAD AND THE ACTION TAKEN BY THE SIB AT THEIR MEETING ON MAY 12, 2025

MEETING NAME AND DATE:

SPECIAL CALLED MEETING OF COUNTY COUNCIL – May 19, 2025

PRESENTER INFORMATION:

Mike Moore, County Administrator and Jared Fralix, Assistant County Administrator

ITEM BACKGROUND:

In November 2021 Beaufort County entered into an Intergovernmental Agreement (IGA) with the with the South Carolina Transportation Infrastructure Bank (SIB) to finance improvements along the US 278 corridor from Moss Creek Drive to Spanish Wells Road. The project aimed to replace the eastbound Karl Bower Bridge over Mackey Creek, increase capacity, reduce congestion, potentially improve the three other bridge structures, and make multimodal transportation improvements to the corridor. The original funding plan included:

- **SIB Contribution:** Up to $120 million
- **Beaufort County:** $80 million from the 2018 1% Sales Tax Referendum, $12.3 million from Road Impact Fees, and $7 million from General Obligation Bonds
- **Town of Hilton Head Island:** $3.35 million in the form of right-of-way dedication
- **Federal Guideshare Funds:** $4.2 million
- **SCDOT Bridge Replacement Funds:** $65.5 million

This brought the total project funding to **$292.35 million**.

The county and SCDOT committed to expending all financial contributions for the project before SIB would be obligated to pay or reimburse any eligible costs on the project and to provide additional funding to complete the project in the event of cost overruns.

The preferred alternative called for a six-lane bridge and six-lane road improvements. However, due to significant inflation from 2021 to 2024, the projected cost rose to **$490 million**, prompting the County to seek additional funding. A proposed penny sales tax referendum to allocate an additional $90 million to the project was placed on the November 2024 ballot but did not pass.

Following the referendum's failure, Beaufort County developed a revised, lower-cost plan—championed by Senator Tom Davis—that included replacing only a portion of the bridge infrastructure. This plan was approved by a joint resolution and submitted to the SIB for consideration.

On March 28, 2025, the County Administrator submitted a formal update to the SIB outlining the revised scope. The proposal included a three-lane eastbound bridge, diverging from the original six-lane plan. On April 14, 2025, the SIB Chairman responded with a series of questions, to which the County Administrator replied on April 30, 2025.

The SIB Board met on **May 12, 2025**, and **voted to reject the County's revised proposal**. In a follow-up conference call on May 15, County representatives, including the Chairman of County Council, the County Administrator, and legislative delegates (Senator Davis, Representatives Newton and Herbkersman), met with SIB Chairman John White. The following concerns were cited as reasons for rejection:

1. The revised funding sequence conflicted with the IGA, which specified that SIB funds were to be used first, not last.
2. The Town of Hilton Head Island's contribution was land (right-of-way), not cash.
3. The scaled-back bridge plan reduced the number of lanes from what was originally agreed upon and did not believe the SIB should still contribute the full $120,000,000.
4. The County had not clearly outlined a strategy for covering cost overruns; the SIB suggested County bonding capacity (up to $87 million) be pledged. (Staff does not recommend this)
5. A detailed project timeline for construction and completion was not provided.
6. The SIB expected increased financial commitment from both SCDOT and the County to reduce reliance on SIB funding.
7. The IGA had been violated since construction did not commence in 2024.

Following this discussion, the County Administrator, County Attorney and ACA Jared Fralix consulted with SCDOT Secretary Justin Powell. SCDOT expressed a readiness to proceed with replacing the two-lane Mackay Creek Bridge using $90 million in already committed funds. SCDOT indicated a preference to construct a three-lane bridge, contingent upon Beaufort County contributing the additional funds needed for the third lane.

PROJECT / ITEM NARRATIVE:

Staff has identified two viable paths forward:

Option 1: Terminate the IGA with the SIB and collaborate with SCDOT to proceed with replacing the existing Mackay Creek Bridge. Staff and SCDOT prefer to construct a three-lane bridge to anticipate future corridor needs. Beaufort County would need to fund the incremental cost of the third lane.
Option 2: Continue negotiating an amended IGA with the SIB. This would include restructuring the funding sequence to prioritize County funds, then SCDOT funds, and finally any remaining SIB contribution. Beaufort County would assume responsibility for any cost overruns. The SIB's full $120M commitment to the project is critical. If the SIB is unwilling to maintain the IGA commitment, then the project may no longer be viable without an identified additional funding source.

FISCAL IMPACT:

TBD depending upon what amounts the SIB agrees to contribute and actual costs of the project.

STAFF RECOMMENDATIONS TO COUNCIL:

Staff recommends **Option 1**: Terminate the IGA with the SIB and proceed in partnership with SCDOT to construct a replacement bridge over Mackay Creek. Staff further recommends coordinating with SCDOT to construct a three-lane bridge to ensure capacity for future needs.

OPTIONS FOR COUNCIL MOTION:

Motion to approve/deny option 1 or 2 for replacement of the bridges to Hilton Head Island and the 278 corridor.

Next Steps: County Council Meeting – May 27 2025

INTERGOVERNMENTAL AGREEMENT
FOR BEAUFORT COUNTY
IN BEAUFORT COUNTY, SOUTH CAROLINA

This Intergovernmental Agreement is made and entered into as of Nov. 30, 2021 by and between **BEAUFORT COUNTY, SOUTH CAROLINA ("the County"),** a body politic and corporate and a political subdivision of the State of South Carolina, and the **SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK,** a body corporate and politic and an instrumentality of the State of South Carolina (the "Bank"), which shall be collectively referred hereinafter to as the "Parties," and individually referred to hereinafter, where appropriate, as a or the "Party," concerning improvements of US 278 from Moss Creek Drive to Spanish Wells Road hereinafter referred to as the "Project," located in Beaufort County, South Carolina, which Project is described in more detail here in below and in the County's Application for Financial Assistance submitted to the Bank, and this Intergovernmental Agreement is hereinafter referred to as the "Agreement."

WITNESSETH

WHEREAS, the Bank was created for the purpose, among others, of selecting and assisting in financing major transportation projects by providing Financial Assistance to government units for constructing and improving highway facilities necessary for public purposes, including economic development, as is more fully set forth in the South Carolina Transportation Infrastructure Bank Act ("SCTIB Act"), S.C. Code Ann. §§ 11-43-110, *et seq.* as amended;

WHEREAS, pursuant to the SCTIB Act, the Bank has all power necessary, useful, and appropriate to provide grants, loans and other Financial Assistance in a manner as the Board determines advisable; routinely provides such Financial Assistance; and solicited applications for Financial Assistance pursuant to the authority granted in the SCTIB Act;

WHEREAS, by an Application submitted to the Bank on or about July 24, 2019, as supplemented by other submissions to the Bank, the County requested Financial Assistance for the Project;

WHEREAS, at a meeting on July 6, 2020, the Bank's Evaluation Committee reviewed applications for Financial Assistance and made recommendations to the Bank Board concerning those applications, including the Application of the County;

WHEREAS, at a meeting on July 7, 2020, the Bank's Board of Directors, hereinafter referred to as the "Bank Board", reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations;

WHEREAS, at the meeting on July 7, 2020, the Bank Board determined that the Project was eligible and qualified for Financial Assistance in the form of a grant and resolved to provide the grant subject to certain conditions specified in the Resolution approved by the Bank Board or contained within the Bank's Overall Operating Guidelines, Procedures and Standard Conditions for Financial Assistance;

WHEREAS, the SCDOT Commission reviewed and approved the Financial Assistance to be provided to the Project by the Bank at its meeting on July 16, 2020;

WHEREAS, the Joint Bond Review Committee of the General Assembly reviewed and approved the Financial Assistance to be provided to the Project by the Bank at its meeting on August 11, 2020;

WHEREAS, the Parties now desire to set forth the respective responsibilities of the Parties for the Project, including the funding of the Project;

NOW, THEREFORE, in consideration of the mutual benefits, promises and obligations set forth herein, the sufficiency of which are hereby acknowledged and accepted by each Party hereto, the Parties hereby agree as follows:

ARTICLE I

1. Definitions

For purpose of this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

"Account" means the account of the Bank maintained by the South Carolina State Treasurer into which is deposited monies to fund Disbursements for Eligible Costs of the Project.

"Act" means the South Carolina Transportation Infrastructure Bank Act, which is codified as South Carolina Code Annotated Sections 11-43-110, *et seq.*, as amended.

"Application" means the final Application for Financial Assistance submitted by the County to the Bank on or about July 24, 2019, as supplemented by other materials submitted by the County to the Bank prior to and after the date of the Application up to the date on which the Bank Board approved Financial Assistance to the Project which was July 7, 2020.

"Budget" means the budget established by the Bank for the Project.

"Contract" means any contracts authorized by law entered into by SCDOT or the County with any other person or firm for engineering, design, construction, materials or similar purposes for the Project.

"Disbursements" means the transfer or payment of monies pursuant to draw requests to reimburse SCDOT or the County for Eligible Costs of construction of the Project or for the payment of invoices approved by Bank and/or its designee for Eligible Costs of construction of the Project incurred pursuant to a Contract.

"Eligible Cost(s)" has the same meaning as set forth in S.C. Code Ann. § 11-43-130(5) as applied to qualified projects to be funded from the state highway account of the Bank, but is limited on this Project to Eligible Costs related to actual construction of the Project. Eligible Costs do not include those costs set forth in Section 6.2 of this Agreement that are recognized in that section as not being Eligible Costs for the Project.

"Event of Default" means the breach by the County of a provision or obligation in this Agreement, including any provision applicable to SCDOT.

"Financial Assistance" includes, but is not limited to, loans, grants, contributions, credit enhancement, capital or debt reserves for bonds or debt instrument financing, interest rate

subsidies, provision of letters of credit and credit instruments, provision of bond or other debt financing instrument security, and other lawful forms of financing and methods of leveraging funds that are approved by the board, as contemplated by and described in the SCTIB Act, S.C. Code Ann. §§ 43-11-110, *et seq.*, as amended. However, for purposes of this Agreement, Financial Assistance means a grant from the Bank not to exceed $120,000,000.

"Fiscal Year" means the fiscal year of the State of South Carolina that runs from July 1 to June 30.

"Project" means, for the purposes of this Agreement only, the improvements for US 278 from Moss Creek Drive to Spanish Wells Road in Beaufort County as described in the Application, as updated, and revised up to the date on which the Bank approved Financial Assistance for the Project which was July 7, 2020.

"SCDOT" means the South Carolina Department of Transportation.

ARTICLE II

2. Term of Agreement

This Agreement shall be effective as of Nov. 30, 2021, and shall terminate, except for specific provisions set forth herein that are expressly stated to survive the termination of this Agreement, on the date the last of the following events occurs (i) the Bank makes the final Disbursement on the Project; (ii) the final local financial contribution or financial contribution from any source other than the Bank for the Project is received; (iii) the Bank receives the final payment or reimbursement due it from the County pursuant to the terms and provisions of this Agreement; or (iv) the Project, including all components, is declared completed and accepted by the Bank (or alternatively, on projects managed by SCDOT, accepted by SCDOT).

ARTICLE III

3. Funding Commitments of Parties

The total estimated cost of the Project is $292,350,000, which will be met by the funding commitments described in more detail below.

3.1 Bank

Subject to the provisions, terms, and conditions in this Agreement, the Bank shall establish a Budget for the Project within the Account of the Bank. From revenues and funds of the Bank as determined by the Bank in its discretion, the Bank may deposit into the Account, or credit the Budget, in such increments as it determines, Financial Assistance in the form of grant(s) for the Project not to exceed $120,000,000. The Bank may make Disbursements from the Account, pursuant to Section 6 of this Agreement, to pay for Eligible Costs of the Project incurred by the SCDOT on behalf of the County or the County on Contracts. This grant shall be used only for Eligible Costs of the Project and shall be paid out through Disbursements from the Account subject to the provisions of this Agreement, including Section 6.

In no event at any time shall the Bank be required to increase its Financial Assistance, grants, credits, disbursements, or contributions to the Project beyond $120,000,000 or to disburse, advance, transfer or pay from its own monies in excess of $120,000,000 for the Project.

Any savings or reductions in the total cost of the Project shall be credited against and reduce the amount of the Bank's grants to the Project. Furthermore, any additional state (other than the Bank's), county, municipal, regional government or private funds of any kind or any Federal funds of any kind provided or available for the Project in any form other than those identified in the Application that have been previously committed to the Project shall offset and reduce the amount of the Bank's grants for the Project on a dollar for dollar basis unless those funds are needed, as determined by the Bank Board in its discretion, to complete the Project in a manner consistent with its original scope or with an expanded or upgraded scope approved by the Bank. To the extent allowed by applicable law, any funds committed to or allocated for the Project from any source remaining after completion of

the Project must be transferred to the Bank by the County or SCDOT unless this obligation is waived or modified by action of the Bank.

To the extent that Financial Assistance or a portion of that Financial Assistance, provided by the Bank for the Project is subject to an annual appropriation made by the General Assembly to the Bank as a matter of law, the provision by the Bank of that Financial Assistance, or portion thereof, for the Project in each fiscal year of the State is subject to an appropriation by the General Assembly to the Bank of funds sufficient to cover the Disbursements for the Project for that fiscal year that need to be made from such an appropriation. In the event the amount of any such appropriation required by law is not sufficient for that purpose, the Bank shall confer and work with the County to reduce or manage the amount of Financial Assistance used for the Project to an amount within the appropriation to the Bank for the Project and all other sources of funds available to the Bank for the Project for that fiscal year. If the appropriation required by law and all other sources of funds available for the Project to the Bank are insufficient as determined by the Bank to provide any Financial Assistance for the Project for a fiscal year, the Financial Assistance from the Bank for the Project may be suspended by the Bank Board until sufficient funds are appropriated by the General Assembly to the Bank and/or other sources of funds are available to the Bank for the Project for such Financial Assistance to resume. The suspension of Financial Assistance under this Section shall not constitute a termination of, or a default of an obligation under, this Agreement.

3.2. Beaufort County

The County shall provide the local match funds and other financial contributions for the Project that consist of the following sources:

A. Beaufort County one-cent transportation sales tax in the amount of $80,000,000;
B. Beaufort County Road Impact fees in the amount $12,300,000; and
C. Beaufort County General Obligation Bonds in the amount of $7,000,000.

The County also represents, warrants, and covenants that it has secured binding legally enforceable contributions and funds for the Project from the following sources:

A. Town of Hilton Head Right-of-Way dedication in the amount of $3,350,000;
B. Federal Guideshare Funds in the amount of $4,200,000; and
C. SCDOT Bridge Replacement Funds in the amount of $65,500,000.

The County and SCDOT must expend all of the financial contribution and funds for the Project listed in Section 3.2, for Eligible Costs of the Project before the Bank will be obligated to pay or reimburse any Eligible Costs on the Project.

The Bank shall be provided full and complete access by the County to all records and information concerning the financial contributions and funds listed in this Section 3.2 and the expenditures of those financial contributions and funds.

3.3. Funding Responsibilities if Project Costs Exceed Total Estimated Cost.
The County shall provide additional funding to complete the Project if the amount of monies and funds needed to complete construction of the Project exceeds the current total estimated costs of $$292,350,000, or if any funds or contributions to be provided for the Project by a source other than the Bank, including those listed above in Section 3.2, are not received. As stated in Section 3.1, the Bank's maximum Financial Assistance for the Project shall not exceed $120,000,000.

ARTICLE IV

4. Additional Obligations of Beaufort County

4.1 Additional Documents and Actions

A. At the request of the Bank, the County shall execute any other documents that the Bank determines is reasonably necessary to evidence or establish the County's obligations to the Bank set forth in this Agreement.

B. The County acknowledges that the Bank in its discretion may raise funds for its commitment to the Project and other qualified projects through the issuance of revenue bonds or other indebtedness as permitted under the Act. Accordingly, the County shall take such actions and enter into or provide such other documents or agreements, including amendments to this Agreement or other agreements that are consistent with the substance hereof, as may be reasonably necessary to comply with South Carolina laws and regulations associated with such bonds or indebtedness or to satisfy requirements for documentation and information reasonably imposed by the Bank, prospective purchasers of such bonds, holders of such bonds, bond insurers, rating agencies, lenders or regulatory agencies and their attorneys, advisors, and representatives; provided however, that such actions, documents and agreements are legally permissible and that no such action or document shall create any additional material obligation or increase any material obligation of the County.

C. At the request of the Bank, the County shall enter into and execute any amendments to this Agreement or a new intergovernmental agreement consolidating all or some intergovernmental agreements between them, including this Agreement, into one intergovernmental agreement, all in a form and with contents, provisions, and terms acceptable to the Bank. The Parties acknowledge that certain permits, approvals and authorizations are expected to be forthcoming as the Project progress, but they have not been finalized as of the time of the execution hereof.

D. The County shall promptly provide the Bank upon request by it copies of any and all contracts, agreements and documents relating to the Project.

4.2 Additional Warranties and Covenants of Beaufort County

In addition to other requirements and obligations contained within this Agreement, the County warrants, covenants, and acknowledges that:

A. The County has full power and authority to execute, deliver and perform and to enter into and carry out the transactions contemplated by the provisions in this Agreement, and the execution and performance of these provisions and transactions by the County does not and will not violate any applicable law and does not, and

will not, conflict with or result in a default under any agreement or instrument to which the County is a party or by which it is bound, a violation of which would cause a material adverse effect to the Bank. This Agreement has, by proper action, been duly authorized, executed and delivered by the County.

B. This Agreement is valid, binding, and enforceable as to the County in accordance with its terms, and the County shall perform their obligations as set forth in this Agreement in accordance with its terms.

C. No further authorizations, consents or approvals of governmental bodies or agencies are required in connection with the execution and delivery by the County of this Agreement and the performance of its obligations hereunder, including the obligations to provide all of the financial contributions and funds listed in Section 3.2 of this Agreement and to construct the Project.

D. No litigation at law or in equity, nor any proceeding before any governmental agency or other tribunal involving the County is pending or, to the knowledge of the County threatened, in which any judgment or order may be or has been rendered, or is sought, that may have a material and adverse effect upon the operations or assets of the County or would materially or adversely affect the validity of this Agreement, or the performance by the County of its obligations hereunder or the transactions contemplated hereby. The County will immediately notify the Bank in writing if any such litigation or proceeding is commenced or threatened at any time during the term of this Agreement.

E. To the maximum extent permitted by law of South Carolina, the County shall defend, indemnify and hold the Bank harmless from and against any and all liabilities, claims, or actions arising out of or relating to the project.

F. No further authorizations, consents or approvals of governmental bodies or agencies are required in connection with the execution and delivery of the financial contributions and funds listed in Section 3.2 of this Agreement to be provided by entities other than the County.

G. The County has no knowledge of any pending or threatened litigation at law or in equity, nor any proceeding before any governmental agency or other tribunal involving the financial contributions and funds listed in Section 3.2 of this

Agreement to be provided by entities other than the County in which any judgment or order may be or has been rendered, or is sought, that would materially or adversely affect the validity of this Agreement or the performance by those other entities of their respective obligations hereunder or the transactions contemplated hereby. The County will immediately notify the Bank in writing if any such litigation or proceeding is commenced or threatened at any time during the term of this Agreement.

H. If requested by the Bank, the foregoing warranties and covenants contained in this Agreement shall be confirmed by a written opinion issued to the Bank by legal counsel for Beaufort County in a form and with conclusions satisfactory to the Bank.

4.3 Reimbursement of Bank

A. If the Bank determines at any time that any Disbursements made by it on the Project were for costs or expenses that were not Eligible Costs, were based on misstatements of fact by the County, SCDOT, or third parties, or were for work, services, or materials that do not meet the design and construction specifications and standards of SCDOT and that have not been corrected to meet those specifications and standards, the Bank, at its option, may require the County to reimburse the Bank for all such costs and expenses and the County shall make such reimbursements to the Bank. In the event that the County does not pay the full amount of the reimbursement to the Bank within ninety (90) days of the date of the notification to the County by the Bank that such reimbursement is due the Bank, the County's obligation to reimburse the Bank shall be subject to the provisions of S.C. Code Ann. § 11-43-210 and Section 8.2 of this Agreement. In lieu of requiring the payment of such reimbursement(s) by the County, the Bank may in its discretion reduce the amount of the grant by the amount of the reimbursement due the Bank under this section. This Section 4.3 shall survive the termination of this Agreement.

B. If the Bank Board determines that (i) the County or SCDOT has abandoned the Project, or any component thereof, at any time, (ii) the County or SCDOT has failed to commence construction or pursue completion of the Project, including all components, with due diligence after having received one written warning notice from the Bank of such failure by the County or SCDOT no less than sixty (60) days prior to the notification for reimbursement and the County or SCDOT thereafter fail to commence and maintain pursuit of completion of the Project, including all components, with due diligence during that sixty (60) day period, or (iii) the County or SCDOT fails to commence construction of the Project by __2024__ or complete the Project, including all components, by December 31, 2028, the County shall reimburse the Bank fully for all Disbursements within ninety (90) days of the date of the notification to the County by the Bank that such reimbursement is due the Bank and stating the reason(s) for such reimbursement. Further, in that event, all Disbursements for the Project shall cease, and the Bank shall have no further obligations to the County under this Agreement. If the County fails to make such reimbursements in full to the Bank within that ninety (90) day period, the County's obligation to reimburse the Bank shall be subject to the provisions of S.C. Code Ann. § 11-43-210 and Section 8.2 of this Agreement. In the event exigent circumstances prevent the County or the SCDOT on behalf of Beaufort County from commencing or completing the Project by the dates identified above, the Bank may in its discretion, but is not required to, grant an extension of the commencement or completion date identified above on such terms and conditions as it may determine.

C. The County shall reimburse the Bank promptly for all reasonable costs and expenses incurred by the Bank in responding to requests for records and information submitted to it pursuant to the South Carolina Freedom of Information Act (FOIA) relating to the Project after the Bank provides the County a written itemization of such costs and expenses and a copy of the request. Prior to seeking reimbursement from the County, the Bank will make a reasonable effort to collect

such costs and expenses from the person or entity requesting such records or information pursuant to the FOIA.

4.4 Project Reporting

The County shall report in writing to the Bank at least quarterly on the status of the Project, including, but not limited to, reports on the status of design, right-of-way acquisition, environmental approvals, construction, scheduled draw requests, costs to date, estimated costs to complete the Project, project changes, and any other matters identified or requested by the Bank. The report shall be in a form acceptable to the Bank.

ARTICLE V

5. Project Administration and Related Matters

5.1 Project Administration

SCDOT on behalf of the County will administer and manage the Project. SCDOT shall approve the design and construction of the Project. SCDOT shall be responsible for all engineering, right-of-way acquisition, and construction for the Project and may perform all or any part of the work with its own forces or may contract out any of the work or services to outside private or governmental consultants or contractors should it determine that such contracting out would be more efficient or would result in more timely completion of the Project. SCDOT shall enter into Contracts in its own name. All rights-of-way shall be acquired in the name of SCDOT, and the laws and procedures of the State of South Carolina for acquiring rights-of-way shall apply and be followed. At its option, the Bank at any time may require that the County request SCDOT to accept the conveyance of any or all such rights-of-way, and if SCDOT grants the request, the County shall complete that conveyance. Any rights-of-way acquired by the County or SCDOT but not needed for the Project shall be conveyed to the Bank at no cost to the Bank upon its request. SCDOT shall be entitled to draw, and be paid hereunder, its normal and customary rates for its services that are Eligible Costs of the Project. All work, services and materials used on the Project shall conform to the standards and specifications required by SCDOT, and for the Project to be accepted by SCDOT into the State Highway System. The County or SCDOT shall complete the Project and open the Project for public use upon such completion.

5.2 Scope of Project

The scope of work of the Project shall be generally as set forth in the in the definition of Project in Section 1 of this Agreement. Any material changes in that scope of the Project proposed by the County or SCDOT shall require the review and approval of the Bank Board of Directors and be stated in an amendment to this Agreement. Material change includes, but is not limited to, a change to the Project that (a) requires a revision of the Record of Decision issued by FWHA, the permit(s) issued by the U. S. Army Corps of Engineers, or the permits, approvals or authorizations required for the Project issued by other Federal or State Regulatory Agencies; or (b) materially changes the overall design or purpose of the Project; or (c) materially increases the total cost of the Project.

5.3 Project Maintenance

The County shall be responsible for and shall provide maintenance for all improvements and components of the Project after completion of that Project unless and until SCDOT accepts that responsibility in writing. Prior to completion of the Project, the County shall seek the written agreement or written commitment of SCDOT to provide maintenance for the improvements and components of the Project and provide the Bank a copy of that agreement or commitment if obtained. The County shall continue to provide maintenance of such improvements and components of the Project in perpetuity for which SCDOT does not accept responsibility for maintenance. The County shall make all modifications to the Project required by SCDOT for SCDOT to accept responsibility for maintenance of the Project.

5.4 Contracting Methods

SCDOT on behalf of the County shall solicit contractor, construction and consultant services, and materials needed to complete the Project by the procurement methods it deems will result in the selection of the best qualified firms and vendors, the lowest responsible contract price, and the best value for the Project as long as it is authorized by law to employ such methods. Contract forms shall be design-build, design-bid-build, or any other form or combination of forms or project phases that are permissible by law that

SCDOT determines will result in the most cost-effective, efficient, and timely delivery and completion of the Project.

5.5 Bonds and Insurance

SCDOT on behalf of the County shall require that the contractor for the Project provide and maintain throughout the life of the project the same types and amounts of payment bonds, performance bonds, and insurance coverages that the SCDOT usually requires from contractors on projects that it manages.

SCDOT on behalf of the County shall require that subcontractors, engineering or design firms, and other vendors and providers on the Project provide and maintain the same types and amounts of payment bonds, performance bonds, and insurance coverages that SCDOT or the County usually requires from subcontractors, engineering or design firms, and other vendors and providers on projects it manages.

The County shall obtain and provide the Bank proof of such required bonds and insurance coverages prior to each respective contractor, subcontractor, engineering or design firm, vendor and provider commencing the provision of services or materials on the Project. The County shall certify to the Bank in writing between July 1 and July 30 of each year during the life of the Project that all such required bonds and insurance coverages remain in force. The County shall immediately notify the Bank in writing if any required bonds or insurance coverages lapse or are terminated. The Bank may decline to make payments or Disbursements for any services or materials provided by any contractor, subcontractor, firm, vendor, or provider on which any required bonds or insurance coverages have lapsed or been terminated until such lapse or termination is corrected to the satisfaction of the Bank.

Upon request, the County promptly shall obtain and provide the Bank copies of any required bonds and any certificates or policies for any required insurance coverages.

ARTICLE VI

6. Conditions to Bank's Disbursements and Draw Requests

6.1 Conditions to Bank's Disbursements and Draw Requests

The Bank's obligation to make Disbursements for Eligible Costs arises only upon the Bank's receipt, review, and approval of a draw request from the County or SCDOT, which draw request shall be in a form approved by the Bank, and is further conditioned upon all of the following conditions being met:

A. No lien or other interest may have attached to a Contract or Project, nor to any rights-of-way, real property or improvements related thereto.

B. Construction of the completed portions of the Project described in the relevant Contract shall have been carried out substantially in accordance with the applicable plans, standards, and specifications.

C. No event of default exists under this Agreement, any related agreement with the Bank or SCDOT, or any Contract.

D. No event or condition shall have occurred or arisen which prevents the Bank from obtaining funds sufficient to complete its Financial Assistance to the Project, and no other matches or contributions listed in Section 3.2 of this Agreement have failed to be provided on the schedule approved by the Bank or required by the Agreement.

E. The County has fulfilled all of the warranties, covenants and obligations set forth in this Agreement.

F. The County or SCDOT shall have certified that the entire payment applied for in the draw request is for Eligible Costs of the Project and that the design of and work on the Project and materials used in the Project comply with the terms of applicable Contracts, the approved plans, and the applicable standards of SCDOT.

G. Any material changes in the scope of the Project has been approved by Bank, this Agreement has been modified or amended as determined necessary by the Bank, and additional approvals from the Joint Bond Review Committee, SCDOT, and any other governmental entities have been obtained as determined necessary by the Bank.

H. The County warrants that no litigation, nor any proceeding before any governmental agency involving the Project or the County is pending, or to the knowledge of the County, threatened, in which any potentially adverse outcome would have a materially adverse impact on the ability of the project sponsor to meet its obligations under its Financial Assistance arrangement with the Bank and this Agreement.

I. Any entities, agencies or firms providing financial contributions, grants funds, or assistance to, or otherwise participating in, the Project have executed any other documents, agreements or instruments that are required by the Bank to evidence or establish their obligations to the Bank and/or the Project in a form and with contents acceptable to the Bank.

6.2 Costs Not Paid or Reimbursed

The Bank will not make Disbursements for or pay or reimburse expenses, expenditures or costs of the following which are hereby deemed and defined as not qualified as Eligible Costs under this Agreement:

A. Any costs, expenses, expenditures, attorneys' fees, damages, awards, judgments or settlements arising from, or alleged to arise from, permits for the Project; claims, or legal or administrative actions or proceedings of any kind, asserted under any Federal, state, local or government agency law, ordinance or regulation, for condemnations; inverse condemnations; regulatory takings; physical takings; trespasses; nuisances of any kind; flooding; damages to real or personal property or interests of any kind; diminutions in real or personal property values; loss of road, street, highway or other access; environmental, noise, visual, odor or similar damages or impacts; similar demands, assertions or allegations; or payments or obligations established under any compensation programs or plans established by the SCDOT or the County or any other entity.

B. Any costs, expenses, expenditures, damages, awards, judgments, or settlements arising from, or alleged to arise from, any claims, disputes, proceedings, or lawsuits of any kind, including disputes between the County, SCDOT, and any third parties;

C. Landscaping and beautification for the Project other than for required grassing or other erosion control measures or replacement or repair of trees, vegetation or landscaping affected by construction of the Project.

D. Excessive or unreasonable attorneys', engineering or other professional fees or expenses based on the lesser amount of reasonable fees and expenses as determined by applicable industry standards or what State agencies, including SCDOT and the South Carolina Attorney General's Office, usually pay or authorize for such services, fees, and expenses.

E. Any costs that are not for the actual construction of the Project.

ARTICLE VII

7. Indemnification of Bank

To the maximum extent permitted by the law of South Carolina, the County shall defend, indemnify and hold the Bank and its Bank Board members, officers and employees harmless from and against any and all liabilities, claims, actions, damages, judgments and attorneys' fees and related expenses and costs in any way arising out of or relating to the design, location, construction, modification, funding, pursuit, implementation, completion or operation of the Project, or any portion or component thereof, or this Agreement or any contract, or the selection, use or payment of persons or firms for design, construction, modification, or operation of the Project, or any portion or component thereof. In the event the County does not pay the full amount of any such indemnification to the Bank within ninety (90) days of the date of the notification to the County that such indemnification is due the Bank, the County's obligation to pay the Bank for such indemnification shall be subject to the provisions of S.C. Code Ann. § 11-43-210 and Section 8.2 of this Agreement. In lieu of requiring the payment of such indemnification by the County, the Bank may in its discretion reduce the amount of the grant stated in Section 3.1 of this Agreement by the amount of the indemnification due the Bank under this section. This Section 7 shall survive the termination of this Agreement.

ARTICLE VIII

8. Bank's Rights and Remedies

8.1 Events of Default as to Beaufort County

In the event the County shall violate or fail to comply with any provision in or obligation under this Agreement (including other agreements and obligations incorporated herein) and if such failure continues for a period of thirty (30) days after receipt of a written notice of such default from the Bank, such failure shall constitute an Event of Default hereunder.

8.2 Remedies as to Beaufort County

Whenever any Event of Default occurs, any one or more of the following remedies may be pursued by and shall be available to the Bank against the County in addition to those provided in other sections of this Agreement:

A. As to any Event of Default, any obligation or duty the County failed to perform shall be deemed a ministerial act and subject to the remedies of mandamus and mandatory injunction requiring the County to perform the obligation or duty, and the Bank shall be deemed to have no adequate remedy at law for such Event of Default.

B. Among other rights and remedies available to the Bank following an uncured Event of Default, the Bank shall have the right to cease making any further Disbursements under this Agreement with respect to the Project until such Event of Default has been cured and the right to require the County to reimburse it for any or all Disbursements on the Project. The Bank shall also have and may pursue any other remedies available under South Carolina law, except as such remedies may be expressly limited by the specific provisions of this Agreement.

C. The County shall pay the Bank the reasonable attorneys' fees and expenses incurred by the Bank in pursuing any remedy for an Event of Default.

D. In the event the County fails to make any payment or reimbursement to the Bank in full as required by this Agreement, it acknowledges the authority of the State Treasurer under S.C. Code Ann. § 11-43-210 to withhold funds allotted or

appropriated by the State to the County and to apply those funds to make or complete any such payment in full to the Bank. The County agrees that the current provisions of Section 11-43-210 are hereby incorporated into this Agreement verbatim as an independent and separate contractual obligation of the County and shall be enforceable against Beaufort County and survive even if S.C. Code Ann. § 11-43-210 is repealed or its application is reduced or amended by action of the General Assembly, or it is otherwise abrogated, or its application is reduced or modified by a court or court decision. The Bank will notify the County prior to requesting that the State Treasurer withhold such funds.

8.3 Remedies Cumulative; Nonwaiver

All rights and remedies of the Bank provided for in this Agreement or in any other related document as to any Party or other entity are cumulative, shall survive the termination of this Agreement, and shall be in addition to any and all other related rights and remedies provided for or available to the Bank at law, including those contained in the Act, or in equity. The exercise of, or the failure to exercise, any right or remedy by the Bank shall not in any way constitute a cure or waiver of an Event of Default or the waiver of any right or remedy available to the Bank, nor invalidate any act done pursuant to any notice of the occurrence of an Event of Default.

ARTICLE IX

9. General Conditions and Provisions

9.1 Waivers

No waiver of any Event of Default by the Bank hereunder shall be implied from any delay or omission by the Bank to take action on account of such Event of Default, and no express waiver shall affect any Event of Default other than the Event of Default specified in the waiver and it shall be operative only for the time and to the extent therein stated. Waivers of any covenants, terms or conditions contained herein by either Party must be in writing and shall not be construed as a waiver of any subsequent or other breach of the same covenant, term, or condition. The consent or approval by a Party to or of any act by the

other Party requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent or similar act. No single or partial exercise of any right or remedy of the Bank hereunder shall preclude any further or later exercise thereof or the exercise of any other or different right or remedy by a non-defaulting Party.

9.2 Benefit and Rights of Third Parties

This Agreement is made and entered into for the sole protection and benefit of the Parties, and their successors and assigns. No other persons, firms, entities, or parties shall have any rights, or standing to assert any rights, under this Agreement in any manner, including, but not limited to, any right to any Disbursements at any time, any right to require any Party to apply any portion of the amounts committed herein that have not been disbursed to the payment of any such claim, or any right to require any Party to exercise any right or power under this Agreement or arising from any Event of Default of any kind by any Party. Nor shall the Bank owe any duty or have any obligation whatsoever to any claimant for labor or services performed or materials or supplies furnished in connection with the Project. No other persons, firms, entities, or parties shall, under any circumstances, be deemed to be a beneficiary of any conditions or obligations set forth in this Agreement, any or all of which may be freely waived in whole or in part by the Bank at any time pursuant to Section 9.1 of this Agreement, if in its sole discretion, it deems it desirable to do so.

9.3 No Liability of Bank

The Bank makes no representations and assumes no obligations or duties as to any person, firm, entity, or party, including the Parties to this Agreement, concerning the quality of the design, construction, modification, completion or operation of the Project, or any portion or component thereof, or the absence therefrom of defects of any kind. The Bank and its Bank Board members, officers and employees shall not be liable in any manner to any person, firm, entity, or party, including the Parties to this Agreement, for the design, location, construction, modification, completion, or operation of the Project, or the failure to design, locate, modify, operate, complete, or construct the Project or any portion or component thereof, generally or in any particular manner. The Bank shall not be liable in

any manner on any Contract to which it is not a named party, the execution of which has not been properly and duly authorized by the Board, and that has not been so executed by the Bank.

9.4 Assignment

The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto; provided, however, the Parties shall not assign or delegate this Agreement, any of its respective rights, interest, duties, or obligations under this Agreement, nor any Disbursements without the prior written consent of the other Parties; and any such attempted assignment or delegation (whether voluntary or by operation by law) without said consent shall be void.

9.5 Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Agreement nor the intent or meaning of any provision hereof.

9.6 Notices

All notices required to be given hereunder, except as otherwise provided in this Agreement, must be in writing and shall be deemed effective when received by the other Party, through certified mail, registered mail, personal delivery, or courier delivery. All such notices shall be addressed to the Parties as follows:

Beaufort County
Beaufort County Administrator
100 Ribaut Road
Beaufort, South Carolina 29902

South Carolina Transportation Infrastructure Bank
Chairman
South Carolina Transportation Infrastructure Bank

955 Park Street
Columbia, SC 29201

9.7 Amendments

Any amendment to this Agreement shall only be made through a written instrument duly authorized and signed by each Party hereto.

9.8 Savings Clause

Invalidation of any one or more of the provisions of this Agreement by any court of competent jurisdiction shall in no way affect any of the other provisions hereof, all of which shall remain, and is intended by the Parties to remain, in full force and effect. Notwithstanding the following sentence, in the event that a court invalidates or modifies any one or more provisions, in whole or in part, of this Agreement, the Bank may in its discretion terminate this Agreement by providing notification of such termination to the County, and upon providing such notification to the County, all of the Bank's obligations under this Agreement shall terminate immediately.

9.9 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument, and in making proof of this Agreement it shall not be necessary to produce or account for more than one such fully executed counterpart.

9.10 Authority to Execute

By executing this Agreement, the undersigned signatory each affirms and certifies that he or she has authority to bind his or her principal which is a Party to this Agreement thereto and that all necessary acts have been taken to duly authorize this Agreement under applicable law.

[SEPARATE SIGNATURE PAGES FOR EACH PARTY FOLLOW]

SIGNATURE PAGE FOR BEAUFORT COUNTY

IN WITNESS WHEREOF, Beaufort County has caused this Agreement to be executed on its behalf and its seal to be affixed hereto.

BEAUFORT COUNTY, South Carolina

By: Eric L Greenway

Printed Name: ERIC L. GREENWAY

Title: COUNTY ADMINISTRATOR

Attest:

By: Cheryl Harris

Printed Name: Cheryl Harris

Title: Executive Assistant to the County Administrator

(SEAL)

Note: This Agreement was approved by the Beaufort County Council on December 13, 2021 by adoption of Resolution 2021/36.

SIGNATURE PAGE FOR BANK

IN WITNESS WHEREOF, the South Carolina Transportation Infrastructure Bank has caused this Agreement to be executed on its behalf and its seal to be affixed hereto.

South Carolina Transportation Infrastructure Bank

By: _____

John B. White, Jr.,
Chairman

Attest:

_____

Robert E. Tyson, Jr.
Secretary

(SEAL)

Sworn to before me this
9th day of December 2021

_____

Notary Public for South Carolina
My commission expires 7/15/29

RESOLUTION 2021/36

WHEREAS, on or about July 24, 2019 (and supplemented thereafter), Beaufort County (the "County") submitted an application for financial assistance (the "Application") to the South Carolina Transportation Infrastructure Bank (the "Bank") for the purpose of receiving funds for improvements to certain portions of US Highway 278 from Moss Creek Drive to Spanish Wells Road in the county (the "Project"); and

WHEREAS, subsequently, the Application received approval from the Bank on July 16, 2020; and

WHEREAS, the SC Department of Transportation Commission approved the financial assistance at its meeting of July 16, 2020; and

WHEREAS, the financial assistance was approved by the Joint Bond Review Committee of the SC General Assembly on August 11, 2020; and

WHEREAS, the Bank and the County now wish to enter into the Intergovernmental Agreement provided by the Bank setting forth the respective responsibilities and obligations of the parties for financial assistance for the Project (the "Intergovernmental Agreement"), as revised.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Beaufort County, South Carolina, that:

1. County Council hereby approves entering into the Intergovernmental Agreement with the Bank for the Bank's financial assistance for the Project.

2. The County Administrator is authorized to execute and deliver the Intergovernmental Agreement to the Bank and is authorized to execute and enter into any supplements or amendments to the Intergovernmental Agreement as may be necessary or helpful from time to time.

Adopted this 13th day of December, 2021.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Joseph Passiment
Chairman

ATTEST:

_____
Sarah Brock, Clerk to Council

Beaufort County - US 278 Corridor Improvement Project

STATE INFRASTRUCTURE BANK APPLICATION



Date: July 24, 2019

This page is intentionally left blank.

EXECUTIVE SUMMARY

The US 278 Corridor Improvement project is in Beaufort County, SC and includes the consideration of improvements for the US 278 Corridor from Moss Creek Drive to Spanish Wells Road. The project corridor is a SC Department of Transportation (SCDOT) owned and maintained facility and is a part of the National Highway System (NHS). In addition, US 278, including the entire project limits, is within the Strategic Statewide Freight Roadway Network in the SCDOT South Carolina Statewide Freight Plan. US 278 is the only access onto and off Hilton Head Island, and improvements to this corridor provide a public benefit to the residents, employees, and the large amount of tourism that not only benefits the region, but the entire state.

The estimated cost for this project is $246 million, with an additional $26.4 million in project risk, resulting in the need for a total of $272.4 million. South Carolina Department of Transportation (SCDOT) budgeted $43.5 million to replace the eastbound span of the Karl Bowers Bridge. In addition, Beaufort County voters have implemented a 1 cent transportation sales tax to raise $80 million for this project and additional local matches (described further in the Financial Plan) have provided an additional $12.35 million to ensure that this project does not simply address a structural issue but truly solves a long-term capacity concern for the corridor. **Beaufort County is respectfully requesting that the State Infrastructure Bank (SIB) provide the remaining funds for this project in the amount of $120 million, less than 50% of the total cost, bringing the full funding allocations of this project, including assessment of project risk, to $272.4 million.**

The purpose of this project is to address structural deficiencies at the existing eastbound Karl Bowers Bridge over MacKay Creek, to increase capacity, and reduce congestion along US 278 from Moss Creek Drive to Spanish Wells Road. US 278 is part of the National Highway System (NHS).

Public Benefit

The US 278 Corridor Improvement Project is a project of statewide significance.

The implementation of this project will:

- Increase mobility of people and goods.
- Increase reliability and capacity of the transportation network by decreasing congestion and delay.
- Improve or replace the deteriorating conditions of existing bridges.
- Improve public safety and improve hurricane evacuation routes.
- Improve the quality of life for the region's population and visiting guests.
- Support local, regional, and statewide economies

The improvements proposed along this section of the US 278 corridor will address the bottleneck caused by the reduced 2-lane roadway (per direction) where it is joined by 3-lane improvements at both ends of this project. This bottleneck has caused crippling traffic congestion which has impacted local economies, increased crash rates, and impaired hurricane evacuation efforts that have plagued this stretch of roadway for decades.

This project supports all the goals and objectives listed in the South Carolina Department of Transportation, South Carolina Multimodal Transportation Plan (MTP). This project is consistent with all local land use plans and will include the required transportation network enhancements to keep pace with the growth this area is experiencing and will continue to see. The County, MPO, and Town of Hilton Head Island have all passed resolutions supporting this important project in the regional infrastructure.

The SIB Criteria states that "the ranking and scoring is done as part of the program categories Long Range Plan." This project has met the criteria and is listed in the priority list by SCDOT as well as being the number one priority in the LATS MPO. Through the LATS MPO criterion scoring of projects, this project, identified as the **number one priority**, has a score of 74. Based on the provided criteria for Public Benefit, as well as identifying that these improvements are part of **both the National Highway System and the State Freight Network**, the resulting score is a 74/100 which equals 37 points x 1.1=40.7. As the maximum number of points within the Public Benefit section is capped at 50, **this project scores 40.7 points for the Public Benefit criteria**.

Financial Plan

This project is in excess of $50 million and will follow the guidelines as described in the SIB criteria requiring a local contribution of at least 25% of the total project costs with additional credit provided for the grant application for each additional 5% of local contribution and non-Bank funding. **The $246 million project, including project risk, is broken down as follows:**

AMOUNT OF LOCAL CONTRIBUTIONS

FUNDING SOURCE	AMOUNT
Beaufort County one-cent tax referendum, as approved by the voters on November 6, 2018	$80,000,000
Beaufort County Road Impact Fees	$12,300,000
Per Section 5.25	
Federal Guideshare / Local money for the Environmental Assessment/Preliminary Engineering	$4,200,000
SCDOT Bridge Replacement Funds	$43,521.112
Beaufort County Funds for Jenkins Island Work	$9,000,000
Town of Hilton Head Island Right-of-Way Dedication	$3,350,000
Total Local / Non-Bank Funded Match including Project Risk (see Table 8)	$152,370,112
SCIB Grant Request	$120,000,000
Total Project Risk	**$272,370,112**

Based on the points calculation within Section 5.2.a, the following points are allocated for this project:

For a project over $50 million, the amount of local contribution must be at least 25%. With a $246 million project, 25% of the total cost is $61.5 million. The Beaufort County one-cent tax provides $80 million specific to this project, thereby meeting the 25% local fund commitment, and exceeding the match with an additional $18.5 million. This equates to **15.04 points.**

The Beaufort County Road Impact Fees provide an additional $12.3 million equating to an additional **10 points**.

Per Section 5.24, the additional elements as noted in Table 8 provide an additional local match / non-Bank funded amount of $60.1 million. This equates to **24.42 points**.

The committed funds in both local match as well as non-Bank funds result in a total score of **49.46 points of the available 50 points.**

Point of Contact: Robert McFee, PE, Director
Engineering & Infrastructure
Beaufort County Engineering Division
Mailing Address: P.O. Box 1228
Beaufort, SC 29901-1228
Street Address: 104 Industrial Village Road
Beaufort, SC 29906
Telephone: 843-255-2730
Facsimile Number: 843-255-9420
E-Mail Address: RMcFee@bcgov.net
Relationship to Applicant: Beaufort County on behalf of the South Carolina Department of Transportation

Application Prepared by: JMT
Jennifer J. Ray, AICP
Address: 952 Houston Northcutt Boulevard
Suite 100
Mt. Pleasant, SC 29464
Telephone: 410-316-2231
E-Mail Address: JRay@JMT.com
Total Cost to Prepare: $125,000

TABLE OF CONTENTS

(Section Numbering corresponds to the Application Criteria)

EXECUTIVE SUMMARY 1

III. DESCRIPTION OF PROJECT 5

PROJECT SCOPE 5

PROJECT INTENT 7

IV. PUBLIC BENEFIT 11

4.1 TRAFFIC STUDIES & SUPPORTING DATA 12

4.2 URGENCY OF PROJECT 18

4.3 ECONOMIC DEVELOPMENT RESOLUTION 19

4.4 CERTIFICATE FROM THE ADVISORY COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT OF THE DEPARTMENT OF COMMERCE 19

4.5 CURRENT AND FIVE-YEAR HISTORY OF UNEMPLOYMENT DATA 20

4.6 LOCAL SUPPORT FROM RESIDENTS THROUGH PETITIONS OR COMMENTS AT PUBLIC HEARINGS 21

4.7 LOCAL RESOLUTIONS 26

4.8 REGIONAL AND STATEWIDE SIGNIFICANCE 29

4.9 PROS AND CONS OF ALL ALTERNATIVE TRANSPORTATION PLANS TO THE PROJECT 41

4.10 ENVIRONMENTAL IMPACTS OF PROJECT 42

4.11 EVENTS/MILESTONES TO IMPLEMENT PHASES OF PROJECT 44

4.12 CURRENT STATUS OF THE PROJECT 44

4.13 ENTITY STATEMENT AGREEING TO RESPONSIBILITIES 45

4.14 PROJECT SCORE 45

4.15 CONSULTATION WITH THE DEPARTMENT OF COMMERCE 45

V. FINANCIAL PLAN 46

5.1 TOTAL PROJECT COST 46

5.2 PROJECT WITH TOTAL COST: IN EXCESS OF $50 MILLION 46

5.3 SOURCE OF LOCAL CONTRIBUTION 47

5.4 AMOUNT OF ASSISTANCE REQUESTED FROM BANK 47

5.5 FORM OF ASSISTANCE REQUESTED 47

5.6 OTHER PROPOSED SOURCES OF FUNDS 47

5.7 ANTICIPATED SCHEDULE OF FUNDS DISBURSEMENT 47

5.8 SCHEDULE OF PROJECT RECEIPT FOR LOCAL CONTRIBUTIONS 48

5.9 COMMITMENT TO FUTURE MAINTENANCE 48

5.10 CONTINGENCY PLANS SHOULD THE BOARD APPROVE LESS THAN THE REQUESTED FINANCIAL ASSISTANCE OR ACTUAL PROJECT COSTS EXCEED ESTIMATED PROJECT COSTS 48

5.11 IMPACT FEES 48

5.12 HOSPITALITY TAX 49

5.13 LOCAL SALES TAX 49
5.14 USER FEE 49
5.15 TAX INCREMENT FINANCING DISTRICTS 49
5.16 ASSESSMENT PROGRAM 49
5.17 DEVELOPMENT AGREEMENT PROGRAM 49
5.18 ZONING & LAND USE CONTROLS TO FOSTER USE OF EXISTING ROADS TO CONNECT DEVELOPMENTS 49
5.19 CASH FLOW ANALYSIS 49
5.20 INFLATION RATE 50
5.21 CONDEMNATION PROCEEDINGS 50
5.22 OTHER FUNDING SOURCES SOUGHT 50
5.23 POTENTIAL OBSTACLES 50
5.24 LOCAL MATCH OR CONTRIBUTION 50



IMAGE 1: US 278 BRIDGES TO HILTON HEAD ISLAND

III. DESCRIPTION OF PROJECT

The US 278 Corridor Improvement project is in Beaufort County, SC and includes the consideration of improvements for the US 278 Corridor from Moss Creek Drive to Spanish Wells Road. The project corridor is a SC Department of Transportation (SCDOT) owned and maintained facility and is a part of the National Highway System (NHS). In addition, US 278, including the entire project limits, is within the Strategic Statewide Freight Roadway Network in the SCDOT South Carolina Statewide Freight Plan. US 278 is the only access onto and off Hilton Head Island, and improvements to this corridor provide a public benefit to the residents, employees, and the large amount of tourism that not only benefits the region, but the entire state.

PROJECT SCOPE

The purpose of this project is to address structural deficiencies at the existing eastbound Karl Bowers Bridge over MacKay Creek, to increase capacity, and reduce congestion along US 278 from Moss Creek Drive to Spanish Wells Road. US 278 is part of the National Highway System (NHS). The eastbound Karl Bowers Bridge will be replaced; it was originally built in 1956 and is scheduled for replacement. Additional potential improvements include:

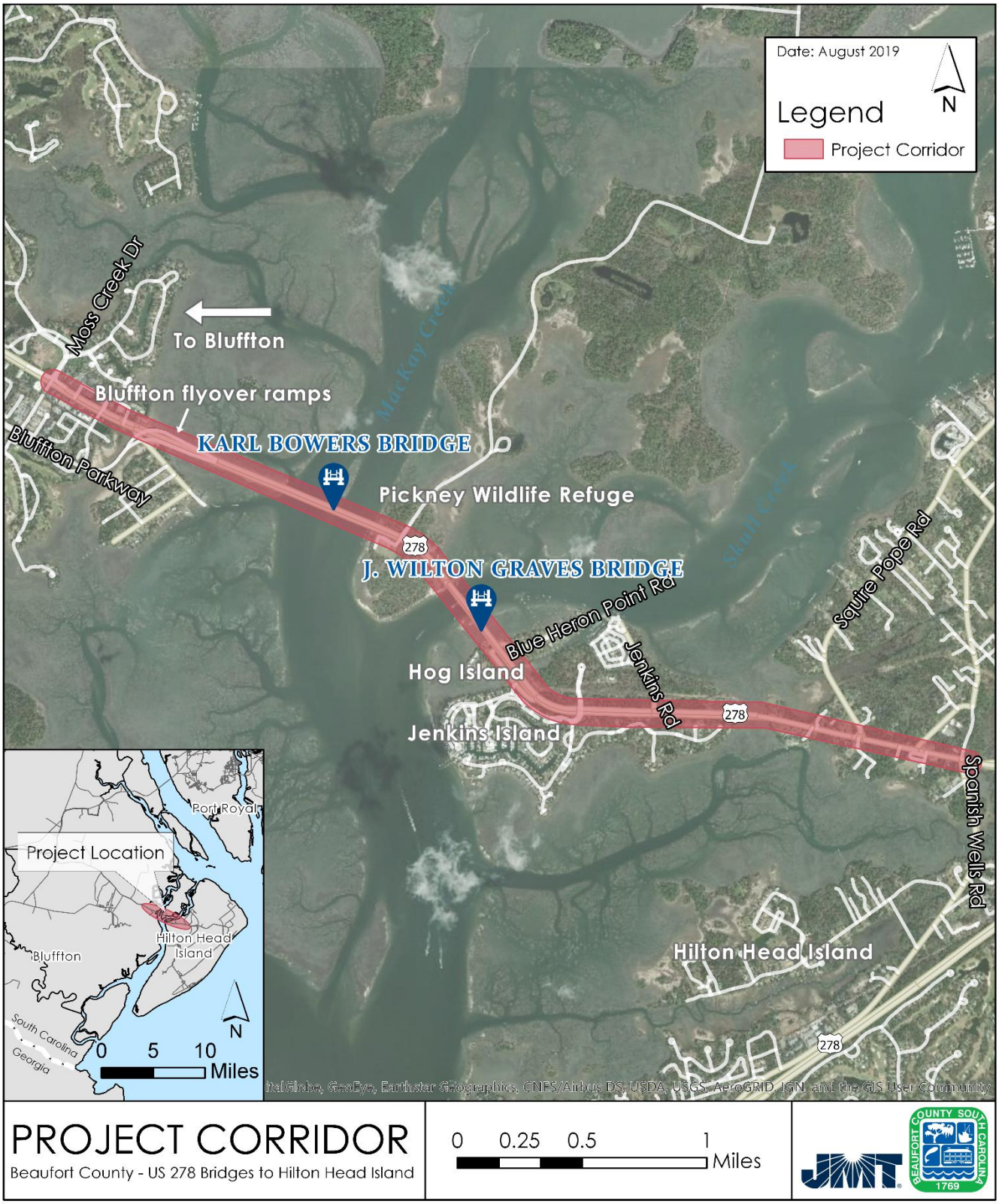
- Modifications to the remaining three bridge structures;
- Improved access to Pinckney Island National Wildlife Refuge; and
- Improved access to the C.C. Haigh, Jr. boat ramp.

Considerations for multimodal transportation improvements for this corridor will also be included.

Prior to the western limit at Moss Creek Drive, this project will tie into the Bluffton Parkway flyover ramps that were constructed in 2015. At the eastern limit, the project will tie into the Cross-Island Parkway, which begins just east of the intersection with Spanish Wells Road and Wild Horse Road on Hilton Head Island. The Karl Bowers Bridge and the J. Wilton Graves Bridge each contain two separate structures for the eastbound and westbound travel lanes, adding up to four structures in total that will be modified for improvement or replacement. Multimodal transportation improvements will be considered to provide better connectivity between existing networks and facilities. The at-grade intersections at Pinckney Wildlife Refuge, Hog Island, Jenkins Island, Squire Pope Road, and Spanish Wells Road will be evaluated for necessary intersection safety improvements. Any needed upgrades will be included in this project.

The estimated cost for this project is $246 million, with an additional $26.4 million in project risk, resulting in the need for a total of $272.4 million. South Carolina Department of Transportation (SCDOT) budgeted $43.5 million to replace the eastbound span of the Karl Bowers Bridge. In addition, Beaufort County voters have implemented a 1 cent transportation sales tax to raise $80 million for this project and additional local matches (described further in the Financial Plan) have provided an additional $12.35 million to ensure that this project does not simply address a structural issue but truly solves a long-term capacity concern for the corridor. **Beaufort County is respectfully requesting that the State Infrastructure Bank (SIB) provide the remaining funds for this project in the amount of $120 million, less than 50% of the total cost, bringing the full funding allocations of this project, including assessment of project risk, to $272.4 million.**

MAP 1: PROJECT CORRIDOR MAP



PROJECT INTENT

The US 278 Corridor Improvement Project is a project of statewide significance.

The implementation of this project will:

- Increase mobility of people and goods.
- Increase reliability and capacity of the transportation network by decreasing congestion and delay.
- Improve or replace the deteriorating conditions of existing bridges.
- Improve public safety and improve hurricane evacuation routes.
- Improve the quality of life for the region's population and visiting guests.
- Support local, regional, and statewide economies

The improvements proposed along this section of the US 278 corridor will address the bottleneck caused by the reduced 2-lane roadway (per direction) where it is joined by 3-lane improvements at both ends of this project. This bottleneck has caused crippling traffic congestion which has impacted local economies, increased crash rates, and impaired hurricane evacuation efforts that have plagued this stretch of roadway for decades.

The US 278 bottleneck has not only become a transportation challenge for residents and visitors in the immediate project vicinity, but it has also hampered the movement of people and goods impacting both local and regional economies. A large portion of Beaufort County's labor force must face long delays every day on their commute to and from work across these bridges. Eliminating this bottleneck will promote employment in the area by improving mobility and decreasing congestion.

This project builds upon work that has been in motion for years and is the inevitable next step and missing link to complete both the US 278 Corridor Improvements as well as the Bluffton Parkway Project, providing an improved connection from Hilton Head Island to the mainland. (Refer to Map 2) This project has been listed in master plans by the State, County, MPO, and Local Governments.

US 278 CORRIDOR IMPROVEMENTS

The transportation network in Beaufort County has been undergoing significant improvements to accommodate the growing population (16.3% increase from 2010 to 2018)[1], a booming tourism industry and supporting economies, such as recreation, dining, and hospitality. To keep pace with transportation demand, US 278 has undergone a variety of improvements including widening of US 278 from four lanes to six lanes (from Okatie Highway SC 170 to the eastern approach to the US 278 bridges to Hilton Head Island and from Squire Pope Road to Wilborn Road).

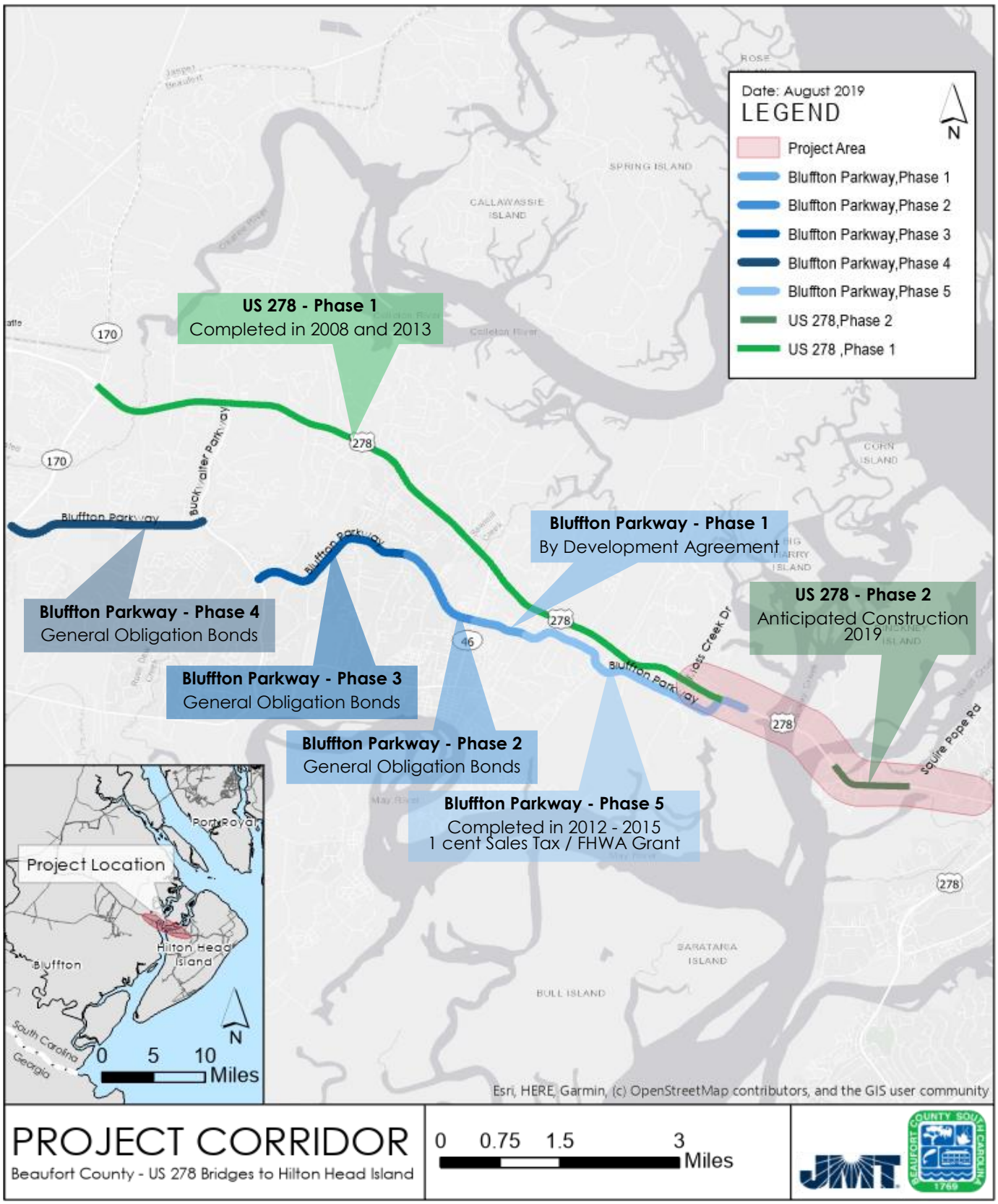
US 278 Phase 1 (Funded by Beaufort County and SCDOT) – Construction completed 2008 - 2013, the mainland portions of US 278 were widened from four to six lanes from SC 170 to the approaches to the Atlantic Intracoastal Waterway. This section of roadway was widened to increase safety and capacity resulting from the increasing residential and retail growth of the area and tourism on Hilton Head Island.

US 278 Phase 2 – Anticipated Construction 2019, includes improvement or replacement of US 278 on Jenkins Island. This roadway project will widen US 278 from four lanes to six lanes. It will include a multiuse path and will follow a super street design to eliminate left turns and allow only right in and right out entry.

BLUFFTON PARKWAY PROJECT EXPANSION - The Bluffton Parkway Project was an effort led by Beaufort County to address the traffic and safety issues along the congested US 278 corridor leading onto Hilton Head Island by creating the Bluffton Parkway as an alternative route to US 278 to alleviate delays and congestion and serve as a hurricane evacuation route. The 12-mile parkway was completed in 2015 and connects to US 278 at the western side of the Karl Bowers Bridge and includes two 12 ft. travel lanes in each direction, a 24 ft. landscaped median, and eight ft. multiuse pathways paralleling both sides of the roadway.

[1] U.S. Census Bureau, *Population Estimates, Percent Change – April 1.2010 to July 1, 2018*

MAP 2: US 278 CORRIDOR IMPROVEMENTS & BLUFFTON PARKWAY PROJECTS MAP



SUPPORTS SCDOT'S MULTIMODAL TRANSPORTATION PLAN (MTP) GOALS

This project supports all the goals and objectives listed in the South Carolina Department of Transportation, South Carolina Multimodal Transportation Plan (MTP). (See Table 1)

TABLE 1: SCDOT MULTIMODAL TRANSPORTATION PLAN GOALS & OBJECTIVES (EXCERPT)

OBJECTIVES:	ACHIEVED BY THIS PROJECT
GOAL: MOBILITY AND SYSTEM RELIABILITY	
Reduce the number of system miles at unacceptable congestion levels.	✓
Utilize the existing transportation system to facilitate enhanced modal options for a growing and diverse population and economy.	✓
Improve travel time reliability (on priority corridors or congested corridors).	✓
Reduce the time it takes to clear incident traffic.	✓
Utilize the existing transportation system to facilitate enhanced modal options for a growing and diverse population and economy.	✓
GOAL: SAFETY AND SECURITY	
Reduce highway fatalities and serious injuries.	✓
Reduce bicycle and pedestrian and other vulnerable roadway users' fatalities and serious injuries.	✓
Reduce roadway departure related fatality and serious injury crashes.	✓
Reduce fatal and serious injury crashes within work zones.	✓
Reduce highway - rail grade crossing crashes involving fatality or serious injury.	N/A
Reduce fatal and serious injury crashes at intersections.	✓
Reduce fatal and serious injury crashes involving commercial motor vehicle.	✓
GOAL: INFRASTRUCTURE CONDITION	
Maintain or improve the current state of good repair for the NHS.	✓
Reduce the percentage of remaining state highway miles (non-interstate/strategic corridors) moving from a "fair" to a "very poor" rating while maintaining or increasing the % of miles rated as "good".	✓
Improve the condition of the state highway system bridges.	✓
Improve the state transit infrastructure in a state of good repair.	✓
GOAL: ECONOMIC AND COMMUNITY VITALITY	
Utilize the existing transportation system to facilitate enhanced freight movement to support a growing economy.	✓
GOAL: ENVIRONMENT	
The SCDOT's Multimodal Transportation Plan (MTP) does not include objectives under this goal but does include guiding principles to implement this goal. This project will implement these guiding principles as appropriate throughout the lifecycle of this project.	✓
GOAL: EQUITY	
The SCDOT's Multimodal Transportation Plan (MTP) does not include objectives under this goal but does include guiding principles to implement this goal. This project will implement these guiding principles as appropriate throughout the lifecycle of this project.	✓

Source: South Carolina Department of Transportation, South Carolina Multimodal Transportation Plan (MTP) (2014)

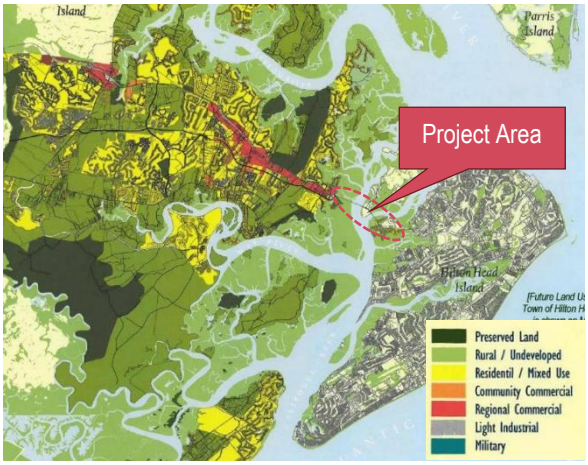
CONSISTENCY WITH LOCAL LAND USE PLANS

Consistent with local land use plans, this project represents tangible progress towards achieving goals and objectives set by the state and municipalities across the region.

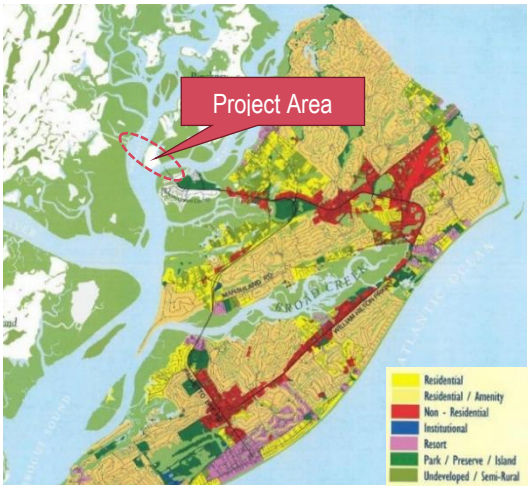
The project is located within a rural / undeveloped land use area providing the transportation linkage between regional commercial land along the US 278 corridor in Bluffton and a mix of lands use types on Hilton Head Island including park, non-residential, and residential land.

Maps 3 – 6, extracted from the *2010 Beaufort County Comprehensive Plan*, depict that this project is consistent with both the existing and future land use plans for the area. This project will include the required transportation network enhancements to keep pace with the growth this area is experiencing and will continue to see.

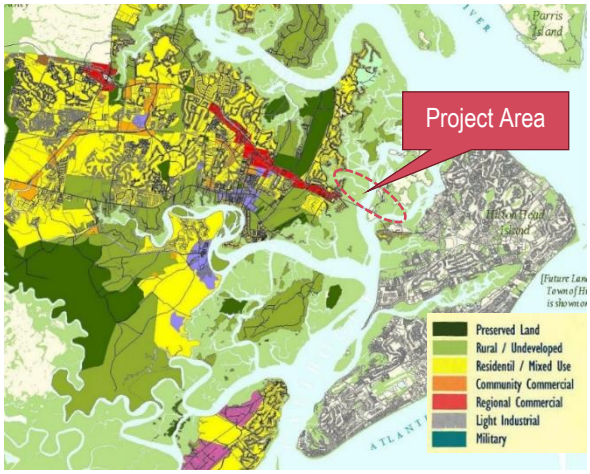
MAP 3: EXISTING LAND USE / BLUFFTON AREA
BEAUFORT COUNTY COMPREHENSIVE PLAN (2010)



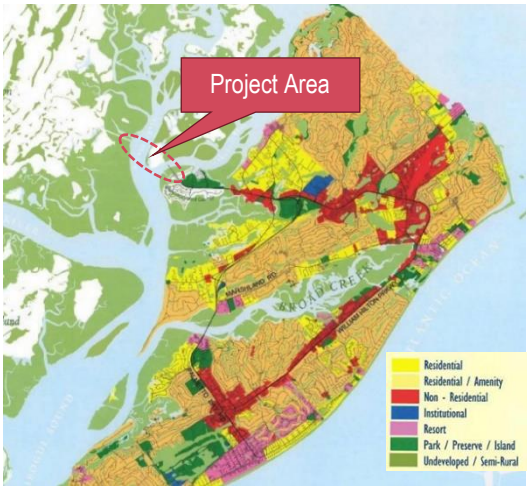
MAP 4: EXISTING LAND USE / HILTON HEAD ISLAND
BEAUFORT COUNTY COMPREHENSIVE PLAN (2010)



MAP 5: FUTURE LAND USE / BLUFFTON AREA
BEAUFORT COUNTY COMPREHENSIVE PLAN (2010)

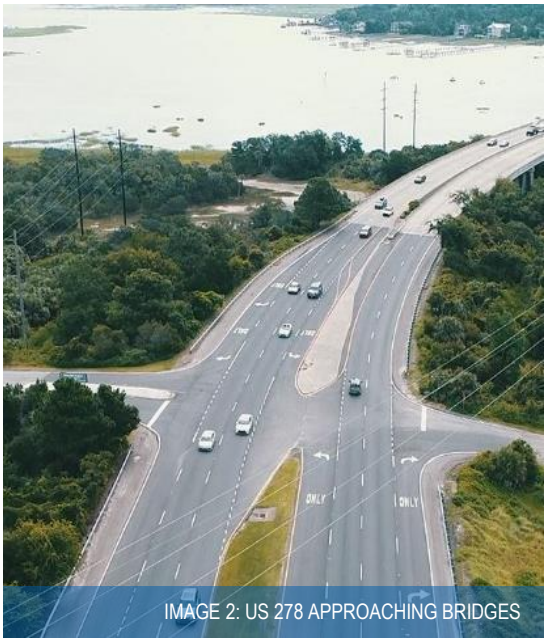


MAP 6: FUTURE LAND USE / HILTON HEAD ISLAND
BEAUFORT COUNTY COMPREHENSIVE PLAN (2010)



IV. PUBLIC BENEFIT

ENHANCEMENT OF MOBILITY AND SAFETY


IMAGE 2: US 278 APPROACHING BRIDGES

US 278 is an essential urban principal arterial and the only connection between Hilton Head Island and the mainland, carrying 56,300 vehicles per day[2], making it one of the most congested roadways in South Carolina. There is more traffic on this section of US 278 than nearby Interstate 95 as it crosses into Georgia, which carries an average of only 55,300 vehicles daily.[3] The bottleneck on US 278 created by the narrow bridges is quite significant, making traveling US 278 to and from Hilton Head Island no leisurely task. On a busy summer weekend, it can take hours to get on and off the island. Each day, residents, tourists, retirees, hospitality workers, and beachgoers all face the congested roadway and the bottleneck that occurs on both ends of the project. This bottleneck leads to heightened occurrences of traffic incidents and higher crash rates. This corridor experiences an elevated number of rear-end type crashes, which are typical in bottleneck areas.

Decreasing congestion will allow travelers to get to their destinations in a more efficient manner and increase the safe passage of people and goods to and from Hilton Head Island. This is imperative, especially for the work force that travels every day from Jasper, Hampton, and Allendale Counties. Every delay impacts their livelihood as well as their ability to support their own local economies, which then ripples into regional and state impacts. The supporting evidence that substantiates this project provides the public benefit of enhancing mobility and safety is included throughout Sections *4.1 – 4.15* of *IV. Public Benefit.*

INCREASE IN THE QUALITY OF LIFE AND GENERAL WELFARE OF THE PUBLIC.

The regional population of the Hilton Head Island-Bluffton-Beaufort MSA and Beaufort County is projected to continue to see growth rates higher than the overall growth rate of the state. Beaufort County is the 7th fastest growing county in South Carolina. This population growth has added and will continue to add increased pressure to the transportation system leading to more congestion, delay, and safety issues unless the transportation network is enhanced to accommodate the increased mobility needs of the growing population.

This project provides an opportunity to improve the quality of life for employees, residents, and visitors of Beaufort County, providing the opportunity for enhanced recreation, improved public health, and air quality. The supporting evidence that substantiates this project provides the public benefit of increasing the quality of life and general welfare of the public is included throughout Sections 4.1 – 4.15 of IV. Public Benefit

PROMOTION OF ECONOMIC DEVELOPMENT

Hilton Head Island is a vacation destination for tourists from across the state and around the country. According to a 2017 study, over 3,020,000 tourists visit Beaufort County each year. In 2016, tourism in Beaufort County was estimated to contribute an economic impact (output) of approximately $1.53 billion within the County; and approximately 7% of the statewide tourism industry in South Carolina. Not only is Hilton Head Island rated as the #1 Best Island in the Continental U.S., according to Travel and Leisure's World's Best Award, the area is also known for a variety of world-class golf courses, scenic natural features, historic architecture, plantation homes, historic forts, fine seafood, famed landmarks, recreational amenities, and a temperate climate. Beaufort County contains one of only three National Historic Landmark Districts in South Carolina. Because this area's tourism generates a substantial amount of revenue for South Carolina, improving the efficiency of the region's transportation network should be a high priority for additional state investment.

[2] SCDOT, *Average Annual Daily Traffic Sheets, Beaufort County* (2018)
[3] SCDOT, *Average Annual Daily Traffic Sheets, Jasper County* (2017)

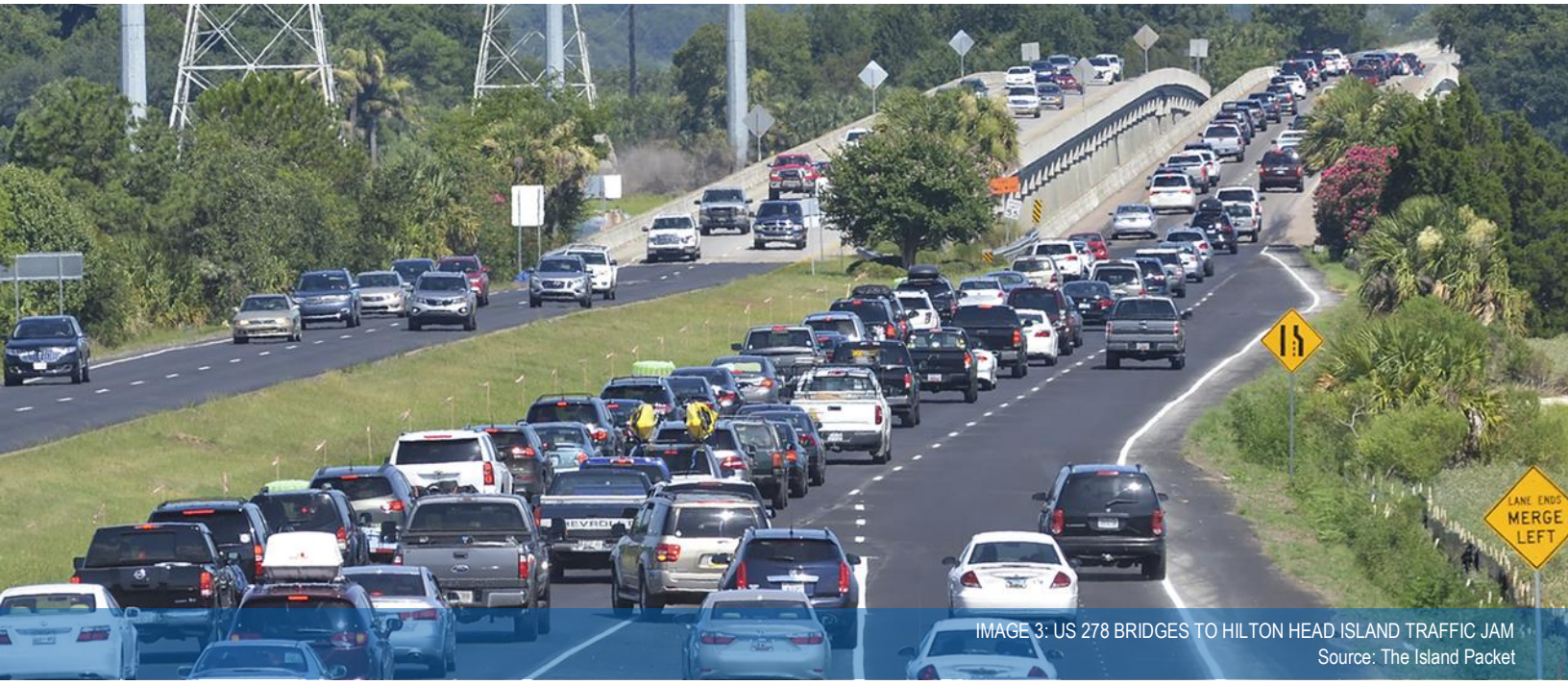


IMAGE 3: US 278 BRIDGES TO HILTON HEAD ISLAND TRAFFIC JAM
Source: The Island Packet

4.1 TRAFFIC STUDIES & SUPPORTING DATA

TRAFFIC VOLUMES

US 278 is an essential urban principal arterial on the National Highway System (NHS) and the only connection between Hilton Head Island and the mainland. SCDOT estimated Annual Average Daily Traffic (AADT) for the project area of US 278, roughly between S-242 (FORDING ISLAND RD EXT) to S-79 (SPANISH WELLS RD) is 56,300 AADT, based on 2018 data[2] and the estimated truck traffic accounts for 8% of the total traffic based on SCDOT 2017 truck traffic data. This high percentage of freight traffic comes as no surprise being that US 278 is part of the State's Strategic Freight Network and the only land route for freight traveling to and from Hilton Head Island. SCDOT estimates that by 2040 this section of roadway will have an AADT of over 65,600 vehicles, increasing the urgency of improving the capacity of the corridor.

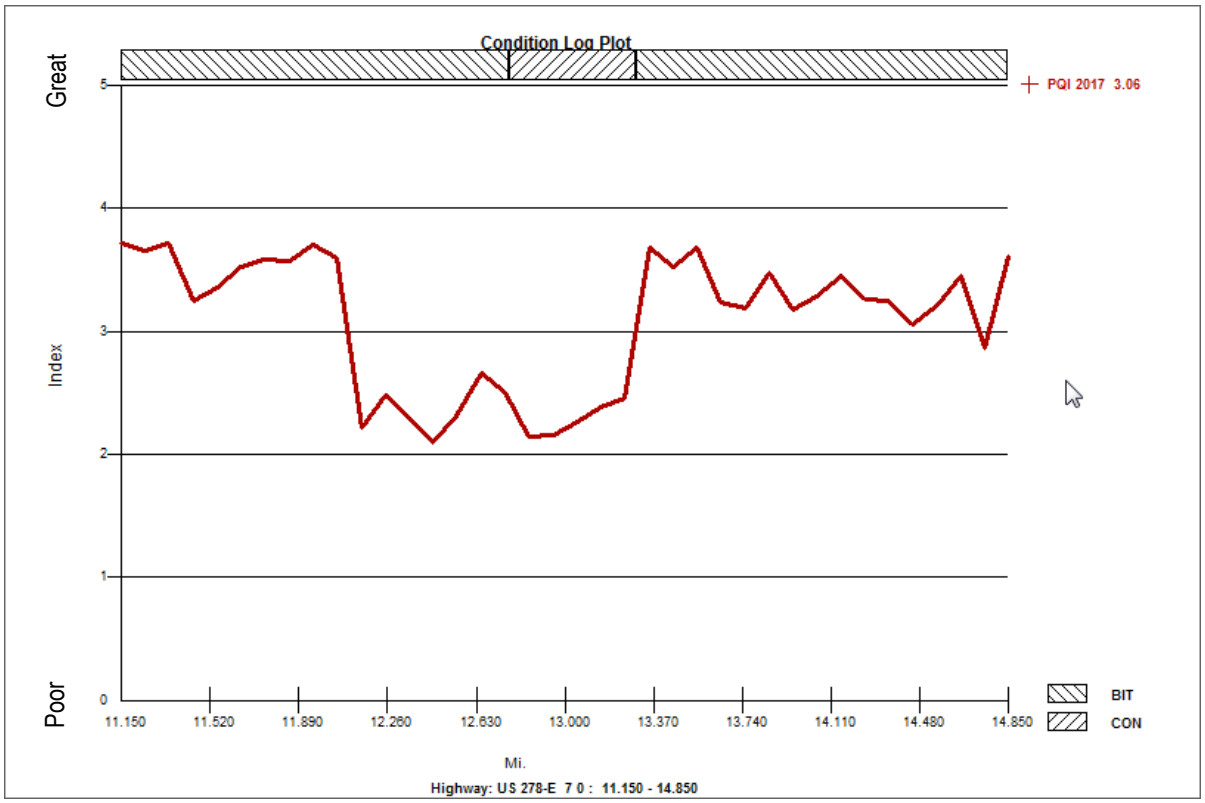
With an average of 56,300 vehicles per day, this is one of the most traveled corridors in South Carolina. The traffic volumes on US 278 often exceed those of I-95 and are routinely above 60,000 vehicles per day.

PAVEMENT QUALITY

SCDOT's Pavement Management Department collects pavement condition data and calculates a Pavement Quality Index (PQI) to communicate the pavement's condition rating. A surface's PQI is given a range between the 0 - 5, higher PQI's equate to better pavement quality while a low PQI indicates poorer pavement quality. As shown in Chart 1; the average PQI for this section of US 278 is 3.06, with some fluctuation throughout the "fair" range. As determined by SCDOT, "fair" is a general term used to describe the condition of the pavement that has a Remaining Service Life (RSL) of five to nine years.[4] Chart 1 shows a noticeable decrease in pavement quality in the approximate area that corresponds with the structurally deficient eastbound span of the Karl Bowers Bridge. More information on structural conditions of the bridges is in Section 4.2.

CHART 1: US 278 PAVEMENT QUALITY INDEX

Source: South Carolina Department of Transportation (2017)



[4] SCDOT, *The State of the Pavement Report*, (2014)



IMAGE 4: TRAFFIC CRASH

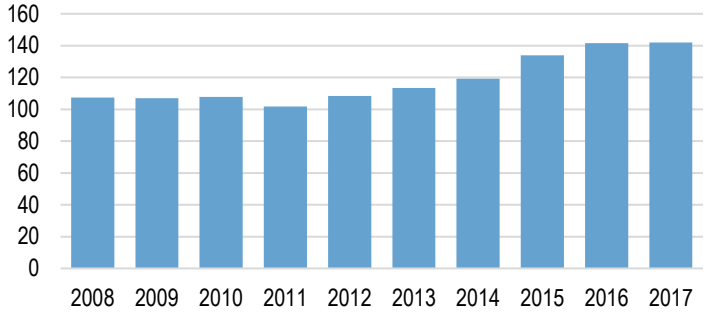
SOUTH CAROLINA CRASH STATISTICS

South Carolina has one of the highest rates of traffic fatalities per 100 million vehicle miles traveled in the country[5]

- **One person is killed** every **8.9 hours** on South Carolina roadways. [6]
- **One person is injured** every **8.7 minutes**.[6]
- **One traffic collision** occurs every **3.7 minutes**.[6]

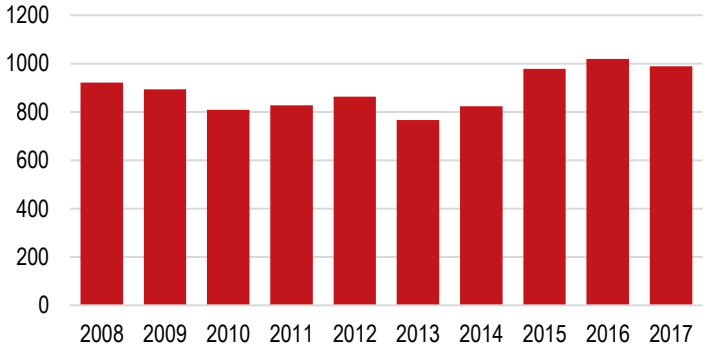
Collisions, resulting injuries, and fatalities are on the rise in South Carolina (Charts 2 & 3), these trends are far exceeding the national average (See Chart 4).

CHART 2: SOUTH CAROLINA 10 YEAR MOTOR VEHICLE COLLISIONS (THOUSANDS OF COLLISIONS)



Data Source: South Carolina Traffic Collision Fact Book 2017

CHART 3: SOUTH CAROLINA 10 YEAR TRAFFIC FATALITIES (NUMBER OF FATALITIES)

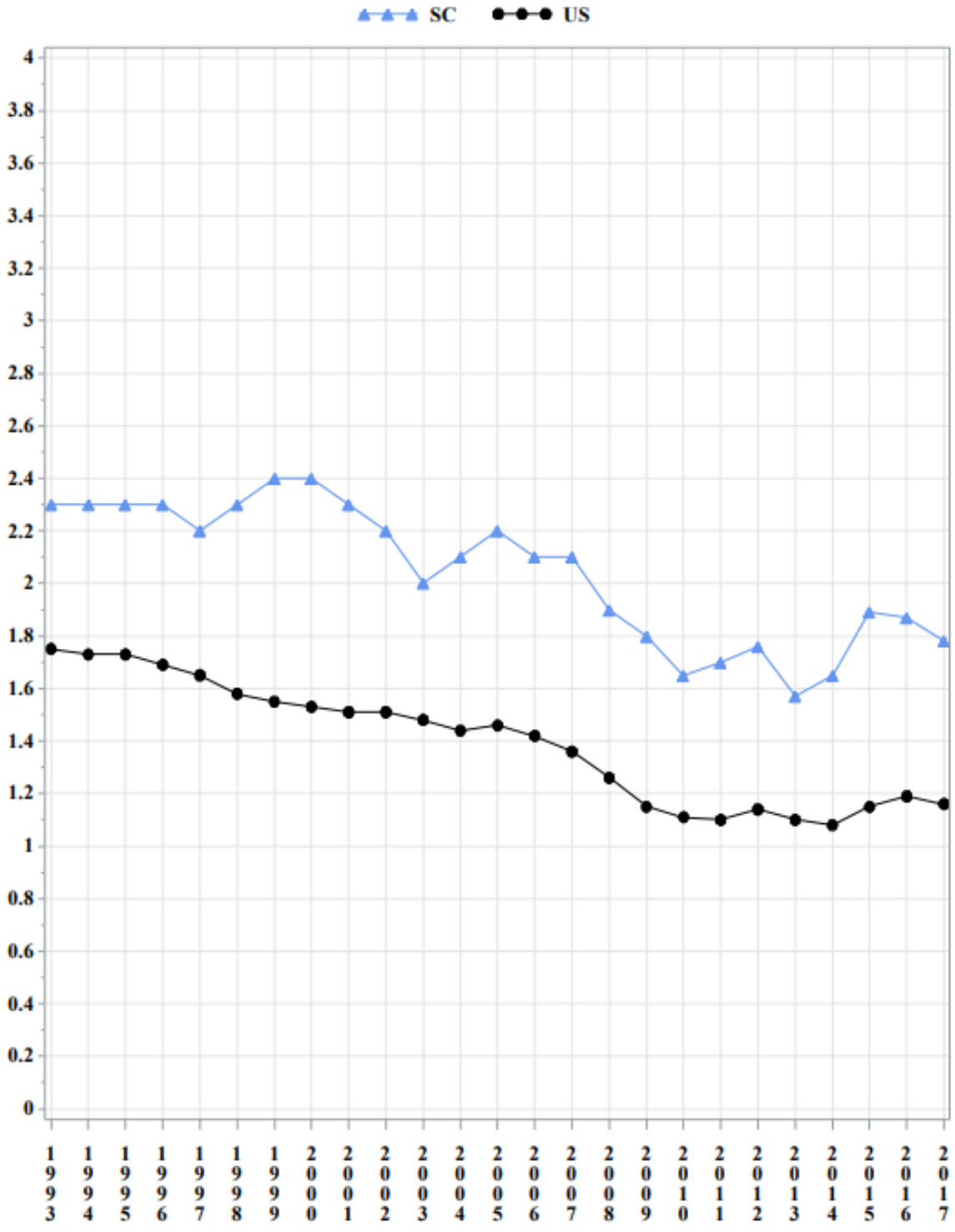


Data Source: South Carolina Traffic Collision Fact Book 2017

[5] Insurance Institute for Highway Safety Highway Loss Data Institute, *General Statistics Based on 2016 US DO T FARS Data* (2017) https://www.iihs.org/topics/fatality-statistics/detail/state-by-state

[6] South Carolina Department of Public Safety, *South Carolina Traffic Collision Fact Book* (2017)

CHART 4: MILEAGE DEATH RATE (FATALITIES PER 100 MILLION VEHICLE MILES TRAVELED)
SOUTH CAROLINA vs. NATIONAL AVERAGE
25 YEAR TREND 1993 - 2017



Source for U.S. data: National Highway Traffic Safety Administration (NHTSA)

South Carolina Traffic Collision Fact Book 2017
South Carolina Department of Public Safety

PROJECT AREA CRASH DATA SUMMARY

South Carolina led the country in most traffic fatalities per 100 million vehicle miles traveled in 2017.[5] The state's roadway network continues to be one of the deadliest in the United States. This section of roadway is one of the heaviest traveled corridors in the state often experiencing congestion, delay, and increased amounts of traffic related crash incidents. At the project limits, travelers are wedged from six lanes into four lanes. This bottleneck leads to increased congestion and results in heightened numbers of crashes, especially rear-end crashes caused by the abrupt accelerating and decelerating of vehicles traveling through the congested area. As illustrated in Chart 5, **this section of US 278 experienced 648 total crashes** over just a five-year period (2014-2018).[7]

According to the SCDOT, the statewide average for rear-end type crashes is approximately 35%. This section of roadway **experienced a five-year average rear-end crash rate of 63%,** demonstrating that this section is **well above the statewide average** for similar roadways.

The US 278 Bridges as they currently exist present a hazardous gateway into a well-visited tourist attraction and massive economic contributor to the entire state. Regarding Urban Principal Arterials, one way that SCDOT mitigates for rear-end crashes in bottleneck areas is by implementing roadway widening and additional lanes to increase capacity and decrease congestion. Expanding this section of US 278 to 6-lanes would likely reduce the total number of crashes along US 278 and increase the safety of the traveling public.

CHART 5 – FIVE-YEAR CRASHES WITHIN PROJECT LIMITS (2014 – 2018)
Source: South Carolina Department of Transportation

CRASH SUMMARY
US 278
Project Area (From Fording Island Rd. Intersection to Squire Pope Rd. Intersection)
01/01/2014 – 12/31/2018

Approximately 3.7 miles

Fatality Crashes	5
Injury Crashes	149
PDO Crashes	494
2014-2018 Total Crashes	**648**
Rear End	412
Angle	93
Sideswipe	59
Head On	4
Run Off Road	60
Animal	1
Bicycle	0
Pedestrian	2
Other	17
Total Crashes	**648**

[7] SCDOT, *Five-Year Crash Summary – Beaufort County US 278 (FORDING ISLAND RD) to (SQUIRE POPE RD),* (2018)

Not only did this portion of US 278 have elevated numbers of crashes, but these crashes resulted in heightened reports of fatalities and injuries. As depicted in Chart 6, in five-years' time there were **5 fatalities** within the project limits and **149 crashes that resulted in injuries.** This dangerous roadway is causing injury for residents, commuters, and tourists. On top of these life-threatening accidents, 494 crashes that resulted in personal damage only (PDO) were also recorded.

According to the SCDOT, this portion of roadway has a significantly higher amount of crashes than other 4-mile stretches of similar roadways. As illustrated in Chart 6, the spikes in crashes over the past five years are mostly occurring near the western ends of this project's limits, which corresponds to the beginning points of the bottleneck at the western end of the approach to the US 278 bridges. Segment 11.15 – 11.25 is located near the intersection of US 278 and Moss Creek Drive. Segment 11.35-11.45 is located near the intersection of US 278 and Salt Marsh Drive. Four out of five fatalities in the project limits took place near the bottleneck at the west end of the bridge. This narrowing roadway is causing a bottleneck in traffic and is fueling the elevated numbers of injuries and fatalities along this section of US 278. The traffic bottlenecks are creating a hazardous section along one of the most well-traveled corridors in South Carolina, a state that already yields one of the highest numbers of traffic fatalities per 100 million vehicle miles traveled in the country.

CHART 6: FIVE-YEAR CRASHES WITHIN PROJECT LIMITS (2013 – 2017) BY SEGMENT

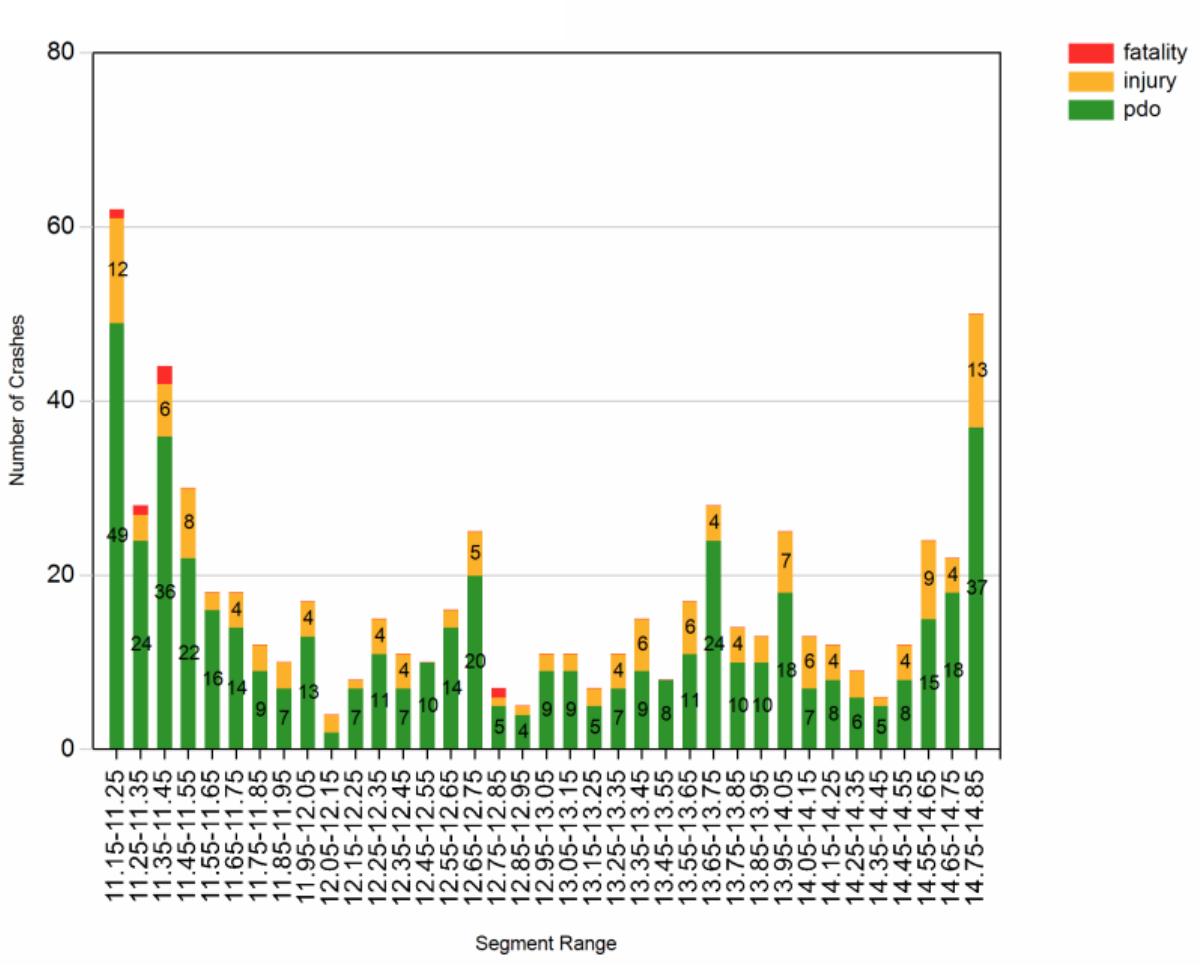
US 278 (FORDING ISLAND RD) from MPT 11.150 to MPT 14.850 (SQUIRE POPE RD)

BEAUFORT COUNTY

01/01/2014 - 12/31/2018 (5.0 years)

Length = 3.700 miles AADT = 54,765

Functional Class = Urban -- Principal Arterial - Other



4.2 URGENCY OF PROJECT

The current state of the US 278 bridges to Hilton Head Island is producing severe congestion, promoting unsafe travel, limiting mobility for freight and goods, and ultimately hindering the economic stability of the region. All four of the US 278 bridge structures are listed as functionally obsolete. The eastbound structure of the Karl Bowers Bridge is also rated as structurally deficient, with a Sufficiency Rating of only 53.7. As a structurally deficient bridge, the eastbound bridge over Mackay Creek requires repairs or replacement to avoid future weight restrictions for this important freight corridor. US 278 has been listed as a system upgrade project in the 2018 SCDOT Statewide Transportation Improvement Program (2017-2022) to improve the US 278 corridor[8] and is ranked as the #1 priority project in the Lowcountry Area Transportation Study (LATS) 2015-2019 Transportation Improvement Program (TIP)[9]

SCDOT has allocated $43.5 million to be used to remediate the structural deficiencies of the eastbound structure of the Karl Bowers Bridge. Improving only the structural deficiencies of the eastbound structure of the Karl Bowers Bridge will resolve the existing structural issues through rehabilitation or reconstruction, but it will not address the pressing capacity and congestion issues stemming from all four of the 2-lane bridges. **If the structural deficiencies of the eastbound structure of the Karl Bowers Bridge are not repaired or improved, weight and use restrictions will need to be added to the bridges**. Weight and use restrictions on the bridge will result in impaired movement of supplies and goods that fuel the thriving tourism-based economy on Hilton Head Island. **With the tourism industry in the Hilton Head Island-Bluffton-Beaufort MSA contributing such a significant amount to South Carolina's total revenue, these weights and use restrictions would lead to notable statewide impacts.**

It is crucial that this project be approved now for the full funding amount so that the $92.35 million in local funds and the $43.5 million from the SCDOT can be used concurrently with the SIB grant funds to appropriately develop a scope for the project improving all four bridge spans and addressing both the structural deficiencies of the Karl Bowers Bridge as well as the capacity issues caused by all four of the narrow bridge spans and associated roadways. This will enhance the flow of commuters, tourists, labor force workers, and freight across the region.

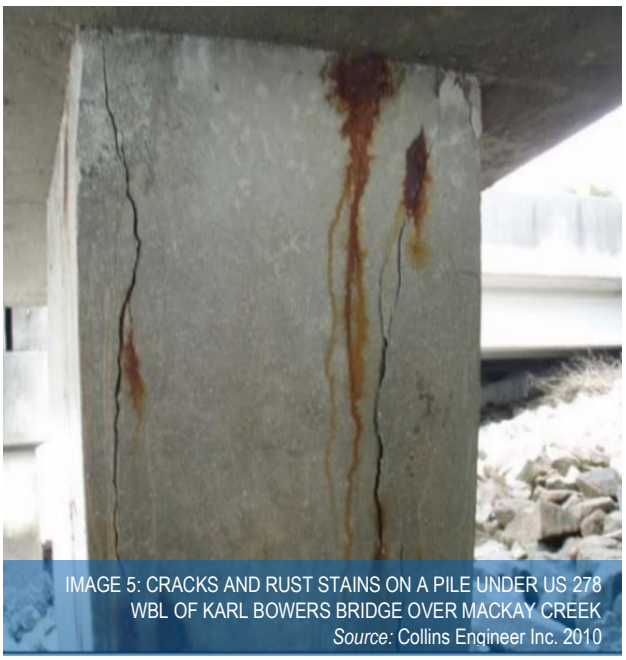


IMAGE 5: CRACKS AND RUST STAINS ON A PILE UNDER US 278 WBL OF KARL BOWERS BRIDGE OVER MACKAY CREEK
Source: Collins Engineer Inc. 2010

DETERIORATING CONDITIONS OF EXISTING BRIDGES

According to the American Road and Transportation Builders Association *2018 Deficient Bridges Report,* the US 278 eastbound lane of the Karl Bowers Bridge over Mackay Creek is ranked #15 on the topmost traveled structurally deficient bridges in South Carolina; ranked #1 on this list for the Lowcountry region.[10]

During an inspection of the bridges over eight and a half years ago, Collins Engineers, Inc. found corrosion of the steel girders, cracks in the concrete girders and footings, loss of protective coating in the superstructure, exposure of the footings, undermining at the channel piers and more.[11] Repairs have included routing cracks and filling them with flexible mastic sealant, cleaning corrosion off steel girders and spraying with a protective coating, repairing the spall at the bottom of some pile caps, and many more.

[8] South Carolina Department of Transportation, *Statewide Transportation Improvement Program (2017-2022)*
[9] Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization, *2015-2019 Transportation Improvement Program* (2016)
[10] American Road and Transportation Builders Association, *2018 Deficient Bridge Report* (2018)
[11] Collins Engineer Inc., *Cursory Above Water and Underwater Investigation of US 278 East and West Bound Over Mackay Creek and Skull Creek* (2010)

Bridge inspections performed in 2018 found that the superstructure and substructure of the eastbound bridge over Mackay Creek are in poor condition.[12]

The bridges are facing structural challenges as well as roadway congestion and mobility challenges. Therefore, the replacement of these bridges is a priority for the region. In addition, while the bridges are being replaced due to the structural condition, consideration for the alleviation of congestion with the new structures would ensure strategic use of funds. More information regarding the urgency of this project is in **Section 4.8 - REGIONAL AND STATEWIDE SIGNIFICANCE.**



IMAGE 6: CRACKS ON SUPPORTING CONCRETE BENEATH BRIDGE.
Source: Collins Engineer Inc. 2010

4.3 ECONOMIC DEVELOPMENT RESOLUTION

Not applicable. The South Carolina Transportation Infrastructure Bank (the Bank) criteria states: *"If applicable, a resolution from the local governing body or bodies which make a finding, with supporting information, that the project is essential to the economic development in the area or state and consistent with applicable local land use plans. Must be submitted if applicable as an Economic Development project."* This project is not an Economic Development project.

4.4 CERTIFICATE FROM THE ADVISORY COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT OF THE DEPARTMENT OF COMMERCE

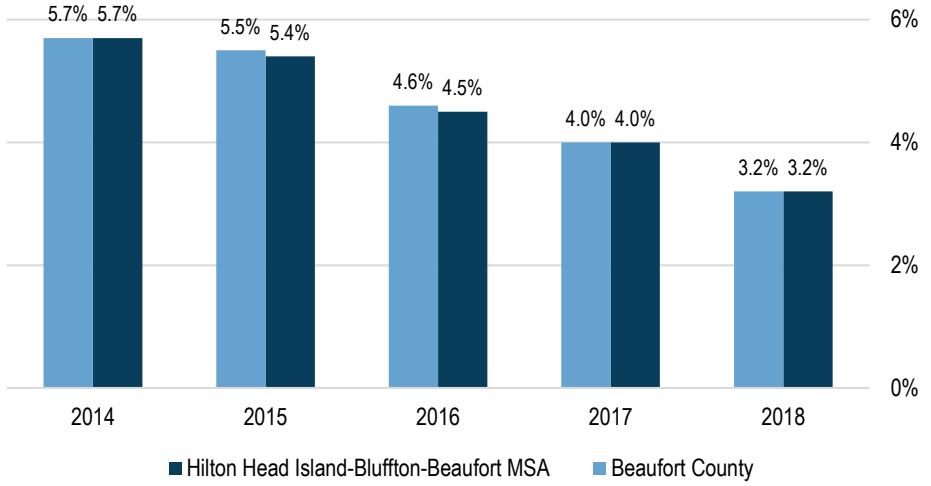
Not applicable. The South Carolina Transportation Infrastructure Bank (the Bank) criteria states:" *If applicable, a certificate that the project is essential to the economic development in the state from the Advisory Coordinating Council for Economic Development of the Department of Commerce. Must be submitted if applicable as an Economic Development Project."* This project is not an Economic Development project.

[12] SCDOT: The Office of Bridge Maintenance, *National Bridge Inventory Structure Inventory and Appraisal Report* (2018)

4.5 CURRENT AND FIVE-YEAR HISTORY OF UNEMPLOYMENT DATA

According to the *Bureau of Labor Statistics, SC Dept of Employment & Workforce*, Beaufort County and the Hilton Head Island-Bluffton-Beaufort Metropolitan Statistical Area (MSA) are both tied for having the 10th Best Unemployment Rate (3.2%) compared to all South Carolina Counties.[13] The unemployment rate has been steadily declining for each jurisdiction, as shown in Chart 7.

CHART 7: FIVE YEAR UNEMPLOYMENT RATE



The civilian labor force and overall employment has been on the rise in the Hilton Head Island-Bluffton-Beaufort MSA, while unemployment is on the decline, as shown in Table 2. Beaufort County has seen a steady increase in the number of jobs that are provided through the tourism industry, up 300 jobs between 2015 and 2016.[14] Tourism and the military installations are the driving force behind the low unemployment rates of the County and the MSA. As employment rises in the region, the mobility and efficient flow of goods and people become heightened priorities for the economic preservation of the area. The effectiveness of the roadway network must be constantly evaluated and improved upon to ensure the economic viability of the region remains intact.

TABLE 2: CURRENT & FIVE-YEAR EMPLOYMENT DATA

HILTON HEAD ISLAND-BLUFFTON-BEAUFORT MSA				
YEAR	CIVILIAN LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	UNEMPLOYMENT RATE
2018	87,731	84,927	2,804	3.2%
2017	86,333	82,896	3,437	4.0%
2016	84,375	80,834	3,841	4.5%
2015	83,519	78,979	4,540	5.4%
2014	80,930	76,345	4,585	5.7%

Source: Bureau of Labor Statistics, S.C. Dept of Employment & Workforce

[13] Bureau of Labor Statistics, *SC Dept of Employment & Workforce Data* (2018)
[14] Regional Transactions Concepts, LLC, *Estimate Total Impact of Tourism in Beaufort County, SC, 2016* (2017)

4.6 LOCAL SUPPORT FROM RESIDENTS THROUGH PETITIONS OR COMMENTS AT PUBLIC HEARINGS

Local support for the project is reflected in the passage of the 1 cent tax referendum by the citizens in November 2018 that is providing $80 million dollars for the US 278 project. In addition, there have been multiple public information meetings held to inform the public about this project.

The Town of Hilton Head Island sponsored the first two public meetings with support from the Town of Bluffton and Beaufort County. The first public meeting was on July 18, 2018 from 6 pm – 8 pm at the Hilton Head High School; 70 Wilborn Rd, Hilton Head Island, SC 2992.The second was held on August 15, 2018 from 6 pm – 8 pm at the Bluffton Branch County Library; 120 Palmetto Way, Bluffton, SC 29910. At these meetings attendees participated in visioning sessions to discuss the transportation needs of the U.S. 278 corridor to Hilton Head Island. Public attendees generally supported the US 278 Corridor Improvement Project and demonstrated a desire for increased multi-modal facilities along US 278, highly supporting pursuing ways to decrease congestion along the US 278 corridor and across the region. They also demonstrated support for more alternative routes to US 278 to improve regional mobility.

SCDOT held the NEPA Scoping Public Meeting on Thursday, September 27, 2018, between 6:00 pm and 8:00 pm at the Hilton Head High School; 70 Wilborn Rd, Hilton Head Island, SC 29926. The purpose of the meeting was to officially introduce the project to the community, gather initial comments from the public, identify the needs for the project, and help identify concerns people may have about the improvements or the project's impact to the natural and human environments. The formal public comment period for the meeting was open from September 27 through October 12, 2018; including an online comment forum. SCDOT has left the online comment forum available on the project website and it will remain open throughout the project development process. There is a second public information meeting planned for September 19, 2019 to present the range of alternatives as well as the reasonable alternatives.

The following lists the **102 comments received as a result of the September 27, 2018 public meeting to date**:

TABLE 3: COMMENTS FROM SEPTEMBER 27, 2018 PUBLIC MEETING

NO.	GENERAL COMMENT
1	In favor of project, sales tax; wants replacement of all 4 bridges, or at least replacement of oldest one and widening of others
2	Concerned about bridge architecture
3	Traffic lights are a main source of the congestion; only look to widening to 3 lanes;
4	Would like a segregated bike/ped facility
5	Questions regarding the boundaries of the project (where will the highway come in and question about turning right from the service station)
6	Wants to end the toll on the cross Island parkway
7	Would like to widen to 3 lanes and limit growth
8	Wants to route the highway away from the native islander property; wants cross island rout expanded; wants to exempt Gullah natives from the toll
9	Add an underpass to connect the boat ramp side to the refuge side, close the median and restrict traffic movement on existing curb to right in/right out
10	Lives in Windmill Harbor; concerned about entry/exit design; likes the east bound acceleration lane length and width; should keep a consistent 45mp speed throughout
11	Should have a pull-off lane for accidents; 2 access points to the island; need a safer way for residents at Mariners Cover/Windmill Harbor to enter 278
12	Interested in road/bridge re- alignment at start of the bridge (assume Bluffton side); continue lanes all the way to Cross Island
13	Need safer exit/access at Windmill Harbor; remove left turn access at several intersections; separate bike path the entire corridor
14	Night work wanted; build one bridge at the time; residents need viable lanes for use on the bridge during high tourist season

15	Thanks for meeting; handouts and displays amazing
16	Thanks; wider shoulders, 3 lanes for traffic each way, aesthetically impressive architecture, hidden power lines, bike lanes
17	Funding; create programs to reduce commute traffic like rideshare, working with major employers
18	Wants it to stay true to native islanders; native islander sign should be larger; crosswalk over head to the Stoney community; flyover at Windmill Harbor; not a fan of this meeting format
19	More meetings wanted for the Islanders, ways to get off the island, drainage, more sewer in native community, limb up trees
20	Concerned if we widen bridges and not all the roads there is no point; would like another bridge from the south end to Daufuskie Island and then there to Bluffton
21	Was hoping to see how it would be done.
22	open up toll road; be considerate of Gullah community
23	Important to include bike/ped trail
24	include bike lanes on new bridge
25	New bridge separate from existing one; 3 lanes each way
26	Safety concerns regarding signage at the exit for the Cross Island Roadway
27	Disappointed in lack of presentation; would like a presentation for a group of churches
28	wide safe lanes for cycling including access to/from bridge
29	Reverse lanes during specific hours/seasons; work with employers to implement a 15 min clock for employees
30	Reverse lanes during specific hours/seasons; work with employers to implement a 15 min clock for employees
31	Questions about impacts to native islanders; wants consideration of a toll; look at advanced construction techniques
32	Continue on the Bluffton parkway exit lane as free flow instead of merge; night work during tourist season
33	More lanes & wider bridges needed; reverse a lane
34	Need another bridge
35	need 3 lanes in both directions; environmental impact should be a minimum
36	Concerns about traffic at intersection of 278 and Squire Pope Road
37	Wants improvements
38	Build suspension bridge from new flyover
39	New bridge
40	Noise wall wanted
41	maintenance in Bluffton on 278 medians is poor
42	Continue flyover express to the HHI bridge; include landscaped safe haven medians including the native island community; make the total island pedestrian friendly, improve intersection at Squire Pope Road
43	Wanted to know where the plan was
44	Concerns about Gullah people; does not want to widen but instead reduced speeds
45	Preferred a presentation
46	Preferred a presentation
47	Concerned about timing of project and ability to enter into her family property off of 278 across from the Crazy Crab
48	New bridge to the cross island; suggested a parallel road along 278 over hog island and that others at the Town of HHI had already designed a plan for this
49	Concerned about access to 278 from property along 278 across from Crazy Crab. Suggests additional traffic light between the bridge & Squire Pope Road; extend the bridge from Bluffton parkway to the Cross Island; tunnel; concerned because they've lost land previously to widenings and are faced with this again.
50	Comments regarding the Jenkins Island project

51	Lives in Windmill Harbor; concerned about noise; would like softer pavement materials and a wall
52	Wants to know if citizens really have input on the project and worries about the inconvenience to the native islanders with the widening of the road
53	wants additional bridge; widening to 3 lanes
54	Wants to widen throughout project area because of congestion
55	Would like to see Gatherings neighborhood protected from traffic noise. Upset that the wall built around the community was shortened and so several homes are exposed
56	Would like bike and ped pathways
57	Thinks it should be 4 lanes both ways; would like to know costs of 4 lanes both ways
58	Wants bike lane; seams in bridge joint should be better maintained in the future
59	Bluffton to blue heron tying into south side of 278 east of existing abutment. A better solution during engineering phase would be to create a ramp exit for blue heron right at attachment to 278 even if using part of shoulder as deceleration lane with shoulder ends sign, allowing existing deceleration lane acquired for three lane expansion. Also extend blue heron east acceleration lane as allowed. Bridge will level on pickney like existing and curve between existing road and power line approximately 114 feet of room. Park area will be closed during construction and boat ramp should have to be relocated. During construction and fill of pickney for new three lanes a pass through pre-cast cement tunnel should be installed with a temporary end wall and as other lanes are closed it can be extended for a way to get to the national refuge and return to Bluffton. Tunnel may need a pump
60	Concerned about widening because of its impact to her property. It is difficult to exit her property now. Would like to have a way to slow traffic - whether through speed limit or traffic light. Wants a meeting with Stoney Community.
61	Opposes RVs having to do U Turns to get to the Hilton Head Harbor RV Resort
62	It is imperative that bicycle and pedestrian accommodations be made for the entire Moss Creek to Squire Pope Rd stretch. This connectivity should stretch all the way to the existing pathways on the island, on the Bluffton Parkway and to Moss Creek.
63	I am in favor of replacing the bridge for safety but am opposed to native islanders' land being assumed for this project. I am opposed to widening the road to include more lanes. The project should not displace any residents of any historical properties.
64	Please include a bicycle lane on the bridge.
65	I do not want any new bridges to have more than the present two lanes onto the Island. We do not have enough room on the Island for any more visitors--we are like a balloon, and it will pop. I also agree with the Coastal Conservation League's position: a new bridge that avoids impacts to the multi- generational Gullah community in the Stoney neighborhood, accommodates future transit, provides a safe way onto the island for bike and pedestrian traffic and integrates into the existing neighborhoods on both sides of the river.
66	Please make sure that we include bicycle and pedestrian lanes on the new bridges. It is absolutely imperative that this is included. our bridge improvements. Currently HHI is a "gold medal bicycle community" but there is no way a sane person would consider riding through the area being discussed for improvement. Thank you.
67	Windmill Harbour is a well-established residential community and must continue to have safe and practical ingress and egress. Please add me to any email group that deals with this topic.
68	I hope we can move forward in renovating these aging (but critically important) bridges. After many years of service in this harsh marine environment, where any metal corrosion (such as at bridge expansion joints, arch and deck support points, etc.) will be accelerated, SCDOT is correct in bringing this issue up now and pushing it to successful completion.
69	Any new bridge should avoid negative impact to the multi- generational Gullah community in the Stoney neighborhood, accommodates future transit, provides a safe way onto the island for bike and pedestrian traffic and integrates into the existing neighborhoods on both sides of the river.
70	Lane access to the Island is totally inadequate and traffic is insane in the morning going to the Island and in the evening coming off the island. Medical appointments in am to doctors or the hospital causes us to leave several hours early to get there on time. It's a bottleneck and it gets worse when come in on Friday and Sat for check in.
71	Email Included 8 pages of further description from previous comment

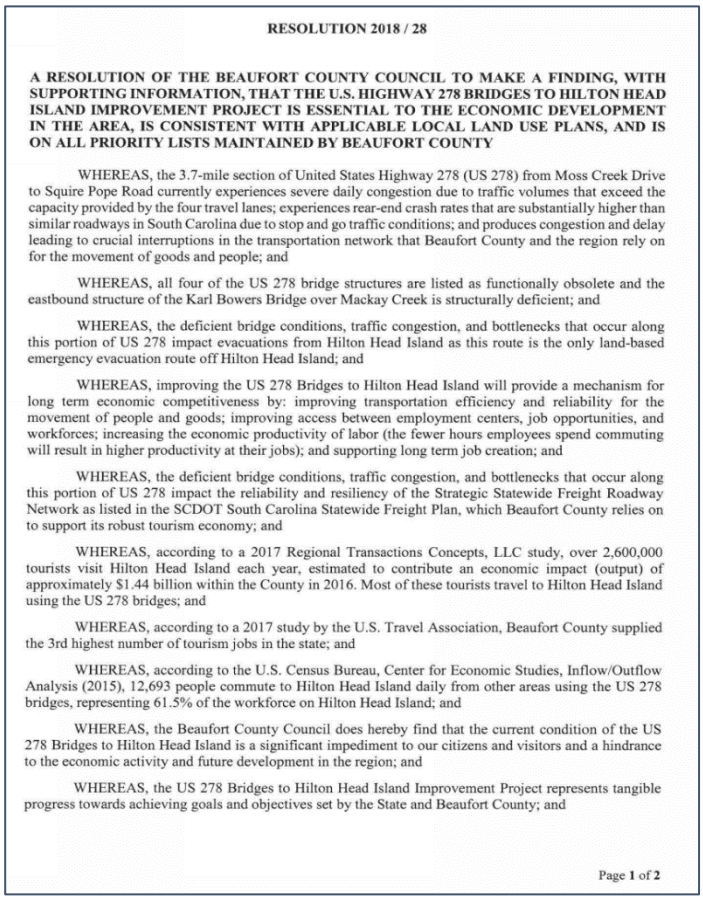
72	CCL: Summary of letter includes: (1) increased roadway safety for vehicles, bicycles and pedestrians; (3) (2) anticipation and accommodation of future state and local investments in mass transit; (4) avoidance of adverse impacts to the existing native islander community in the Stoney neighborhood; (5) protection of important environmental resources, including Pinckney Island Wildlife Refuge.
73	Concerned about the oil and pollution that go into the waterway from 278, especially into Jarvis Creek if there are additional lanes. Would like to limit expansion to the current lanes already there.
74	The road should be redirected because of the direct impact on the Gullah family properties: redirect the highway to follow the existing power lines or to go over the marsh behind the Crazy Crab and tie back into the cross island parkway.
75	Does not want to widen the road because of all the traffic and it would take away from the yards and make it more dangerous for pedestrians.
76	Asked questions - if SCDOT study was incorporating improvements from Beaufort County on Jenkins Island and if there was enough land to have 3 lanes in both directions underneath the Bluffton Parkway flyover
77	Disagrees with widening from 4-6 lanes because of the impact to the Stoney community and also that it will change the character of the island.
78	would like an alternate route along the marsh side that would take west bound traffic from Squire Pope Rd off Island to a 3 lane bridge and another one that would take the eastbound traffic from Spanish Wells from 3 lane bridge; No 3 lanes in Gullah Community; encourages mass transit
79	Concerned about safety of community at large and thinks the speed limit is too high, taking of land from native islanders; would like a 2nd bridge for the islanders
80	Would like to see the culvert reopened connecting the tidal creek around Hog Island because its currently causing a loss of shrimp/oyster beds; wants sidewalks/bike paths on HHI to connect to the bridge
81	Thinks the traffic problem is only during peak hours during peak season; does not want any additional tourists; options should not adversely impact native islanders or the environment; should consider only 1 reversable late, not 2
82	Does not think the road needs to be widened, the speed limit needs to be reduced. Concerned about Stoney community.
83	Would like to see a bridge come onto the island but would like to come up with a plan to come around the Stoney area. Would like to look at Spanish Well Road or S. Pope Road to have a new road leaving the island. They (Stoney Community) would like to meet with the head of the SCDOT.
84	Does not want intrusion into his family land (108 William Hilton Parkway)
85	Concerned specifically about 2 Gullah families specifically in that area. Instead proposes to use the powerline corridor behind Stoney starting at Windmill Harbor and over to the Cross Island or use the Jarvis Creek Waterway by bridging from Windmill Harbor to the Cross Island parkway.
86	Provided information on a new 200- unit housing development near Spanish Wells & Jonesville Road. Thinks the traffic study needed for the development is done by SCDOT and has questions about that.
87	endorse and encourage the inclusion of a new safe bicycle pathway system stretching from Squire Pope over the bridges onto the Mainland
88	would like to see a bicycle pathway that would allow bicycle traffic to travel safely across the bridge
89	Represents the Native Island community and would like to see if he would host a Q&A in the community
90	I am writing to express my desire for safe, separated, bike/ped facilities across the bridge to connect Bluffton and HHI's bike/ped network
91	very supportive of project. Would like bike lanes
92	Both on road bicycle lanes and off-road multi-user side paths are appropriate and warranted
93	I would urge you to include bike and pedestrian pathways from Squire Pope Road to Moss Creek

94	When the SC 802 bridge connecting Lady's Island and Beaufort was built, a fairly narrow ped facility was included. I have been over the bridge literally dozens of time. I have yet to see the ped facility empty. Also mostly African Americans exercising walking over the bridge and back. When SCDOT designs a single-track bike/ped facility, please provide a parking area on each side of the bridge, the mainland and especially on HHI side. Not much, enough for perhaps 20 cars. Ditto a small lot on Pinckney Island.
95	Same email as sent to the project email. Email Included 8 pages of further description from previous comment
96	I would strongly encourage you to incorporate into this project special bike/walking lanes. Currently the bridge is shared by cars, bikers and even pedestrians and it would be beneficial to have better separation and protection.
97	Against having an expressway through their residential, native community. Sites the difficulty getting out of her driveway and suggests lower speed limits, traffic lights and more circles like the southern end of the island. If there is a need to have a high-speed way, I would suggest that a high speed thoroughfare be connected to the bridge or the Bluffton Parkway, travel over the waterway and connect to the Cross Island Expressway. This can be at a cost to the travelers. Does not want increased lanes to manage traffic.
98	it is imperative to include bike lanes
99	In support of bike lanes; points to NWP that runs out of parking spaces during peak season but could accommodate more bikes if there were a safe way to get there.
100	Has concerns about environmental impact of water pipes underneath current 278 structure
101	Note on behalf of the Fish & Wildlife Service in response to LOI
102	Comments on behalf of Savannah Riverkeeper about the NWR, Stoney Community, & Boat Ramp

4.7 LOCAL RESOLUTIONS

The resolutions listed below convey support for this project and corroborate that the current bridges along US 278 connecting to Hilton Head Island are an impediment to citizens and visitors, a safety hazard (particularly during emergency evacuations) and hinder economic activity and future development of the area. A full-size copy of each resolution is provided in **Appendix A**.

Beaufort County Council Resolution



RESOLUTION 2018 / 28

A RESOLUTION OF THE BEAUFORT COUNTY COUNCIL TO MAKE A FINDING, WITH SUPPORTING INFORMATION, THAT THE U.S. HIGHWAY 278 BRIDGES TO HILTON HEAD ISLAND IMPROVEMENT PROJECT IS ESSENTIAL TO THE ECONOMIC DEVELOPMENT IN THE AREA, IS CONSISTENT WITH APPLICABLE LOCAL LAND USE PLANS, AND IS ON ALL PRIORITY LISTS MAINTAINED BY BEAUFORT COUNTY

WHEREAS, the 3.7-mile section of United States Highway 278 (US 278) from Moss Creek Drive to Squire Pope Road currently experiences severe daily congestion due to traffic volumes that exceed the capacity provided by the four travel lanes; experiences rear-end crash rates that are substantially higher than similar roadways in South Carolina due to stop and go traffic conditions; and produces congestion and delay leading to crucial interruptions in the transportation network that Beaufort County and the region rely on for the movement of goods and people; and

WHEREAS, all four of the US 278 bridge structures are listed as functionally obsolete and the eastbound structure of the Karl Bowers Bridge over Mackay Creek is structurally deficient; and

WHEREAS, the deficient bridge conditions, traffic congestion, and bottlenecks that occur along this portion of US 278 impact evacuations from Hilton Head Island as this route is the only land-based emergency evacuation route off Hilton Head Island; and

WHEREAS, improving the US 278 Bridges to Hilton Head Island will provide a mechanism for long term economic competitiveness by: improving transportation efficiency and reliability for the movement of people and goods; improving access between employment centers, job opportunities, and workforces; increasing the economic productivity of labor (the fewer hours employees spend commuting will result in higher productivity at their jobs); and supporting long term job creation; and

WHEREAS, the deficient bridge conditions, traffic congestion, and bottlenecks that occur along this portion of US 278 impact the reliability and resiliency of the Strategic Statewide Freight Roadway Network as listed in the SCDOT South Carolina Statewide Freight Plan, which Beaufort County relies on to support its robust tourism economy; and

WHEREAS, according to a 2017 Regional Transactions Concepts, LLC study, over 2,600,000 tourists visit Hilton Head Island each year, estimated to contribute an economic impact (output) of approximately $1.44 billion within the County in 2016. Most of these tourists travel to Hilton Head Island using the US 278 bridges; and

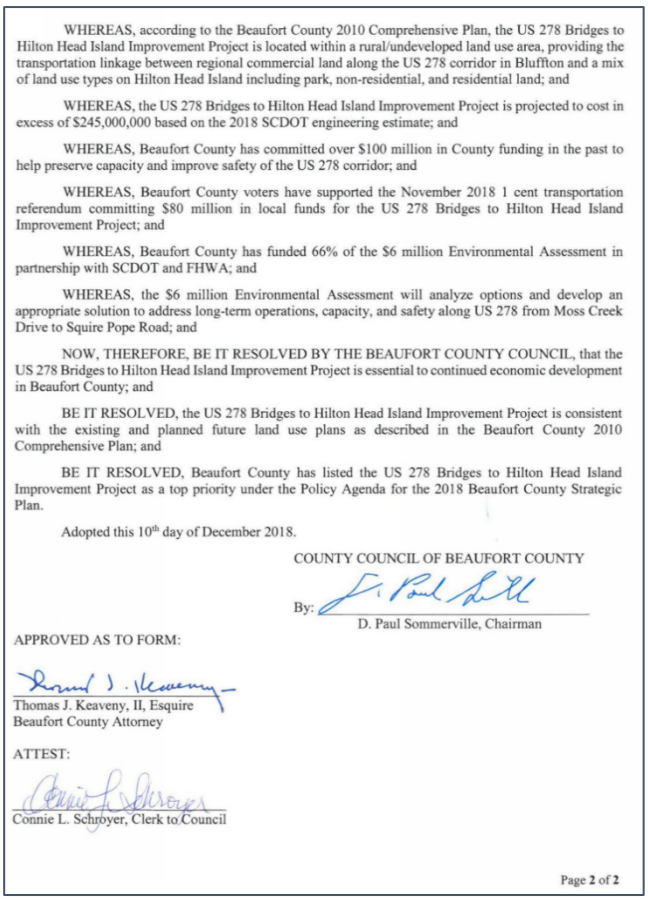
WHEREAS, according to a 2017 study by the U.S. Travel Association, Beaufort County supplied the 3rd highest number of tourism jobs in the state; and

WHEREAS, according to the U.S. Census Bureau, Center for Economic Studies, Inflow/Outflow Analysis (2015), 12,693 people commute to Hilton Head Island daily from other areas using the US 278 bridges, representing 61.5% of the workforce on Hilton Head Island; and

WHEREAS, the Beaufort County Council does hereby find that the current condition of the US 278 Bridges to Hilton Head Island is a significant impediment to our citizens and visitors and a hindrance to the economic activity and future development in the region; and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project represents tangible progress towards achieving goals and objectives set by the State and Beaufort County; and

Page 1 of 2



WHEREAS, according to the Beaufort County 2010 Comprehensive Plan, the US 278 Bridges to Hilton Head Island Improvement Project is located within a rural/undeveloped land use area, providing the transportation linkage between regional commercial land along the US 278 corridor in Bluffton and a mix of land use types on Hilton Head Island including park, non-residential, and residential land; and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project is projected to cost in excess of $245,000,000 based on the 2018 SCDOT engineering estimate; and

WHEREAS, Beaufort County has committed over $100 million in County funding in the past to help preserve capacity and improve safety of the US 278 corridor; and

WHEREAS, Beaufort County voters have supported the November 2018 1 cent transportation referendum committing $80 million in local funds for the US 278 Bridges to Hilton Head Island Improvement Project; and

WHEREAS, Beaufort County has funded 66% of the $6 million Environmental Assessment in partnership with SCDOT and FHWA; and

WHEREAS, the $6 million Environmental Assessment will analyze options and develop an appropriate solution to address long-term operations, capacity, and safety along US 278 from Moss Creek Drive to Squire Pope Road; and

NOW, THEREFORE, BE IT RESOLVED BY THE BEAUFORT COUNTY COUNCIL, that the US 278 Bridges to Hilton Head Island Improvement Project is essential to continued economic development in Beaufort County; and

BE IT RESOLVED, the US 278 Bridges to Hilton Head Island Improvement Project is consistent with the existing and planned future land use plans as described in the Beaufort County 2010 Comprehensive Plan; and

BE IT RESOLVED, Beaufort County has listed the US 278 Bridges to Hilton Head Island Improvement Project as a top priority under the Policy Agenda for the 2018 Beaufort County Strategic Plan.

Adopted this 10th day of December 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

_____
Thomas J. Keaveny, II, Esquire
Beaufort County Attorney

ATTEST:

_____
Connie L. Schroyer, Clerk to Council

Page 2 of 2

Lowcountry Area Transportation Study Policy Committee Resolution

A RESOLUTION of the Lowcountry Area Transportation Study (LATS) Policy Committee to make a finding, with supporting information, that the US 278 Bridges to Hilton Head Island Improvement Project is essential to the economic development in the Lowcountry area and is on the priority project list In the LATS Long-Range Transportation Plan (LRTP).

WHEREAS, the 3.7-mile section of United States Highway 278 (US 278) from Moss Creek Drive to Squire Pope Road currently experiences severe daily congestion due to traffic volumes that exceed the capacity provided by the four travel lanes; experiences rear-end crash rates that are higher than similar roadways in South Carolina due to stop and go traffic conditions; and produces congestion and delay leading to crucial interruptions in the transportation network that the Lowcountry area relies on for the movement of goods and people; and

WHEREAS, all four of the US 278 bridge structures are listed as functionally obsolete and the eastbound structure of the Karl Bowers Bridge over Mackay Creek is structurally deficient; and

WHEREAS, US 278 impacts evacuations from Hilton Head Island as this route is the only land-based emergency evacuation route off Hilton Head Island; and

WHEREAS, the deficient bridge conditions, traffic congestion, and bottlenecks that occur along this portion of US 278 impact the reliability and resiliency of the Strategic Statewide Freight Roadway Network as listed in the SCDOT South Carolina Statewide Freight Plan, which the Lowcountry area relies on to support its robust tourism economy; and

WHEREAS, improving the US 278 Bridges to Hilton Head Island will provide a mechanism for long term economic competitiveness by: improving transportation efficiency and reliability for the movement of people and goods; improving access between employment centers, job opportunities, and workforces; increasing the economic productivity of labor (the fewer hours employees spend commuting will result in higher productivity at their jobs); and supporting long term job creation; and

WHEREAS, according to a 2017 Regional Transactions Concepts, LLC study, over 2,600,000 tourists visit Hilton Head Island each year, estimated to contribute an economic impact (output) of approximately $1.44 billion within the County in 2016. Most of these tourists travel to Hilton Head Island using the US 278 bridges; and

WHEREAS, according to a 2017 study by the U.S. Travel Association, Beaufort County supplied the 3rd highest number of tourism jobs in the state.

WHEREAS, according to the U.S. Census Bureau, Center for Economic Studies, Inflow/Outflow Analysis (2015), 12,693 people commute to Hilton Head Island daily from other areas using the US 278 bridges, representing 61.5% of the workforce on Hilton Head Island; and

c/o Lowcountry Council of Governments
PO Box 98 634 Campground Road
Yemassee, South Carolina 29945
Main: 843.473.3990 Planning: 843.473.3958 Fax: 843.726.5165
www.lowcountrycog.org

WHEREAS, the Lowcountry Area Transportation Study (LATS) Policy Committee does hereby find that the current condition of the US 278 Bridges to Hilton Head Island is a significant impediment to our citizens and visitors and a hindrance on the economic activity and future development in the region; and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project represents tangible progress towards achieving goals and objectives set by the Lowcountry Area Transportation Study (LATS) Long-Range Transportation Plan (LRTP); and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project will provide for positive progress towards the following guiding principles of the Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization's Long Range Transportation Plan (2040 LATS LRTP): Barriers to Mobility, Congestion Mitigation, and Economic Vitality/Tourism; and

WHEREAS, the improvements of the US 278 Bridges to Hilton Head Island is projected to cost in excess of $240,000,000 based on SCDOT engineering estimates and contingency factors; and

NOW, THEREFORE, BE IT RESOLVED BY THE LOWCOUNTRY AREA TRANSPORTATION POLICY COMMITTEE (LATS) , that the US 278 Bridges to Hilton Head Island Improvement Project is essential to continued safety and economic development in the Lowcountry area; and

BE IT RESOLVED, the Lowcountry Area Transportation Study (LATS) policy Committee has listed the US 278 Bridges to Hilton Head Island as a top priority project that will support the implementation of the 2040 LATS Metropolitan Planning Organization's Long Range Transportation Plan (2040 LATS LRTP).

Adopted this 7th day of June, 2019.
LOWCOUNTRY AREA TRANSPORTATION STUDY POLICY COMMITTEE

Lisa Sulka, Chair
Mayor, Town of Bluffton

c/o Lowcountry Council of Governments
PO Box 98 634 Campground Road
Yemassee, South Carolina 29945
Main: 843.473.3990 Planning: 843.473.3958 Fax: 843.726.5165
www.lowcountrycog.org

Town of Hilton Head Island Town Council Resolution

Resolution Number _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, SUPPORTING THE JOINT PURSUIT, WITH BEAUFORT COUNTY, AND IN COORDINATION WITH THE STATE OF SOUTH CAROLINA, THE FUNDING, ANALYSIS AND ULTIMATE IMPLEMENTATION OF THE DEPARTMENT OF TRANSPORTATION PROJECT KNOWN AS "SCDOT PROJECT ID PO30450 – U.S. 278 CORRIDOR IMPROVEMENTS", A PORTION OF WHICH IS WITHIN THE TOWN LIMITS OF HILTON HEAD ISLAND, BEAUFORT COUNTY, IN ACCORDANCE WITH THE PLANS OF SAID PROJECT.

WHEREAS, the South Carolina Department of Transportation ("SCDOT"), proposes to survey, analyze, design, permit, construct, reconstruct, alter, or improve the 3.7-mile section of United States Highway 278 ("U.S. 278") from Moss Creek Drive to Spanish Wells Road including the bridges connecting the mainland to Hilton Head Island in connection with that certain project known as "SCDOT Project ID PO30450 – U.S. 278 Corridor Improvements" (hereinafter, the "Project"), of which a portion is located within the corporate limits of the Town of Hilton Head Island (hereinafter, the "Town"); and

WHEREAS, SCDOT has allocated $40,000,000 to improve or replace the structurally deficient eastbound span of the Karl Bowers Bridge over Mackay Creek; and

WHEREAS, the traffic capacity limitations and deficient bridge conditions may have dire consequences on public safety during emergency evacuations from Hilton Head Island and post disaster re-entry and recovery operations on Hilton Head Island, as this route is the only land-based route connecting the Island to the mainland; and

WHEREAS, an estimated 2,600,000 tourists visited Hilton Head Island in 2016 and contributed an estimated $1.44 billion in economic impact (output) according to the 2017 Regional Transactions Concepts, LLC study, and the vast majority of these tourists used the US 278 bridges to access Hilton Head Island; and

WHEREAS, according to the U.S. Census Bureau, Center for Economic Studies, Inflow/Outflow Analysis (2015), 12,693 people commute to Hilton Head Island using the US 278 bridges, representing 61.5% of the workforce on Hilton Head Island; and

WHEREAS, the 2017 Town of Hilton Head Island Comprehensive Plan states the U.S. 278 Bridges to Hilton Head Island are critical public facilities that provide the only vehicular access for residents and visitors to the Island, and the only ground transportation link for emergency evacuations, and therefore ensuring they are structurally and functionally sound is a top priority; and

WHEREAS, the Project shall provide for long term economic benefits to the Town, the County and the State by improving long-term transportation efficiency and reliability for the Strategic Statewide Freight Roadway Network, as listed in the SCDOT South Carolina Statewide Freight Plan, by improving the movement of people and goods, and the access between employment centers, job opportunities, and workforces; and

WHEREAS, future highway corridor planning must be broadened beyond mere traffic engineering and access management to encompass land use, economic development, pedestrian safety, and aesthetic issues, as well as impacts to existing residents along the corridor; and

WHEREAS, the Project will include an Environmental Assessment currently underway to assess all of the possible solutions and their potential impact on community, natural and cultural resources before committing to a design; and

WHEREAS, THE Town of Hilton Head Island will be appointing a task force made up of community groups to provide input as part of the Environmental Assessment; and

WHEREAS, the Project will improve road capacity; improve safety during daily trips and during emergency evacuations; improve access to U.S. 278 from adjoining roads and properties; improve efficiency through the U.S. 278 corridor; and consider related infrastructure and connectivity for non-motorized transportation; and

WHEREAS, the improvements to the U.S. 278 corridor between Moss Creek Drive and Spanish Wells Road, including repairing or replacing both bridges across Mackay Creek and Skull Creek, is projected to cost in excess of $245,000,000 (based on SCDOT engineering estimates dated November 2018, adjusted for inflation and contingency factors); and

WHEREAS, Beaufort County voters supported the November 2018 1 cent transportation referendum committing $80 million in local funds for the U.S. 278 Corridor Improvement Project.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, that the Project is essential to the safety and welfare of the citizens of, and the continued economic development within, the Town of Hilton Head Island; and

1. The Town of Hilton Head Island supports the joint pursuit of funding from the South Carolina Transportation Infrastructure Bank to plan, analyze and implement the Department of Transportation project known as "SCDOT Project ID PO30450 – U.S. 278 Corridor Improvements".
2. In supporting this project the Town will not consider any future use of its Jenkins Island property within this corridor until all needs for this project have been identified.

PASSED AND APPROVED BY THE TOWN COUNCIL, THIS 18Th **DAY OF** December, **20**18

John J. McCann, Mayor

ATTEST:

Krista M. Wiedmeyer, Town Clerk

APPROVED AS TO FORM:

Gregg Alford, Town Attorney

Introduced by Council Member William Harkins

In addition, support for this project has been received by Henry McMaster, Governor of South Carolina, The City of Beaufort, and the Town of Bluffton, as well as listed and prioritized in many long range and strategic plans. Appendix B contains the signed letters of support received for the project to date. **Appendix C** contains a listing of existing plans where this project is prioritized or referenced.

4.8 REGIONAL AND STATEWIDE SIGNIFICANCE

ENHANCEMENT OF MOBILITY AND SAFETY

Congestion Reduction

Studies have shown that **congestion on urban road networks cost the nation billions per year** in longer and less reliable journey times, reduced mobility, increased vehicle operating costs, and environmental degradation.[15]

Congestion results when traffic demand approaches or exceeds the available capacity of the roadway system. Bottlenecks, signal timing, and traffic incidents all contribute to congestion. Traffic congestion varies daily along the US 278 bridges to Hilton Head Island due to increased travel during peak hours of morning and evening commute periods and local school traffic. The summertime also sees increased traffic congestion due to the large number of tourists that visit the island each year.



IMAGE 7: CONGESTION LEADING UP TO US 278 BRIDGES TO HILTON HEAD ISLAND

The stretch of US 278 from Fording Island Road to Spanish Wells Road (roughly covering the project area) has seen a steadily increasing annual average daily traffic count over the last ten years (an 18.5% increase from 2008 – 2018). This section of the roadway has not been upgraded or improved to account for this added traffic flow, while both adjoining ends of US 278 have been widened or additional routes have been provided. The impact of this is illustrated in Figure 1. This bridge replacement and congestion relief project will address the present traffic issues as well as allow for continued growth and economic development for the region while also addressing structural concerns.

US 278 has been widened to six lanes, except the portion from Moss Creek Drive to Squire Pope Road, which remains a four-lane section. This has created a bottleneck on both ends of the project area. **Bottlenecks on the roadway account for 40% of all traffic congestion** with the next leading contributor, traffic incidents, at 25%.[16] Many of the traffic incidents that occur along this section of US 278 are due to the bottleneck and congestion. This bottlenecking of the roadway presents a challenge for maintaining flow rates along the corridor. Vehicles are forced to travel at lower speeds and either merge or allow others to merge into the two available lanes. The narrowing of the roadway chokes the traffic flow and limits the overall capacity of the highway. The widening of these bridges into Hilton Head Island will allow all previous widened sections along US 278 and all added routes, like Bluffton Parkway, to operate in a complete, more efficient system.

With the bridges being only two lanes in each direction, any traffic incident can delay traffic and cause congestion long after the roadways have been cleared. As compared to other arterial routes with alternative routes, this section of US 278 does not have any alternative routes, meaning that any traffic incident or congestion occurring along the bridge is much more significant compared to other arterials that have alternative routes. This widening project would provide the expanded capacity needed to reduce this congested section of roadway and deliver a more efficient east-west corridor for the region.

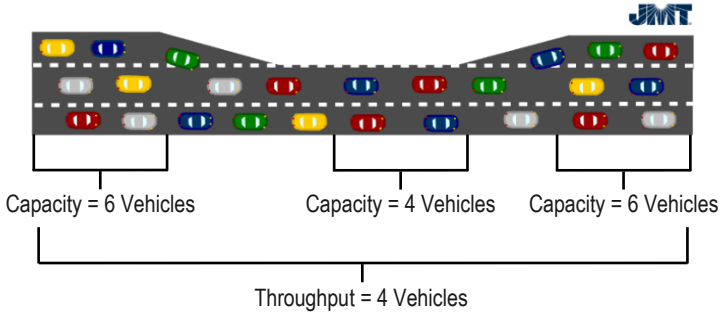


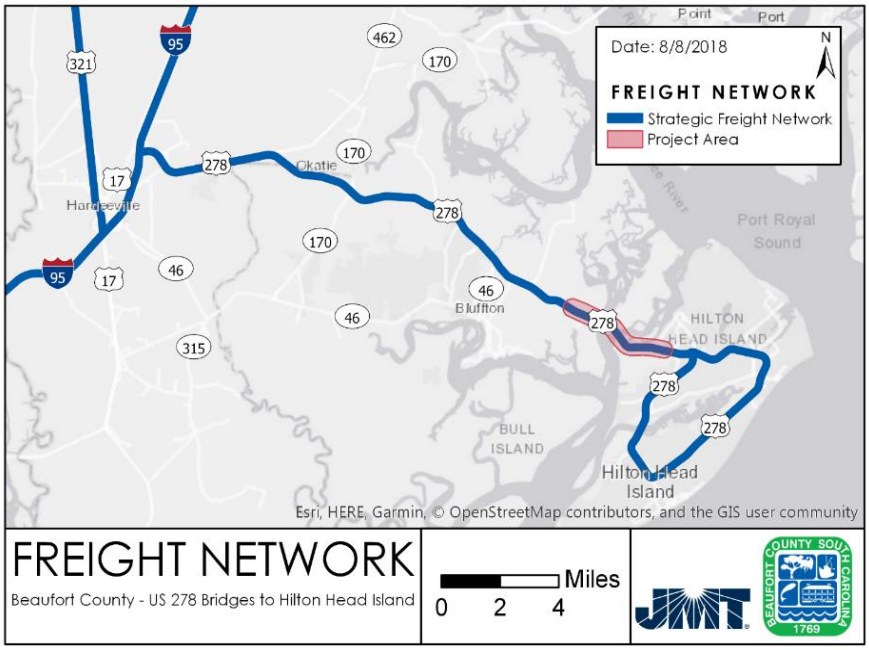
FIGURE 1: The capacity at the bottleneck will dictate the capacity of the roadway. Traffic cannot travel faster than the speed through the bottleneck.

[15] Office of Economic and Strategic Analysis, U.S. Department of Transportation, *Assessing the Full Costs of Congestion on Surface Transportation Systems and Reducing Them through Pricing*, (2009)
[16] SCDOT, *South Carolina Strategic Corridors Plan, (2014)*

Strategic Freight Network

US 278 is listed as part of the Strategic Statewide Freight Roadway Network in the SCDOT South Carolina Statewide Freight Plan (See Map 7). The Statewide Freight Roadway Network identifies roadway networks that provide through state and cross-regional movement as well as connections to the nodes of the network that include ports, airports and inland freight facilities. These networks have been identified as important to the flow of goods. Preserving the Statewide Freight Network assets is key to the success of the state's economy as these routes sustain the reliability and efficiency of the goods movement network in South Carolina. The deteriorating bridge conditions, traffic congestion, and bottlenecks that occur on US 278 impact the reliability and resiliency of this system,[17] increasing costs to freight carriers and consumers.

MAP 7: ROADWAY FREIGHT NETWORK



Improving the US 278 bridges as listed in this application represents tangible **progress towards 10 of the 11 state freight objectives** listed in the SCDOT 2018 State Freight Plan[17] (Table 4. The state's goals align with the National Freight Goals required in Fixing America's Surface Transportation Act (FAST Act).

TABLE 4: SCDOT GOALS & OBJECTIVES (EXCERPT FROM 2018 STATE FREIGHT PLAN[17])

OBJECTIVES:	ACHIEVED BY THIS PROJECT
STATE GOAL: MOBILITY AND SYSTEM RELIABILITY | NATIONAL GOAL: ECONOMIC COMPETITIVENESS	
Reduce the number of system miles at unacceptable congestion levels.	✓
Improve travel time reliability (on priority corridors or congested corridors).	✓
Reduce congestion on the freight transportation system.	✓
Improve the year-round reliability of freight transportation on the interstate system.	✓
STATE GOAL: SAFETY | NATIONAL GOAL: SAFETY, SECURITY, RESILIENCY / ADVANCED TECHNOLOGY	
Improve the safety, security, and resilience of the freight transportation system.	✓
Improve substandard roadways.	✓
Enhance truck parking availability and information management on SC interstates/South Carolina Freight Network.	–
STATE GOAL: INFRASTRUCTURE CONDITION | NATIONAL GOAL: STATE OF GOOD REPAIR	
Maintain or improve the current state of good repair for the National Highway Service (NHS).	✓
Reduce the percentage of remaining state highway miles (non-interstate/strategic corridors) moving from a "fair" to a "very poor" rating while maintaining or increasing the % of miles rates as "good".	✓
Improve the condition of the state highway system bridges.	✓
STATE GOAL: ECONOMIC AND COMMUNITY VITALITY NATIONAL GOAL: ECONOMIC COMPETITIVENESS / ECONOMIC EFFICIENCY	
Utilize the existing transportation system to facilitate enhanced freight movement to support a growing economy.	✓

[17] SCDOT, *South Carolina Statewide Freight Plan,* (2018)

REGIONAL ECONOMY IMPACTS

Access between Hilton Head Island and the mainland is critical to economic vitality and sustaining local, regional, and statewide economies. The congestion and delay produced by this stretch of US 278 is a crucial interruption in a transportation network that Beaufort County and the region rely on for the movement of goods and people.

Improving the bridges to alleviate congestion will provide a mechanism for long term economic competitiveness by:

- Improving long term transportation efficiency and reliability for the movement of people and goods
- Improving access between employment centers, job opportunities, and workforces
- Increasing the economic productivity of labor (the fewer hours employees spend commuting will result in higher productivity at their jobs)
- Supporting long term job creation

Tourism is a critical source of revenue and employment for South Carolina as it generates $21.2 billion annually and supports one in every ten jobs in the state.[18] Tourists contribute to sales, profits, jobs, tax revenues, and personal income. According to a 2017 study, over 3,020,000 tourists visit Beaufort County each year. In 2016, tourism in Beaufort County was estimated to contribute an economic impact (output) of approximately $1.53 billion within the County. This is approximately 7% of all of the tourism industry in South Carolina.[14] Having a robust and efficient transportation system is a cornerstone to attracting and sustaining tourism and the economic impacts that it brings. Tourism related revenues can provide alternative sources of revenues for local governments to support visitors and the local population. This revenue can also be used as a tool to offset increasing local taxes or placing the burden on residents. Improving the US 278 corridor to Hilton Head Island is crucial to maintaining the tourism industry flourishing in Beaufort County, particularly on Hilton Head Island.

As areas in Beaufort County, such as Hilton Head Island and Bluffton, continue to experience population growth and increasing visitors, the local governments will depend on tourism as an economic driver. As popularity and travel grow, the efficiency of the highways and roadways become even more essential to the economic preservation of the area. The mobility of the region allows for the proper flow of tourists, goods, and the necessary transportation system for the labor force. US 278 must be improved to provide Beaufort County with an efficient transportation system to support its booming tourism industry.

Economic Impact of Tourism

Hilton Head Island is home to over 24 public and private championship golf courses, 12 miles of pristine beaches, 250 restaurants, and hundreds of other amenities that make the island one of the most visited places in South Carolina.[19] Tourism continues to grow in Beaufort County, bringing positive economic impacts, but also putting increased pressure on the transportation network. The US 278 bridges to Hilton Head Island are part of the critical transportation network necessary to support a bustling tourism economy. Investing in and improving these bridges will increase the efficiency of the transportation network and increase the mobility of people, goods, and services necessary to preserve the flourishing tourism industry and associated economic impacts felt across the region.

Tourism is a major economic engine that not only fuels Beaufort County, but also provides positive economic impacts for the region and the state. **Tourism is a $21.2 billion industry in South Carolina and supports one in every 10 jobs in the state**. In 2015, the U.S. Travel Association estimated that spending on travel or on behalf of tourism in South Carolina totaled $21.2 billion in 2016. This represents a 4.7% increase from 2015.[20]

According to a 2017 study, over 3,020,000 tourists visit Beaufort County each year. In 2016, **tourism in Beaufort County was estimated to contribute an economic impact (output) of approximately $1.53 billion within the County**. Tourist spending generated a positive impact on net revenues to local governments in Beaufort County of approximately $15 million; this does not include revenues generated by state and local accommodations tax and local hospitality taxes. The estimates output multiplier for total tourist spending for Beaufort County was 1.40, meaning that every dollar spent by tourists in Beaufort County increases output in the County's economy by a total of $1.40.[14] This impact is important for local governments to help lessen the tax burden on residents by providing a supplement (or alternative) revenue stream.

[18] South Carolina Department of Parks, Recreation, and Tourism, *Fiscal Year 2017-18 Accountability Report,* (2018)
[19] Hilton Head Island Visitor and Convention Bureau, *Explore Hilton Head Island*, SC. https://www.explorehiltonhead.com/, accessed on August 8, 2018



IMAGE 8: PALMETTO BREEZE PUBLIC TRANSPORTATION SERVICE

Not only are tourists arriving to and traveling around Hilton Head Island by personal vehicle, but bicycle tourism also accounts for a noteworthy portion of the economic impacts of tourism. Regional Transactions Concepts, LLC estimated that bicycle tourism contributed approximately $12 million in 2017 to the total tourist expennditures on Hilton Head Island.[14] This number accounts only for biking related expeditures and does not include other associated bicycle tourism impacts on service industries such as dining and lodging.

Workforce Deficit

In 2016, Beaufort County supplied over 13,800 direct tourism jobs (increased by 300 jobs since 2015). Beaufort County supplies the 3rd highest number of tourism jobs in the state. In 2016 it was estimated that there were 17,208 jobs that comprise the estimated total employment impact generated by tourists in Beaufort County, meaning **tourism jobs accounted for 16.5% of all jobs in Beaufort County** in 2016.[20]

Even though the tourism industry is booming across Beaufort County and Hilton Head Island some business owners in the resort and hospitality industries are struggling to find workers to fill open positions. A newspaper article from May 24, 2017 by the Island Packet[21] documented that job fairs hosted by the South Carolina Restaurant and Lodging Association on Hilton Head Island attracted dozens of employers, but few job seekers. According to the article, some of the workforce deficit can be attributed to new E-Verify requirements for legal workers, but business owners also cited the traffic delays and difficulties traveling to and from the Island using the US 278 bridges as a cause for workers not being able to access jobs on the Island.

Most of the resort and hospitality workers do not live on Hilton Head Island. The lack of affordable housing on the Island means that many workers must commute from other areas to reach their places of employment on the Island. According to the U.S. Census Bureau, Center for Economic Studies it is estimated that in 2015 there were a total of 20,636 people employed on Hilton Head Island. **Of the total number of people employed on the island, 12,693 people (61.5%) commuted to the Hilton Head Island daily from other areas.** An estimated 5,398 people live on Hilton Head Island but commute off the island daily for their jobs. Additionally, it is estimated that there were 7,943 people that both lived and worked on Hilton Head Island.[22]

Palmetto Breeze offers public transportation service from inland areas to Hilton Head Island. Many Island employees use this public transit service riding from Allendale, Colleton, Hampton and Jasper Counties, and elsewhere in Beaufort County to Hilton Head Island. Allendale riders, as an example, face a 1.5-hour commute (approximately 76 miles) to travel between their homes in Allendale, SC to commute to their jobs on Hilton Head Island. The delays along the commute are often attributed to congestion caused by the bottlenecks of the US 278 bridges. Improving the bridges to alleviate congestion would increase traffic flow making

[20] U.S. Travel Association, *The Economic Impact of Travel on South Carolina Counties 2016* (2017).
[21] The Island Packet, *Workforce Crisis: At Hilton Head Job Fair, Employers Far Outnumber Job Seekers*, Article by Teresa Moss, https://islandpacket.com/news/business/article152191112.html, accessed on August 8, 2018
[22] U.S. Census Bureau, Center for Economic Studies, *Inflow/Outflow Analysis* (2015)

it easier and faster to commute on and off the Island. Making access to the Island easier will encourage more workers to apply for jobs on the Island, eliminating some workforce deficit.

INCREASE IN THE QUALITY OF LIFE AND GENERAL WELFARE OF THE PUBLIC

Population Growth

The region has developed significantly with new residents moving in regularly, making Beaufort County the 7th fastest growing county in South Carolina. Both the Hilton Head Island-Bluffton-Beaufort MSA and Beaufort County's growth rates are projected to be higher than the overall growth rate of the state. According to population projections by the South Carolina Revenue and Fiscal Affairs Office and as illustrated in Chart 9: Population Growth Rate, **by 2030 the population of Beaufort County is anticipated to grow by approximately 33%, Hilton Head Island-Bluffton-Beaufort MSA will grow by approximately 21%, and the state of South Carolina will grow by about 19%.**

The transportation system needs to support the increasing residential population, additionally it must account for the daily influx of commuters and visitors. According to the Beaufort County Comprehensive Plan, tourists, visitors, seasonal residents, and daily commuters increase the County's population by an additional 34% on an average day.[23]

CHART 8: PROJECT POPULATION GROWTH

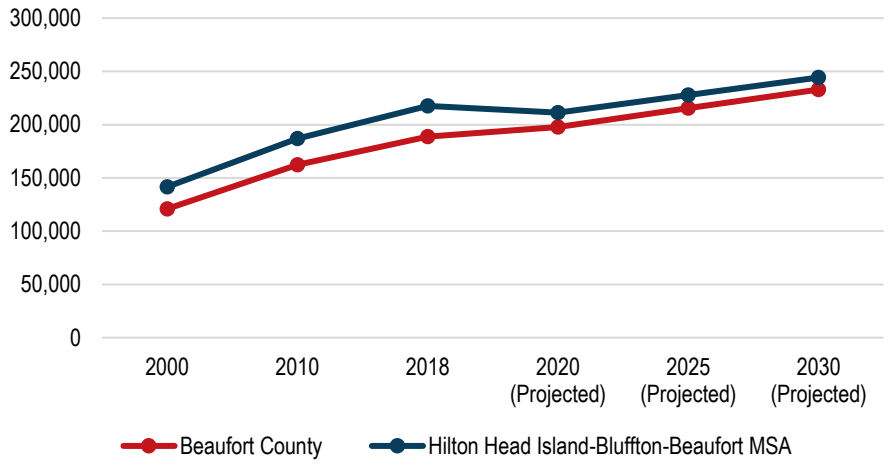
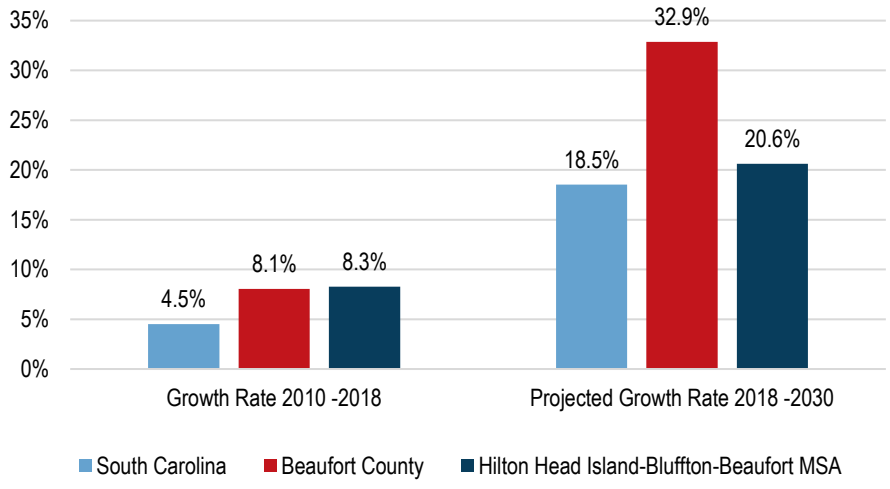


CHART 9: POPULATION GROWTH RATE



*Information based on population projections provided by the South Carolina Revenue and Fiscal Affairs Office and S.C. Department of Employment and Workforce Community Profile

[23] Beaufort County, *Beaufort County Comprehensive Plan*, (2010)

Air and Environmental Effects

Traffic congestion contributes to a reduction in local and regional air quality. When vehicles travel at the posted speed limits they function more efficiently. When vehicles travel through congested corridors there is an increased amount of stop-and-go actions, which can decrease fuel efficiency and increase air pollution produced by vehicles. Improving congestion along this corridor could lead to improved air quality for the region and increased quality of life for residents and visitors.



IMAGE 9: TOURIST BIKE RENTAL COMPANIES
Source: Explore Hilton Head Island

Enhanced Bicycle and Pedestrian Networks

Improving the multimodal connections along the US 278 bridges to Hilton Head Island would mean **improved safety for pedestrians and bicyclists** traveling through the corridor. This project will evaluate all options to improve the multimodal connections throughout the corridor.

Beaufort County and Hilton Head Island provide an extensive bicycle and pedestrian transportation and recreation network. Bicycling and walking are not only modes of transportation, but they can be forms of recreation and improve an individual's overall health and well-being. A study from the American Journal of Public Health found that when an environment is more walkable and bikeable, the obesity rates are lower, and a larger percentage of adults achieve the recommended level of physical activity.[24]

With such a large percentage of Hilton Head Island's workforce commuting into the island from over the bridge, a non-motorized transportation alternative could improve the health of the region as well as reduce congestion on the roadway. As the US 278 Corridor Improvement Project aims to decrease traffic congestion, multi-modal transportation options will also be considered to remove some of the congestion by replacing vehicle trips with bicycle or pedestrian trips. Improving connectivity over the bridge could create a potential for new bicycle shops, hotels, and restaurants in the region. This could have a beneficial impact on the mainland's economic development and physical health of the population.

Hilton Head Island is recognized as a Gold Level Bicycle Friendly Community by the American League of Bicyclists, giving the designation as one of the top bicycle-friendly communities in the United States.[25] Hilton Head Island is one of only three Gold Level Communities in the Southeast and only one of four on the East Coast to receive this designation. The Gold Level distinction recognizes the Town's commitment to improving conditions for bicycling through its investment in bicycling promotion, education programs, infrastructure and pro-bicycling policies.

HILTON HEAD ISLAND
BICYCLE FACTS:

The island is only 12 miles long and five miles wide but there are:

- **1** mile of bike lanes
- **120** miles of shared-use paths
  - **64** miles paved public paths
- **8** miles of planned pathways
- **2** miles of single track
- **24%** of arterial streets have bikes lanes or paved shoulders

[24] The U.S. Department of Transportation – *Safer People, Safer Streets: Pedestrian and Bicycle Safety Initiative*
[25] The League of American Bicyclists, *Bicycle Friendly State ranking, and summary list of Bicycle Friendly Communities, Businesses, and Universities within the state. https://bikeleague.org/bfa/awards#community, accessed on June 13, 2019*

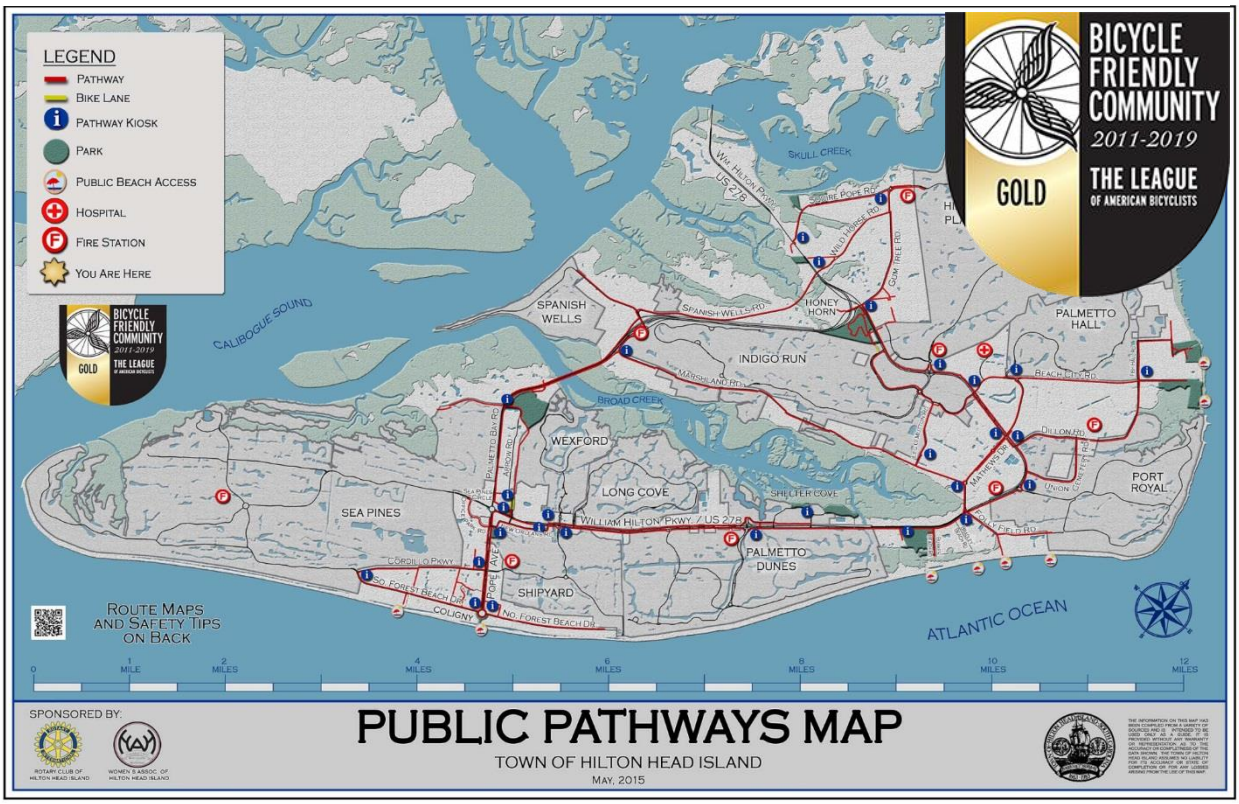
The Island provides a bicycle network of over 108 miles of multiuse paths for people to enjoy by bicycle or on foot[26] (see MAP 8: PUBLIC PATHWAYS MAP TOWN OF HILTON HEAD (2015).

Hilton Head Island supports a bicycle culture that can be felt across the community and numerous bicycle shops and hotels across the Island. The 35 bicycle shops and hotels provide a combined 25,000 bicycles that may be rented any day of the week.

Hilton Head Island provides 30 Pathway Kiosks featuring maps, biking brochures, and biking do's and don'ts videos for out of town guests and visitors. Hilton Head Island has even developed its own bicycling app, Island Compass, which includes information for biking around the Island.

As shown in MAP 8: PUBLIC PATHWAYS MAP TOWN OF HILTON HEAD (2015), ***there are no bicycle lanes or pathways along US 278 to connect Hilton Head Island to the mainland.*** A pathway across Jenkins Island will be considered to tie into the US 278 bridges. This potential future connection across Jenkins Island and the bridges could provide bicycle access from Hilton Head Island to the mainland as well as the 7.7-mile Pinckney Island Ride Trail on the Pinckney Island National Wildlife Refuge.

MAP 8: PUBLIC PATHWAYS MAP
TOWN OF HILTON HEAD (2015)

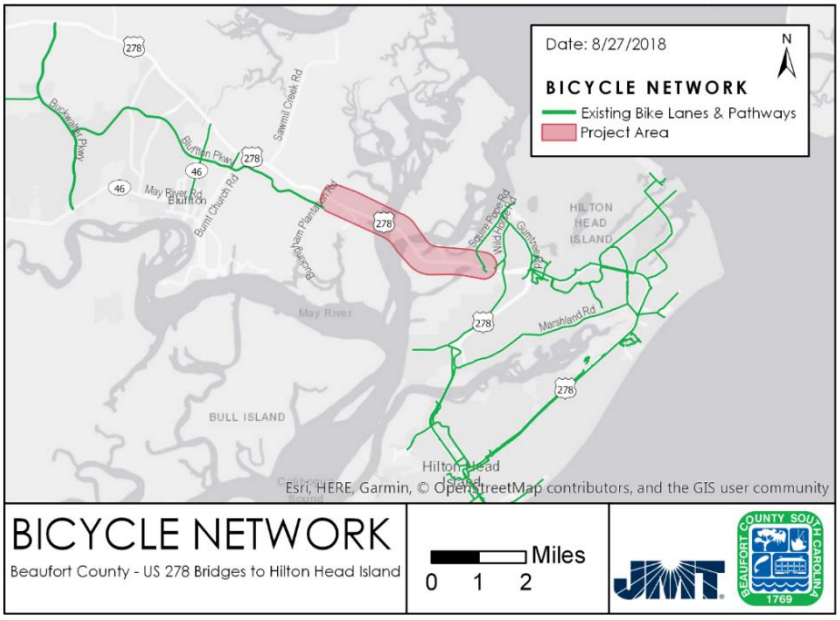


[26] Hilton Head Island-Bluffton Chamber of Commerce & Visitor and Convention Bureau, *Biking on Hilton Head Island,* Explore Hilton Head Island, SC. https://www.hiltonheadisland.org/see-do/biking/biking-hilton-head-island, accessed on October 24, 2018.

Bluffton Parkway is paralleled by a shared use path which currently stretches between Buckwalter Parkway and Buckingham Plantation Road, ending approximately 1,500 feet before the Bluffton Parkway flyover ramps connecting to the US 278 bridges to Hilton Head Island. There is also a shared use path along US 278 on Hilton Head Island, beginning at the intersection of US 278 and Gumtree Rd and continuing east along US 278 connecting into Hilton Head Island's extensive pathway network.

As shown in Map 9: Existing Bicycle Network, the missing link in the bicycle network is from the end of the Bluffton Parkway shared use path at Buckingham Plantation Road across the US 278 bridges to the intersection of US 278 and Gumtree Rd on Hilton Head Island. Creating a bicycle connection across this portion of US 278 could provide the missing link in the network and offer an alternative mode of transportation between Hilton Head Island and the mainland.

MAP 9: EXISTING BICYCLE NETWORK



A bicycle connection along the US 278 bridges is supported in multiple area planning documents. The Town of HHI Comprehensive Plan (2017) Goal 6.3-D is "To have a pathway network that provides for recreational opportunities as well as an alternative means of transportation to and on the Island." On page 88 of the plan, Implementation Strategy 6.3-D is to "Coordinate with SCDOT and Beaufort County to provide a pathway link to the mainland." The 2010 Beaufort County Comprehensive Plan contains a map from the Trails and Blueways Master Plan, which recommends adding a trail along the US 278 bridges.[27] The 2040 Lowcountry Area Transportation Study (LATS) Long Range Transportation Plan recommends a future roadway improvement over the bridges to include 10' outside paved shoulders as shown in Figure 2.[28] Wide shoulders are useful not only for bicycle access but also for emergency vehicle access and improved evacuation capacity.

Multimodal transportation improvements will be considered in the US 278 Bridges to Hilton Heads Island Project. Regardless of the type of bicycle and pedestrian accommodations, any improvements to the non-motorized connections across the US 278

bridges will:

- Enhance non-motorized transportation alternatives
- Improve the appeal of the Island to visitors
- Improve bicycle, pedestrian and driver safety

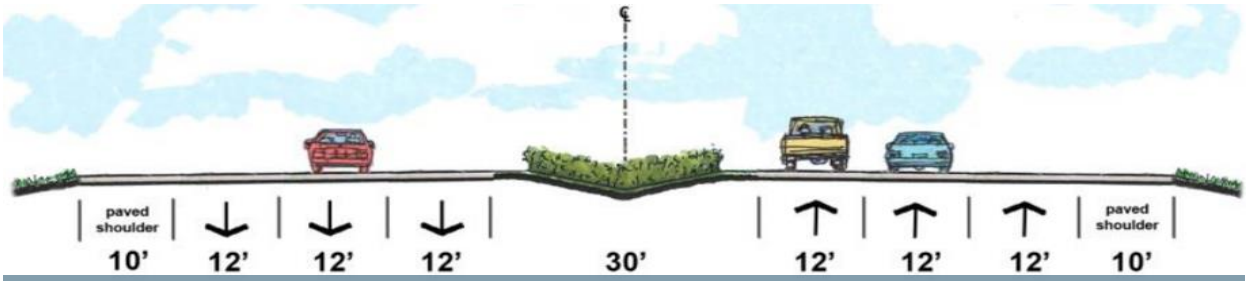


FIGURE 2: US 278 Bridge Widening - Recommended Future Roadway Cross-Section[32]
Source: 2040 Lowcountry Area Transportation Study (LATS) Long Range Transportation Plan

[27] Beaufort County, *Beaufort County Comprehensive Plan – Appendix 10 A - Trails and Blueways Master Plan, (*2010)
[28] Lowcountry Council of Governments, *The 2040 Lowcountry Area Transportation Study (LATS) Long Range Transportation Plan*, (2015)



IMAGE 10: TRAFFIC INTENSIFIES DURING THE MANDATORY EVACUATION DUE TO IMPENDING HURRICANE. Source: https://www.longroom.com

HURRICANE EVACUATION

In the event of a mandatory evacuation of an area, congestion and delays are expected and unavoidable on the roadways. With each evacuation event, Beaufort County analyzes the efficiency of their roadway network and works to identify regions or areas where congestion and delays are at unacceptable levels. These evaluations are based on actual evacuations. Improvements to Beaufort County's evacuation system over the past few years include the Bluffton Parkway project and the widening of Okatie Highway (SC 170). The remaining piece to this upgrade of the evacuation network is the widening of the US 278 bridges to Hilton Head Island, an area at higher risk of evacuation events.

There are 32 American Red Cross shelter locations within the 46 counties in South Carolina where hurricane evacuees can seek safety. While temporary shelters are available during smaller scale storms, Beaufort County has no shelters for its residents for any Category 1 or greater hurricanes. In the event of an evacuation, the nearest location would be the sole shelter in Jasper County.[29] Due to the low elevations of the Lowcountry, the coastal barrier islands of Jasper, Beaufort, Colleton, and Charleston Counties are typically the first to require evacuation. When Hurricane Irma hit South Carolina in 2017, these islands had to be vacated, affecting 44,457 residents. Of this number, 42,000 evacuees were from Hilton Head Island.[30]

Several other threatening hurricanes have hit South Carolina in the past years, including Hurricane Joaquin in 2015 which caused intense flooding and Hurricane Matthew in 2016 that brought immense economic impacts throughout the South.

[29] The American Red Cross, *Red Cross Supporting Evacuation Shelters in South Carolina*, (2016)
[30] The Post and Courier – 44*,457 South Carolina Residents Impacted by Evacuations in Response Hurricane Irma*, (2017)

Evacuation Zones

South Carolina's 2018 Critical Need Transportation Operations Plan evaluated the state's elevations and assigned evacuation zones based on the projected surges that would affect the areas. Evacuation Zone A represents the most vulnerable locations of each county. Beaufort County is the only county in the state that is entirely comprised of Zone A (as shown in Image 11).[31] With this susceptibility, the county's hurricane evacuation routes must be as efficient and functional as possible. This 2018 Operations Plan found that the time it takes to execute an evacuation is based on multiple variables which include the coastal county at risk, the category of storm, time of year, and time of day that the evacuation commences.[29] The state is divided into four conglomerates: northern, western, central, and southern. In the event of an evacuation, the southern conglomerate, which includes Beaufort, Jasper, Colleton, and Hampton County could take up to 24 hours to fully vacate.[29]

While the completion of the Bluffton Parkway provided an alternative evacuation route from east to west and the widening of US 170 and parts of US 278 decreased delays in the Bluffton and Beaufort area, it did not solve the problem entirely. The US 278 bridges that all Hilton Head Islands' residents, employees, and tourists must cross to leave the island are only 4 lanes total, creating massive delays as the road bottlenecks***. This stretch of US 278 from Moss Creek Drive to Squire Pope Road is the only remaining 4-lane portion of the roadway.*** In an emergency event, Hilton Head Island residents face extreme traffic conditions before they can reach the widened portion of US 278 or Bluffton Parkway. With the population steadily growing on the island and storm frequency and severity increasing, the issue worsens each year.

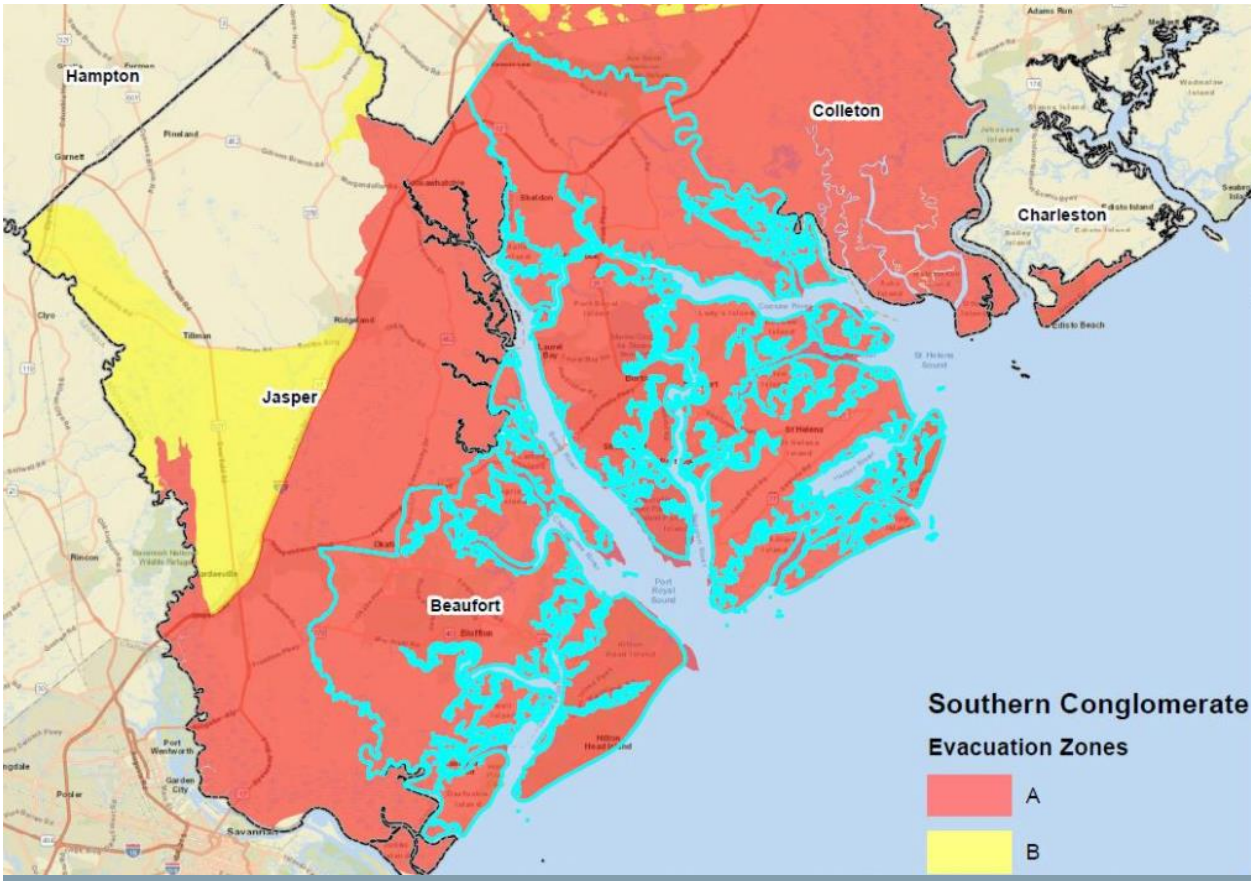


IMAGE 11: ALL OF BEAUFORT COUNTY IS CLASSIFIED AS EVACUATION ZONE A, MAKING ALL RESIDENTS IN BEAUFORT COUNTY VULNERABLE TO A HURRICANE REGARDLESS OF THE MAGNITUDE.[29]

[31] South Carolina Emergency Management Division, *State of South Carolina Critical Transportation Need Evacuation Operations Plan*, (2018)

Evacuation Routes

The need to improve evacuation routes and decrease evacuation times is critically important to the areas that are experiencing growth and are subject to constant storm threats. After Hurricane Matthew made landfall in 2016, South Carolina reevaluated their evacuation plans and incorporated several new operational methods including the use of school buses as the primary mean for Critical Transportation Needs (CTN) evacuees.[29]

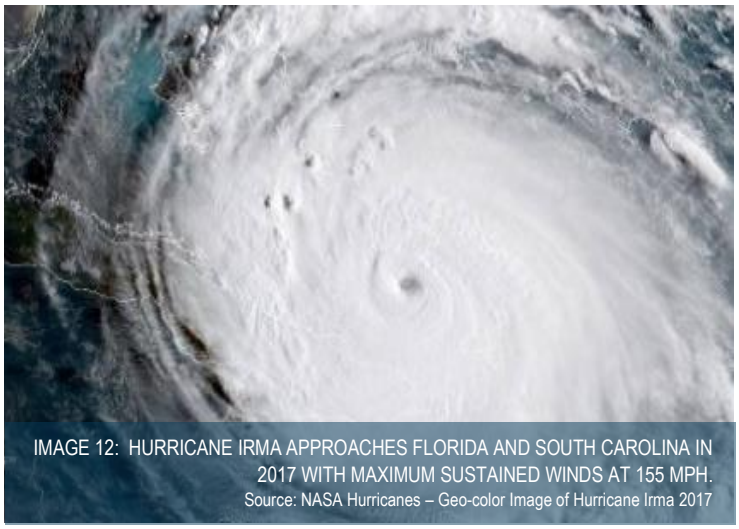
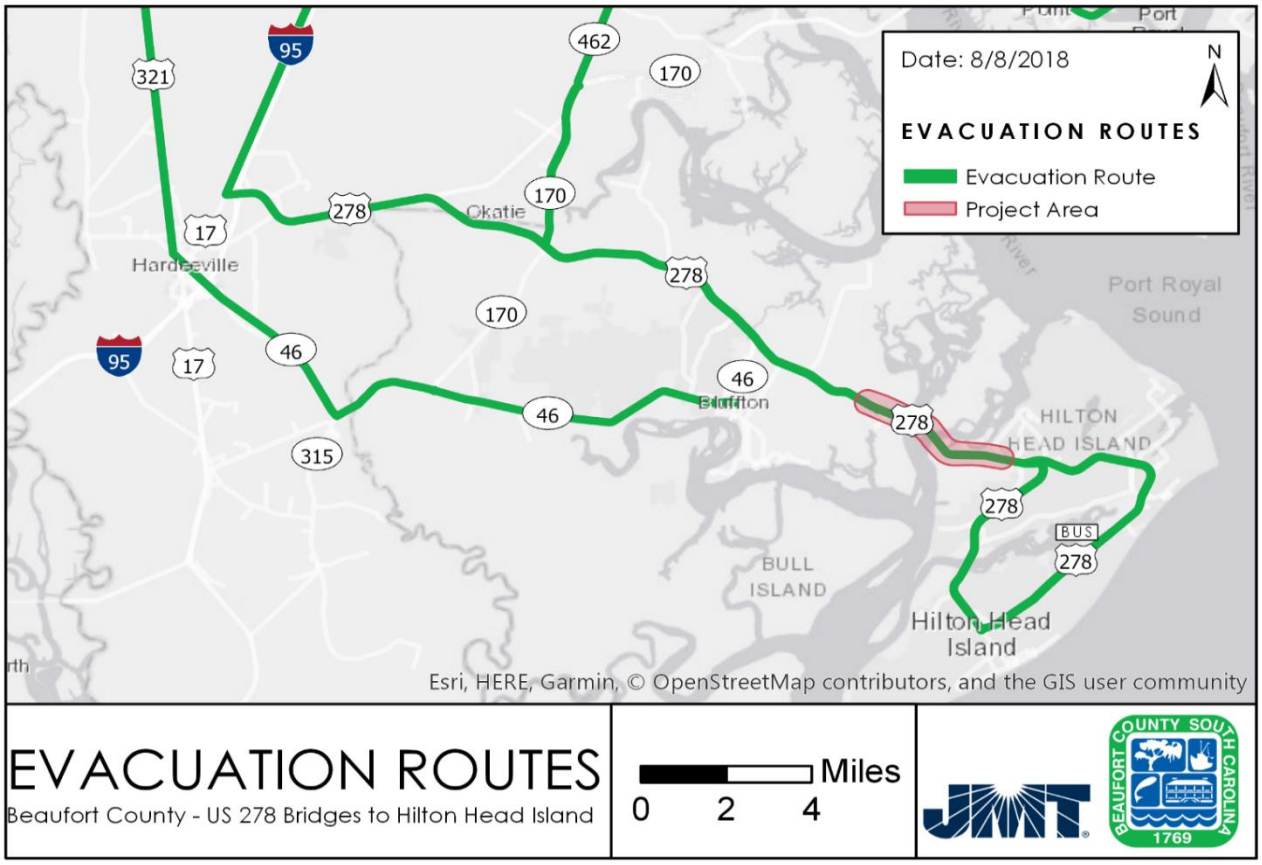


IMAGE 12: HURRICANE IRMA APPROACHES FLORIDA AND SOUTH CAROLINA IN 2017 WITH MAXIMUM SUSTAINED WINDS AT 155 MPH.
Source: NASA Hurricanes – Geo-color Image of Hurricane Irma 2017

While South Carolina is using their lessons learned to improve the evacuation process, the changes that are in discussion and implementation will likely not significantly change the evacuation times from Hilton Head Island due to the bottleneck at the bridges. This narrowing of US 278 will continuously present serious delays unless the roadway is widened. Increasing the capacity of the road, such as widening the bridges will allow for continuous, constant flow of traffic off the island and eradicate the largest cause of evacuation delay in the area.

To keep up with the island's growing population, the worsening structural state of the bridge and the intensifying threat of hurricanes, the bridges into Hilton Head Island must be improved and the capacity increased. The goals of this project will complete the transformation of the county's roadway network into an efficient and appropriate evacuation route.

MAP 10: HURRICANE EVACUATION ROUTES IN BEAUFORT COUNTY



MAP 11: HURRICANE STORM SURGE AREAS TOWN OF HILTON HEAD ISLAND

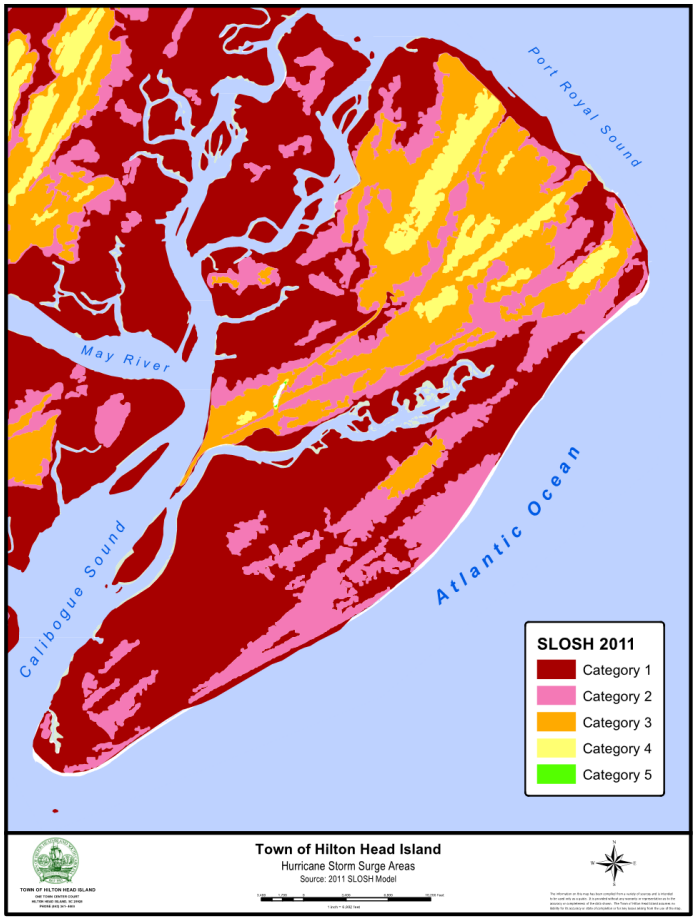


TABLE 5: BEAUFORT COUNTY INTERIM HURRICANE EVACUATION TIMES (HOURS)

Hurricane Category & Evacuation Response	Southern Normal Lane Use	
	Occupancy	
	Low	High
CATEGORY 1 – 2		
Rapid	8 **(9)**	13 **(15)**
Medium	11 **(13)**	15 **(17)**
Slow	13 **(15)**	18 **(21)**
CATEGORY 3 - 5		
Rapid	14 **(16)**	19 **(22)**
Medium	17 **(20)**	22 **(25)**
Slow	19 **(22)**	24 **(28)**

(#) factors in the population increase between 2010 and 2018

Storm Surges

Recent studies have found that the climate change is producing more destructive and powerful hurricanes. As sea levels rise globally, storm surge levels will likely increase in magnitude and frequency. **The rainfall rates produced by a hurricane will increase by 10-15% and the intensities of these storms will heighten by 1-10% in the Atlantic Basin**.[32] The rise in storm surge level is particularly alarming for Beaufort County due to the low elevation. A category 3 storm currently produces a storm surge of 9-12 feet in southeast South Carolina,[32] which would flood almost all of Hilton Head Island and much of the mainland of Beaufort County (See MAP 11). Beaufort County cannot afford having a poorly functioning evacuation route with its extreme vulnerability to storm surge levels. Because this study also found that there will be more frequent occurrences of intense storms, there will also be more strain on the already structurally deficient bridge as evacuations become more frequent. This intensification of the region's hurricanes will cause further destruction and need for evacuation in the future.

South Carolina Emergency Management Division (SCEMD) has estimated the Hurricane Evacuation Clearance Times for 2018 as illustrated in Table 5. The 2018 clearance times were estimated using the increase in population (15% increase, as estimated by ESRI Business) in the evacuation zones of Beaufort County from 2010 to 2018. The population increase was then applied to the clearance times that were developed for the 2013 Hurricane Evacuation Study (HES).

[32] NOAA, Geophysical Fluid Dynamics Laboratory: *Global Warming and Hurricanes,* https://www.gfdl.noaa.gov/global-warming-and-hurricanes/, accessed on June 17,2019

4.9 PROS AND CONS OF ALL ALTERNATIVE TRANSPORTATION PLANS TO THE PROJECT

SCDOT evaluated a range of alternative transportation plans for this project corridor, seven are currently being carried forward as reasonable alternatives. These remaining seven alternatives will be further reviewed and refined, with a proposed preferred alternative to be determined after a Public Hearing. Chart 10 illustrates the range of alternatives that have been considered and the remaining process that will determine the final proposed preferred alternative.

SCDOT used the following evaluation criteria to evaluate the pros and cons of each of the original alternatives, this led to the identification of the remaining seven alternatives:

- Structural Deficiencies: This criterion evaluates whether the alternative addresses the structural deficiencies along eastbound US 278 (bridge over Mackay Creek)
- Wetlands: Freshwater and critical area wetlands, as defined through GIS mapping, were identified based on the total area of potential impact by the alternatives
- Right-of-Way: A review of the total acreage of right-of-way impacted as well as the number of individual tracts was evaluated per alternative.
- Neighborhoods: The total number of neighborhoods anticipated to be impacted was evaluated for each alternative
- Protected Lands: Each alternative was evaluated to determine if protected lands were impacted as well as the total acreage and number of individual tracts.
- Pickney National Wildlife Refuge Compatibility: Each alternative was evaluated to determine if it was compatible with the Pickney National Wildlife Refuge.

CHART10: ALTERNATIVES DEVELOPMENT FLOWCHART

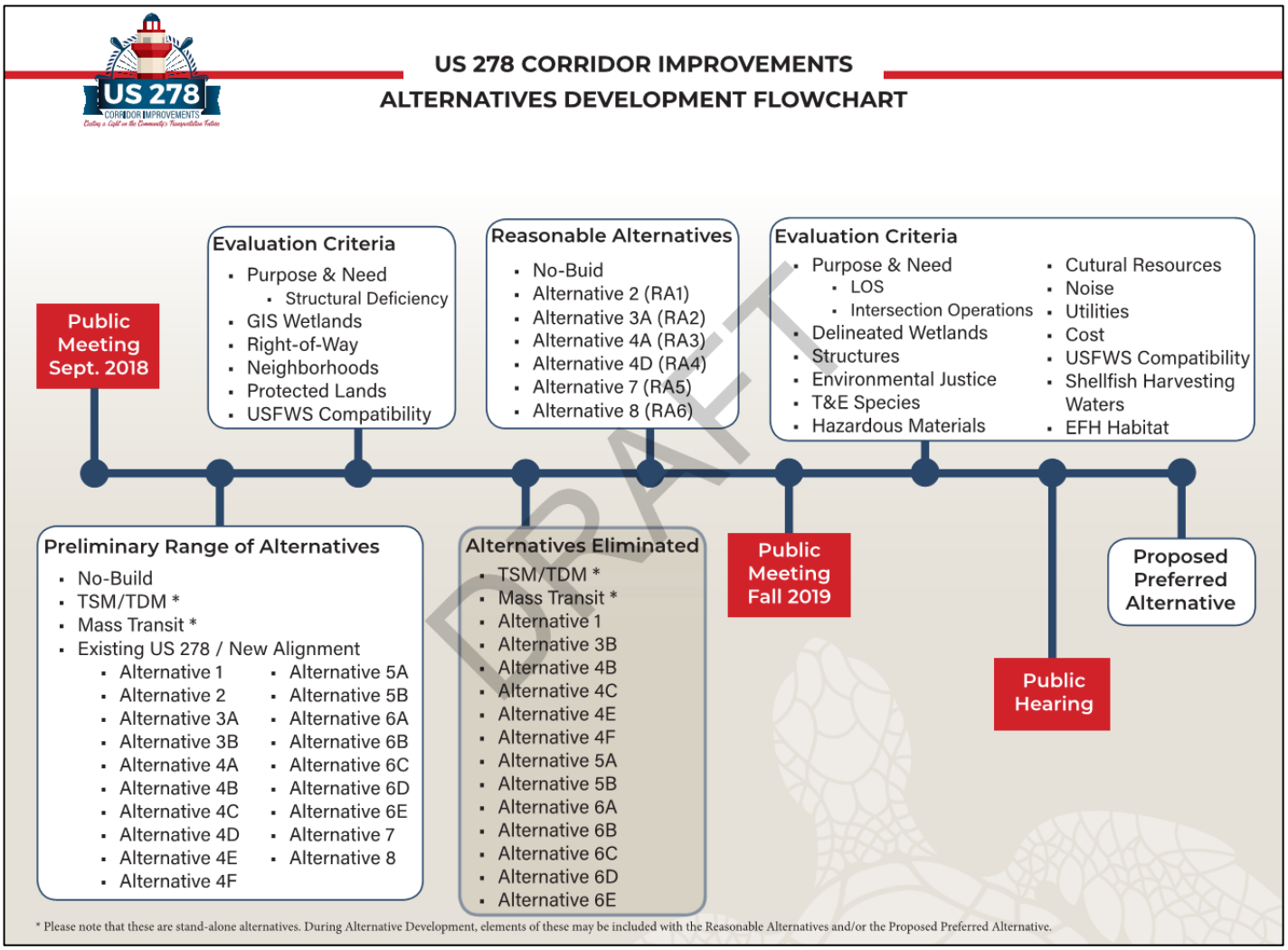




IMAGE 13: PINCKNEY ISLAND NATIONAL WILDLIFE REFUGE ENTRANCE

4.10 ENVIRONMENTAL IMPACTS OF PROJECT

Lying along the Intracoastal Waterway, Hilton Head Island encompasses 42 square miles of semi-tropical geography. The geography surrounding the project area includes barrier islands with constantly changing ecosystems, wetlands, salt marshes, tidal creeks, forestland, brushland, freshwater ponds, and uncultivated fields. The area is home to a variety of wildlife including deer, alligators, loggerhead sea turtles, manatees, dolphins, and hundreds of species of birds. **Currently this project is 40% through the Environmental Assessment (EA) process for this project and will have preliminary alternatives developed by Fall 2019**

The entrance to Pinckney Island National Wildlife Refuge (NWR) is located between the Karl Bowers Bridge and the J. Wilton Graves Bridge. The 4,053-acre refuge was established in December 4, 1975. The island was once part of a plantation owned by Major General Charles Cotesworth Pinckney; a prominent lawyer active in South Carolina politics from 1801 to 1815. Few traces of the island's plantation exist today, as most of the Island has been returned to its natural form. [33]

The environmental features are part of the attraction for tourists visiting Hilton Head Island. This project aims to improve access to Pinckney Island and minimize environmental impacts from roadway improvements. Map 12 illustrates some of the known environmental features located within the project area. As shown in the map, the project is located within the vicinity of wetlands, refuge areas, and threatened and endangered species (including plants and animals). The map also shows the NEPA Study Area, during NEPA investigations more detailed environmental impacts and mitigation opportunities will be determined.

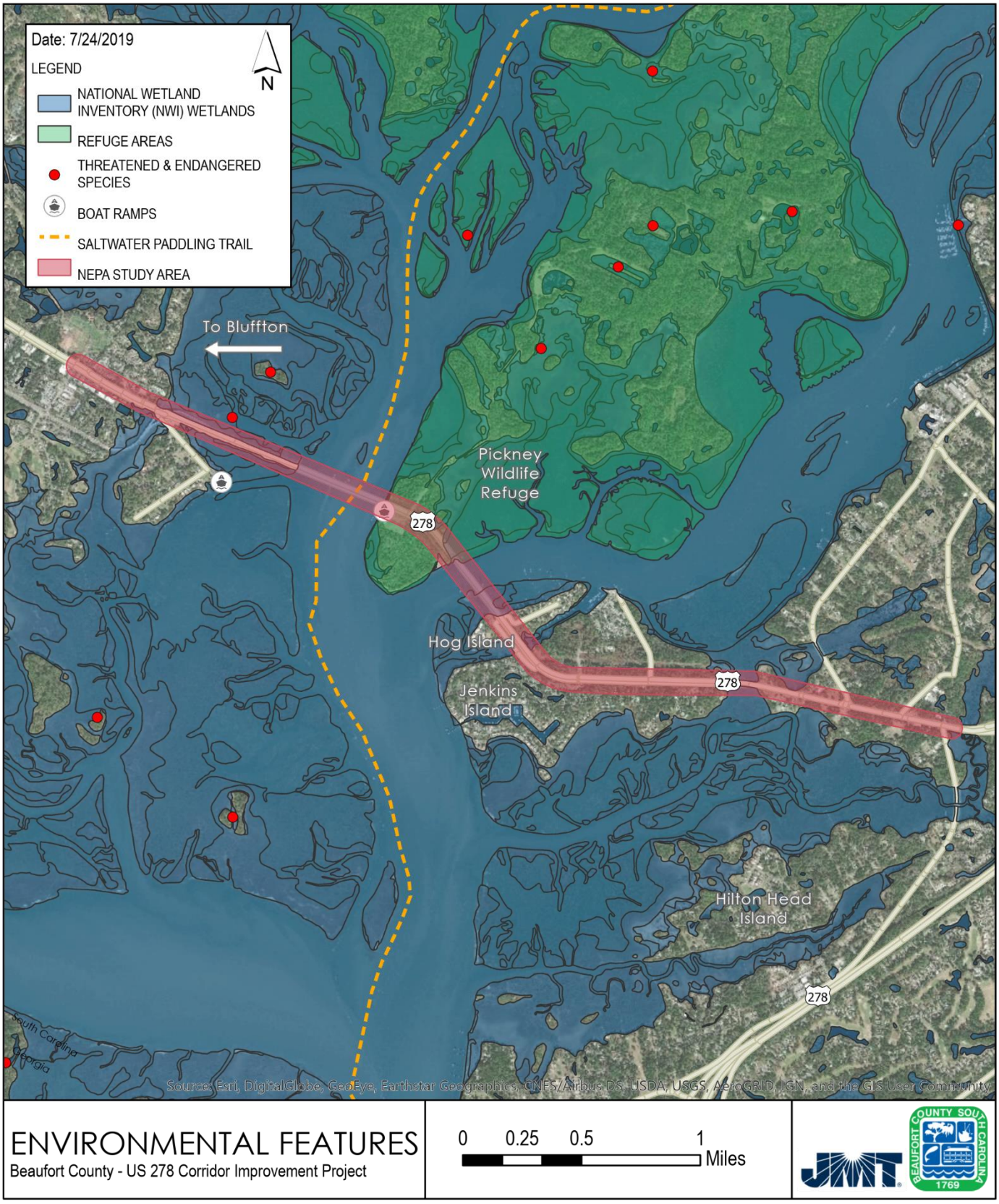
EXPECTED LEVEL OF NECESSARY ENVIRONMENTAL DOCUMENT

The expected level of Environmental Document is a Finding of No Significant Impact (FONSI), which is anticipated to be approved by early 2021. It is anticipated that a US Army Corps permit will be required. In addition, it is anticipated that the following permits will also be required:

- US Army Corps of Engineers
- US Coast Guard
- South Carolina Department of Health and Environmental Control (DHEC)

[33] U.S. Fish & Wildlife Service, *Pinckney Island – About the Refuge.* Department of the Interior, Jan. 6, 2015. https://www.fws.gov/refuge/Pinckney_Island/about.html, Accessed: August 14, 2018

MAP 12: ENVIRONMENTAL FEATURES & NEPA STUDY AREA

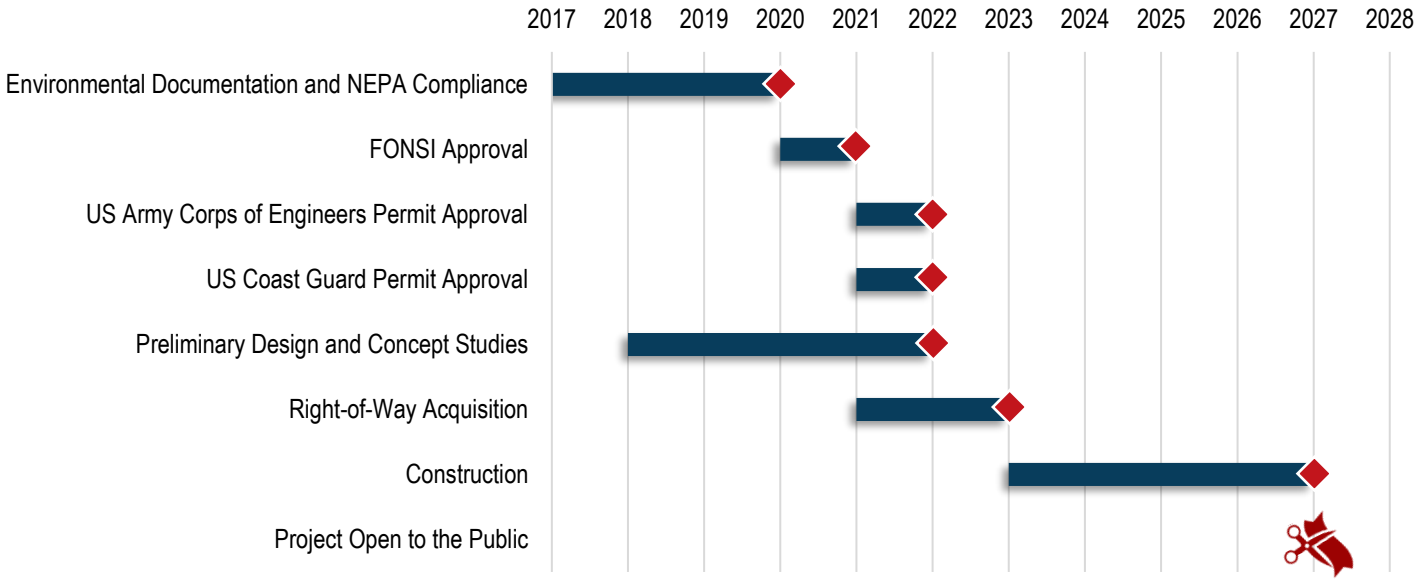


4.11 EVENTS/MILESTONES TO IMPLEMENT PHASES OF PROJECT

This application is being submitted upon the passing of the Beaufort County Special Transportation Sales and Use Tax. The project is currently going through the Environmental Documentation and NEPA Compliance process which will conclude in 2020.

The FONSI will be approved by FWHA in early 2021. The US Army Corps of Engineers permit approval and the US Coast Guard permit approval are both anticipated by 2022.The Preliminary Design and Concept Studies is currently underway and will conclude in 2020. Right-of-Way Acquisition is anticipated to begin in 2021 and be completed in 2023. The construction bid date is in 2023 with a 4-year construction duration beginning in 2023 and concluding in 2027, with the project opening to the public in 2027.

CHART 11 : MAJOR PROJECT EVENTS AND MILESTONES



4.12 CURRENT STATUS OF THE PROJECT

SCDOT is moving the project through the planning phase with an environmental assessment (EA). The goal is acquiring right-of-way and building the selected preferred alternative. In association with FHWA and Beaufort County, SCDOT will develop the EA, a process that will include reviewing alternatives and comparing the beneficial and negative impacts on the natural and human environments. Efforts will be focused on community involvement and communication to ensure the successful development of the environmental process.

During the Alternative Development Process a range of alternatives will be considered and evaluated, including the no-build option, mass transit, high-occupancy vehicle lanes, and ridesharing. The alternatives analysis will explain how alternatives were evaluated and why each alternative was eliminated from consideration. The range of alternatives, reasonable alternatives, and results of the analysis will be presented and available for comment in the fall of 2019.

4.13 ENTITY STATEMENT AGREEING TO RESPONSIBILITIES

TABLE 6: ACTIVITIES & RESPONSIBLE ENTITIES

ACTIVITIES & RESPONSIBLE ENTITIES				
ACTIVITY	**RESPONSIBLE ENTITY**	**CONTACT NAME**	**ADDRESS**	**PHONE**
Environmental Studies	SCDOT	Craig Winn	955 Park Street, Room 401 Columbia, SC 29202-0191	(803) 737-6376
Design of Project	SCDOT	Craig Winn	955 Park Street, Room 401 Columbia, SC 29202-0191	(803) 737-6376
Rights of Way Acquisition	SCDOT	Mark Westbury	PO BOX 308, 858 Highway 15 North, St. George, SC 29477	(843) 636-9681
Construction	SCDOT	Toby Wickenhoefer	6355 Fain Boulevard, North Charleston, SC 29406	(843) 746-6734
Construction Management	SCDOT	Toby Wickenhoefer	6355 Fain Boulevard, North Charleston, SC 29406	(843) 746-6734
Operation	SCDOT	Josh Johnson	6355 Fain Boulevard, North Charleston, SC 29406	(803) 602-4415
Maintenance	SCDOT	Michael Black	6355 Fain Boulevard, North Charleston, SC 29406	(843) 746-6715

Contract documents will be available upon request once finalized and signed.

4.14 PROJECT SCORE

The SIB Criteria states that "the ranking and scoring is done as part of the program categories Long Range Plan." In addition, SC Code Section 57-1-370(B)(8) states that the project shall be "taking into consideration at least the following criteria:

a. financial viability including a life cycle analysis of estimated maintenance and repair costs over the expected life of the project;
b. public safety;
c. potential for economic development;
d. traffic volume and congestion;
e. truck traffic;
f. the pavement quality index;
g. environmental impact;
h. alternative transportation solutions; and
i. consistency with local land use plans."

This project has met each of these criteria and is listed in the priority list by SCDOT as well as being the number one priority in the LATS MPO. Through the LATS MPO criterion scoring of projects, this project, identified as the **number one priority**, has a score of 74. An explanation of the LATS MPO scoring is in **Appendix D.**

Based on the provided criteria for Public Benefit, as well as identifying that these improvements are part of **both the National Highway System and the State Freight Network**, the resulting score is a 74/100 which equals 37 points x 1.1=40.7. As the maximum number of points within the Public Benefit section is capped at 50, **this project scores 40.7 points for the Public Benefit criteria**.

4.15 CONSULTATION WITH THE DEPARTMENT OF COMMERCE

Not applicable. The South Carolina Transportation Infrastructure Bank (the Bank) criteria states: "*Consultation with the Department of Commerce is recommended for guidance in scoring when submitting a project that supports Economic Development for the State. The prioritization scoring scale for a project with this purpose would use a 0-100% scoring scale based on the Department of Commerce scoring criteria."* This project is not an Economic Development project.

V. FINANCIAL PLAN

5.1 TOTAL PROJECT COST

The total cost of the US 278 Corridor Improvement Project is $246 million.

This cost estimate was provided by SCDOT Project Manager Craig Winn on October 12, 2018 as part of the US 278 Corridor Improvements project (www.scdot278corridor.com).

TABLE 7: TOTAL PROJECT COST EXPENSE CATEGORIES

Expense Categories	Estimated Amount
Preliminary Engineering through Construction Plans (10% of Construction Costs)	$18,200,000
Environmental Permitting and Mitigation	$10,000,000
Right-of-Way (to be obtained)	$2,000,000
Utility Relocations	$10,000,000
Total Construction Cost*	$205,800,000
Total Project Cost	**$246,000,000**
Local Obligations Contingency**	$26,370,112**
Total Project Risk	**$272,370,112**

* Total Construction Cost includes General Mitigation, 15% Inflation Cost, 13% CEI and Contingency. SCDOT contributions are limited and 66.7% of the work will be funded by Beaufort County, with all associated risks of project delivery.

**The local obligations contingency is not included within the total project cost at this time, however, elements such as Bridge Foundation Contingency, Portland Cement Index (FHWA Technical Advisory T 5080.3), Steel, and additional right-of-way are all included within the total project risk.

5.2 PROJECT WITH TOTAL COST: IN EXCESS OF $50 MILLION

This project is in excess of $50 million and will follow the guidelines as described in Section 5.2.a. requiring a local contribution of at least 25% of the total project costs with additional credit provided for the grant application for each additional 5% of local contribution and non-Bank funding. **The $246 million project, including project risk, is broken down as follows:**

TABLE 8: AMOUNT OF LOCAL CONTRIBUTIONS

FUNDING SOURCE	AMOUNT
Beaufort County one-cent tax referendum, as approved by the voters on November 6, 2018	$80,000,000
Beaufort County Road Impact Fees	$12,300,000
Per Section 5.25	
Federal Guideshare / Local money for the Environmental Assessment/Preliminary Engineering	$4,200,000
SCDOT Bridge Replacement Funds	$43,521,112
Beaufort County Funds for Jenkins Island Work	$9,000,000
Town of Hilton Head Island Right-of-Way Dedication	$3,350,000
Total Local / Non-Bank Funded Match including Project Risk (see Table 7)	**$152,370,112**
SCIB Grant Request	$120,000,000
Total Project Risk	**$272,370,112**

Based on the points calculation within Section 5.2.a, the following points are allocated for this project:

For a project over $50 million, the amount of local contribution must be at least 25%. With a $246 million project, 25% of the total cost is $61.5 million. The Beaufort County one-cent tax provides $80 million specific to this project, thereby meeting the 25% local fund commitment, and exceeding the match with an additional $18.5 million. This equates to **15.04 points.**

The Beaufort County Road Impact Fees provide an additional $12.3 million equating to an additional **10 points**.

Per Section 5.24, the additional elements as noted in Table 8 provide an additional local match / non-Bank funded amount of $60.1 million. This equates to **24.42 points**.

The committed funds in both local match as well as non-Bank funds result in a total score of **49.46 points of the available 50 points.**

5.3 SOURCE OF LOCAL CONTRIBUTION

Beaufort County voters have passed a 1% local sales tax that will generate $80 million for the US 278 Bridge Corridor Improvement project to Hilton Head Island as part of this project. This tax was passed under the South Carolina Code of Laws Title 4 – Counties, Chapter 37 Optional Methods for Financing Transportation Facilities §4-37-30. The tax will generate a total of $120 million which will be used on transportation projects across Beaufort County. The additional funds generated from this tax will include $10 million for sidewalk and pathway improvements, $30 million for traffic improvements on US 21 across Lady's Island, and $80 million committed to the US 278 Bridge Improvement project. The key attributes of the transportation sales tax cite that the funds are to be used for a clearly delineated list of projects, the tax is for a fixed period, and the tax is for a fixed dollar amount of revenue to be generated. The sales tax approved by the voters of Beaufort County explicitly stated that these funds would be used for the project noted above, with $80 million for the US 278 bridge improvements, and would automatically sunset after 4 years or as soon as $120 million is generated. The sales tax cannot be put into effect again without voter approval.

Additional local matches and non-Bank funding is discussed in Section 5.2

5.4 AMOUNT OF ASSISTANCE REQUESTED FROM BANK

Beaufort County formally requests $120,000,000 from the South Carolina State Transportation Infrastructure Bank Board to assist in the completion of the US 278 Corridor Improvement Project. This grant would represent **44.1%** of the overall project cost.

5.5 FORM OF ASSISTANCE REQUESTED

Beaufort County requests that the funding from the SIB be in the form of a $120,000,000 grant. The money generated from the local match and the non-Bank funded sources previously described will provide the remaining 55.9% of the program's costs.

5.6 OTHER PROPOSED SOURCES OF FUNDS

As listed above, Beaufort County has passed a local sales tax that will generate $80 million for traffic improvements on Hilton Head Island as part of this project. The sales tax language, as approved, specifies the use of the funds and states:

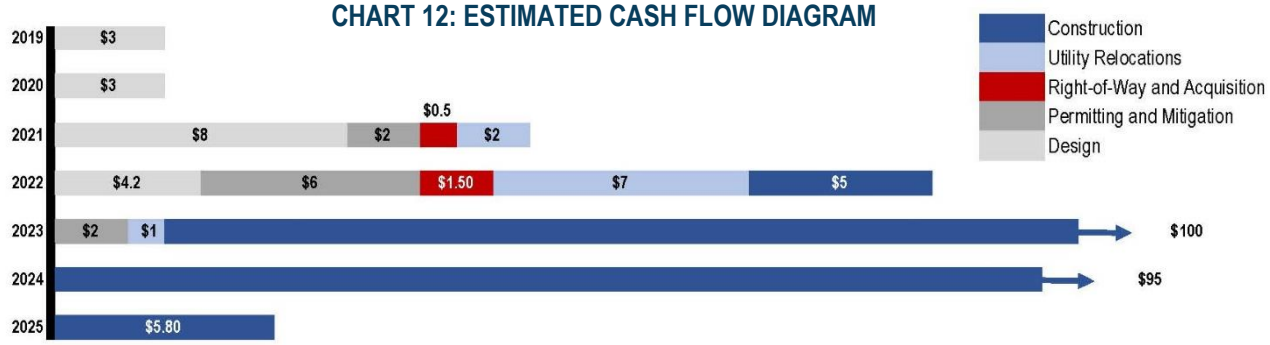
"I approve a special transportation sales and use tax in the amount of one percent to be imposed in Beaufort County for no more than 4 years, or until a total of $120 million dollars in resulting revenue has been collected, whichever comes first." These improvements are specific to traffic improvements on Hilton Head Island, traffic improvements on Lady's Island, and sidewalk & pathway improvements in Beaufort County.

As documented in the Capital Program, SCDOT is committed to funding $43.5 million to be used for replacing the eastbound span of the Karl Bowers Bridge using bridge replacement funds. SCDOT's statement regarding the commitment of these funds, as well as the County's letter requesting this statement, is in **Appendix E**.

5.7 ANTICIPATED SCHEDULE OF FUNDS DISBURSEMENT

The following represents the anticipated schedule of funds disbursement for the project to move forward. While the construction is not anticipated for several years, the urgency of the grant application is to ensure that the project can continue to move forward with necessary key next steps including completion of environmental review and documentation, design and construction.

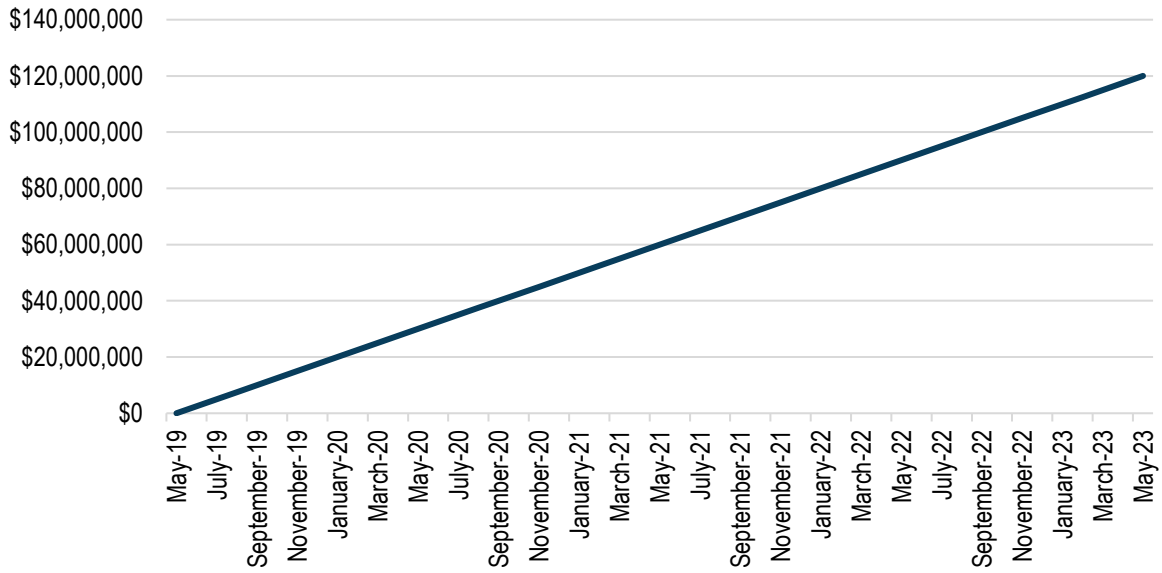
CHART 12: ESTIMATED CASH FLOW DIAGRAM



5.8 SCHEDULE OF PROJECT RECEIPT FOR LOCAL CONTRIBUTIONS

It is anticipated that the Beaufort County 1% local sales tax will generate approximately $2.5 million per month, $30 million per year, for the life of the tax referendum (four years or until the total amount is $120 million; whichever comes first). This is the total tax referendum amount, of which $80 million is committed to this project. The projection of receipt of local contributions is as follows:

CHART 13: SCHEDULE OF PROJECTED REVENUES FOR LOCAL CONTRIBUTIONS



5.9 COMMITMENT TO FUTURE MAINTENANCE

US 278 is within the state owned and maintained network and, after improvements are completed, will remain within the state owned and maintained highway network. Therefore, the future maintenance and responsibility of this roadway will be with SCDOT and included within their annual maintenance and operational programming.

5.10 CONTINGENCY PLANS SHOULD THE BOARD APPROVE LESS THAN THE REQUESTED FINANCIAL ASSISTANCE OR ACTUAL PROJECT COSTS EXCEED ESTIMATED PROJECT COSTS

The $246 million estimate that is currently being used was developed by SCDOT as an estimate of what a project of this size could potentially cost based upon major structures cost and contingency.

Should the Board fail to approve the amount requested and/or the project costs exceed the current estimate, Beaufort County would consider another referendum in 2020 for the project. In addition, we would work with SCDOT in order to identify other state or federal grant programs such as BUILD Grants in order to fund this vital piece of infrastructure. Phasing of the project would be difficult given the topography and that the primary nature of the improvements are bridges which are the only surface transportation link to the mainland. However, preliminary reviews suggest it could be accomplished by constructing the western-most MacKay bridges first or focusing on only the east bound segment of the corridor.

The current SCDOT estimate for this project includes a minimal contingency value, however, should actual costs exceed the estimated costs, shortfalls may be addressed using County Road Impact Fees, County TAG fees, CTC funding, or other locally appropriated funds.

5.11 IMPACT FEES

Beaufort County has implemented traffic impact fees dedicated to the preliminary planning and engineering of this project to assist in its financing.

5.12 HOSPITALITY TAX

Beaufort County has not implemented a hospitality tax dedicated to this project to assist in its financing. This tax may be allocated for this project by County Council action. Currently traffic impact fees have already been allocated for project funding.

5.13 LOCAL SALES TAX

Beaufort County voters passed a 1% local sales tax that will generate $80 million for traffic improvements on Hilton Head Island as part of this project. More information regarding the sales tax is in Section 5.3 SOURCE OF LOCAL CONTRIBUTION.

5.14 USER FEE

Beaufort County has not implemented user fees dedicated to this project to assist in its financing. User fees are not appropriate to use along this corridor, as user fees (tolls) are typically used where motorists have an option to pay a toll or use another road. US 278 is the only route for motorists to access Hilton Head Island.

5.15 TAX INCREMENT FINANCING DISTRICTS

Beaufort County has not implemented a Tax Increment Financing Districts (TIF) dedicated to this project to assist in its financing. TIFs are typically used in areas that redevelopment of blighted properties or public property development is targeted or desired. This is not the case for areas in and around Hilton Head Island and Beaufort County that would be impacted by the US 278 Bridges. The development goals for the area align with preservation of the corridor and accommodating the existing and projected traffic needs than redevelopment or additional development making a TIF an inappropriate funding source for this project.

5.16 ASSESSMENT PROGRAM

Beaufort County has not implemented an assessment program dedicated to this project to assist in its financing. An assessment program is not appropriate for this project as the impact of improving the US 278 bridges to Hilton Head Island reaches far beyond just the property owners within the area. The impact of these bridges is felt across the region and the state in terms of the large amount of tourism occurring in Hilton Head Island and resulting economic impacts and revenues.

5.17 DEVELOPMENT AGREEMENT PROGRAM

Beaufort County has not implemented a development agreement program dedicated to this project to assist in its financing. A development agreement program is not appropriate for this project as the improving the US 278 bridges to Hilton Head Island is not to service any specific development. These bridges are part of the critical transportation system serving both the region and state interests.

5.18 ZONING & LAND USE CONTROLS TO FOSTER USE OF EXISTING ROADS TO CONNECT DEVELOPMENTS

This section is not applicable to the US 278 bridges to Hilton Head Island, as this project is the only connection of ground-based transportation connection between Hilton Head Island and the mainland of South Carolina. This project reaches well beyond the purpose of connecting developments. These bridges are part of the critical transportation system serving both the region and state interests.

5.19 CASH FLOW ANALYSIS

The major determination for this project currently is to make the most effective and efficient use of funds for the region. With the status of the Karl Bowers Bridge, SCDOT must invest funds to replace the structure. While the remaining three bridges were constructed between 1982-1983 and are not in need of immediate replacement due to structural deficiencies, they do suffer from deferred maintenance and will require improvements for congestion relief, and eventually, will require replacement for capacity improvements as the region continues to grow. Based on this, the estimated system preservation costs versus the current project cost, illustrate the current investment is a better use of funds economically, as well as for the public benefit obtained.

Potential system preservation costs for these types of structures, using present day value and assuming a 70-year lifespan for these structures (replacement in 2053), is shown below:

TABLE 9: ESTIMATED MAINTENANCE AND REPAIR COSTS OF PROJECT OVER EXPECTED USEFUL LIFE

TIME FRAME	MAINTENANCE ACTIVITY	ESTIMATED COST
2020 – 2025:	Miscellaneous Steel Repairs / Painting	$10M - $15M
2030 – 2035:	Miscellaneous Steel Repairs	$1.0M - $2.0M
	Major Systems Preservation Investment	$85M - $95M
2035 – 2040:	Miscellaneous Crack Repair / Crevice Corrosion	$10M - $15M
2040 – 2045:	Miscellaneous Steel Repairs	$1.0M - $2.0M
2050 – 2055:	New Structures to be Built / Existing Structures demolished	$190M - $200M
	Karl Bowers Bridge Structure to be modified	$20M - $25M
	TOTAL	**$317M - $329M**

5.20 INFLATION RATE

The South Carolina Department of Transportation used an inflation factor of 15% in the proposed cost estimate. This inflation factor only covers the 36-month design development period.

5.21 CONDEMNATION PROCEEDINGS

The South Carolina Department of Transportation is willing to serve as the named party in any condemnation proceedings if condemnation is needed to complete this project, as this is a SCDOT project improving SCDOT infrastructure.

5.22 OTHER FUNDING SOURCES SOUGHT

Other funding, besides those already listed hereinabove, have not been utilized or sought for this project at this time. The South Carolina gas tax increase is not able to be used for this project as most of that funding is going to address deteriorating infrastructure that has already been prioritized by the state. These bridges were not part of that list as three of the four bridge spans of US 278 to Hilton Head Island were built in the 1980's and are not in need of repair due to deteriorating infrastructure but instead need expansion to address the lack of capacity.

5.23 POTENTIAL OBSTACLES

Currently Beaufort County has no legal issues related to this project. There are no pending lawsuits against the County associated with this project at this time. An Environmental Assessment (EA) is currently underway on the project. SCDOT anticipates an approved FONSI by 2021 and US Army Corps of Engineers and US Coast Guard permits by 2022 Right-of-way costs have not yet been calculated.

Managing Obstacles

Beaufort County and SCDOT have a long and successful history of collaboration on major highway projects and are both committed to ensuring the success of this project. Beaufort County has been proactively engaging and coordinating with the public, stakeholders, and partners including:

- South Carolina Department of Transportation
- Town of Hilton Head
- Town of Bluffton
- USACOE
- SCDHEC
- Coastal Conservation League
- Native Island Community

5.24 LOCAL MATCH OR CONTRIBUTION

Per the evaluation criteria, this information is listed within Section 5.2 PROJECT WITH TOTAL COST: IN EXCESS OF $50 MILLION. The Financial Plan scope for this application is **49.46 points out of a maximum score of 50 points**

APPENDIX A

LOCAL RESOLUTIONS

Beaufort County Council Resolution

RESOLUTION 2018 / 28

A RESOLUTION OF THE BEAUFORT COUNTY COUNCIL TO MAKE A FINDING, WITH SUPPORTING INFORMATION, THAT THE U.S. HIGHWAY 278 BRIDGES TO HILTON HEAD ISLAND IMPROVEMENT PROJECT IS ESSENTIAL TO THE ECONOMIC DEVELOPMENT IN THE AREA, IS CONSISTENT WITH APPLICABLE LOCAL LAND USE PLANS, AND IS ON ALL PRIORITY LISTS MAINTAINED BY BEAUFORT COUNTY

WHEREAS, the 3.7-mile section of United States Highway 278 (US 278) from Moss Creek Drive to Squire Pope Road currently experiences severe daily congestion due to traffic volumes that exceed the capacity provided by the four travel lanes; experiences rear-end crash rates that are substantially higher than similar roadways in South Carolina due to stop and go traffic conditions; and produces congestion and delay leading to crucial interruptions in the transportation network that Beaufort County and the region rely on for the movement of goods and people; and

WHEREAS, all four of the US 278 bridge structures are listed as functionally obsolete and the eastbound structure of the Karl Bowers Bridge over Mackay Creek is structurally deficient; and

WHEREAS, the deficient bridge conditions, traffic congestion, and bottlenecks that occur along this portion of US 278 impact evacuations from Hilton Head Island as this route is the only land-based emergency evacuation route off Hilton Head Island; and

WHEREAS, improving the US 278 Bridges to Hilton Head Island will provide a mechanism for long term economic competitiveness by: improving transportation efficiency and reliability for the movement of people and goods; improving access between employment centers, job opportunities, and workforces; increasing the economic productivity of labor (the fewer hours employees spend commuting will result in higher productivity at their jobs); and supporting long term job creation; and

WHEREAS, the deficient bridge conditions, traffic congestion, and bottlenecks that occur along this portion of US 278 impact the reliability and resiliency of the Strategic Statewide Freight Roadway Network as listed in the SCDOT South Carolina Statewide Freight Plan, which Beaufort County relies on to support its robust tourism economy; and

WHEREAS, according to a 2017 Regional Transactions Concepts, LLC study, over 2,600,000 tourists visit Hilton Head Island each year, estimated to contribute an economic impact (output) of approximately $1.44 billion within the County in 2016. Most of these tourists travel to Hilton Head Island using the US 278 bridges; and

WHEREAS, according to a 2017 study by the U.S. Travel Association, Beaufort County supplied the 3rd highest number of tourism jobs in the state; and

WHEREAS, according to the U.S. Census Bureau, Center for Economic Studies, Inflow/Outflow Analysis (2015), 12,693 people commute to Hilton Head Island daily from other areas using the US 278 bridges, representing 61.5% of the workforce on Hilton Head Island; and

WHEREAS, the Beaufort County Council does hereby find that the current condition of the US 278 Bridges to Hilton Head Island is a significant impediment to our citizens and visitors and a hindrance to the economic activity and future development in the region; and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project represents tangible progress towards achieving goals and objectives set by the State and Beaufort County; and

WHEREAS, according to the Beaufort County 2010 Comprehensive Plan, the US 278 Bridges to Hilton Head Island Improvement Project is located within a rural/undeveloped land use area, providing the transportation linkage between regional commercial land along the US 278 corridor in Bluffton and a mix of land use types on Hilton Head Island including park, non-residential, and residential land; and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project is projected to cost in excess of $245,000,000 based on the 2018 SCDOT engineering estimate; and

WHEREAS, Beaufort County has committed over $100 million in County funding in the past to help preserve capacity and improve safety of the US 278 corridor; and

WHEREAS, Beaufort County voters have supported the November 2018 1 cent transportation referendum committing $80 million in local funds for the US 278 Bridges to Hilton Head Island Improvement Project; and

WHEREAS, Beaufort County has funded 66% of the $6 million Environmental Assessment in partnership with SCDOT and FHWA; and

WHEREAS, the $6 million Environmental Assessment will analyze options and develop an appropriate solution to address long-term operations, capacity, and safety along US 278 from Moss Creek Drive to Squire Pope Road; and

NOW, THEREFORE, BE IT RESOLVED BY THE BEAUFORT COUNTY COUNCIL, that the US 278 Bridges to Hilton Head Island Improvement Project is essential to continued economic development in Beaufort County; and

BE IT RESOLVED, the US 278 Bridges to Hilton Head Island Improvement Project is consistent with the existing and planned future land use plans as described in the Beaufort County 2010 Comprehensive Plan; and

BE IT RESOLVED, Beaufort County has listed the US 278 Bridges to Hilton Head Island Improvement Project as a top priority under the Policy Agenda for the 2018 Beaufort County Strategic Plan.

Adopted this 10th day of December 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

_____
Thomas J. Keaveny, II, Esquire
Beaufort County Attorney

ATTEST:

_____
Connie L. Schroyer, Clerk to Council

Lowcountry Area Transportation Study Policy Committee Resolution

LATS
LOWCOUNTRY AREA TRANSPORTATION STUDY

A RESOLUTION of the Lowcountry Area Transportation Study (LATS) Policy Committee to make a finding, with supporting information, that the US 278 Bridges to Hilton Head Island Improvement Project is essential to the economic development in the Lowcountry area and is on the priority project list In the LATS Long-Range Transportation Plan (LRTP).

WHEREAS, the 3.7-mile section of United States Highway 278 (US 278) from Moss Creek Drive to Squire Pope Road currently experiences severe daily congestion due to traffic volumes that exceed the capacity provided by the four travel lanes; experiences rear-end crash rates that are higher than similar roadways in South Carolina due to stop and go traffic conditions; and produces congestion and delay leading to crucial interruptions in the transportation network that the Lowcountry area relies on for the movement of goods and people; and

WHEREAS, all four of the US 278 bridge structures are listed as functionally obsolete and the eastbound structure of the Karl Bowers Bridge over Mackay Creek is structurally deficient; and

WHEREAS, US 278 impacts evacuations from Hilton Head Island as this route is the only land-based emergency evacuation route off Hilton Head Island; and

WHEREAS, the deficient bridge conditions, traffic congestion, and bottlenecks that occur along this portion of US 278 impact the reliability and resiliency of the Strategic Statewide Freight Roadway Network as listed in the SCDOT South Carolina Statewide Freight Plan, which the Lowcountry area relies on to support its robust tourism economy; and

WHEREAS, improving the US 278 Bridges to Hilton Head Island will provide a mechanism for long term economic competitiveness by: improving transportation efficiency and reliability for the movement of people and goods; improving access between employment centers, job opportunities, and workforces; increasing the economic productivity of labor (the fewer hours employees spend commuting will result in higher productivity at their jobs); and supporting long term job creation; and

WHEREAS, according to a 2017 Regional Transactions Concepts, LLC study, over 2,600,000 tourists visit Hilton Head Island each year, estimated to contribute an economic impact (output) of approximately $1.44 billion within the County in 2016. Most of these tourists travel to Hilton Head Island using the US 278 bridges; and

WHEREAS, according to a 2017 study by the U.S. Travel Association, Beaufort County supplied the 3rd highest number of tourism jobs in the state.

WHEREAS, according to the U.S. Census Bureau, Center for Economic Studies, Inflow/Outflow Analysis (2015), 12,693 people commute to Hilton Head Island daily from other areas using the US 278 bridges, representing 61.5% of the workforce on Hilton Head Island; and

c/o Lowcountry Council of Governments
PO Box 98 634 Campground Road
Yemassee, South Carolina 29945
Main: 843.473.3990 Planning: 843.473.3958 Fax: 843.726.5165
www.lowcountrycog.org

WHEREAS, the Lowcountry Area Transportation Study (LATS) Policy Committee does hereby find that the current condition of the US 278 Bridges to Hilton Head Island is a significant impediment to our citizens and visitors and a hindrance on the economic activity and future development in the region; and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project represents tangible progress towards achieving goals and objectives set by the Lowcountry Area Transportation Study (LATS) Long-Range Transportation Plan (LRTP); and

WHEREAS, the US 278 Bridges to Hilton Head Island Improvement Project will provide for positive progress towards the following guiding principles of the Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization's Long Range Transportation Plan (2040 LATS LRTP): Barriers to Mobility, Congestion Mitigation, and Economic Vitality/Tourism; and

WHEREAS, the improvements of the US 278 Bridges to Hilton Head Island is projected to cost in excess of $240,000,000 based on SCDOT engineering estimates and contingency factors; and

NOW, THEREFORE, BE IT RESOLVED BY THE LOWCOUNTRY AREA TRANSPORTATION POLICY COMMITTEE (LATS) , that the US 278 Bridges to Hilton Head Island Improvement Project is essential to continued safety and economic development in the Lowcountry area; and

BE IT RESOLVED, the Lowcountry Area Transportation Study (LATS) policy Committee has listed the US 278 Bridges to Hilton Head Island as a top priority project that will support the implementation of the 2040 LATS Metropolitan Planning Organization's Long Range Transportation Plan (2040 LATS LRTP).

Adopted this 7th day of June, 2019.
LOWCOUNTRY AREA TRANSPORTATION STUDY POLICY COMMITTEE

Lisa Sulka, Chair
Mayor, Town of Bluffton

c/o Lowcountry Council of Governments
PO Box 98 634 Campground Road
Yemassee, South Carolina 29945
Main: 843.473.3990 Planning: 843.473.3958 Fax: 843.726.5165
www.lowcountrycog.org

Town of Hilton Head Island Town Council Resolution

Resolution Number _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, SUPPORTING THE JOINT PURSUIT, WITH BEAUFORT COUNTY, AND IN COORDINATION WITH THE STATE OF SOUTH CAROLINA, THE FUNDING, ANALYSIS AND ULTIMATE IMPLEMENTATION OF THE DEPARTMENT OF TRANSPORTATION PROJECT KNOWN AS "SCDOT PROJECT ID PO30450 – U.S. 278 CORRIDOR IMPROVEMENTS", A PORTION OF WHICH IS WITHIN THE TOWN LIMITS OF HILTON HEAD ISLAND, BEAUFORT COUNTY, IN ACCORDANCE WITH THE PLANS OF SAID PROJECT.

WHEREAS, the South Carolina Department of Transportation ("SCDOT"), proposes to survey, analyze, design, permit, construct, reconstruct, alter, or improve the 3.7-mile section of United States Highway 278 ("U.S. 278") from Moss Creek Drive to Spanish Wells Road including the bridges connecting the mainland to Hilton Head Island in connection with that certain project known as "SCDOT Project ID PO30450 – U.S. 278 Corridor Improvements" (hereinafter, the "Project"), of which a portion is located within the corporate limits of the Town of Hilton Head Island (hereinafter, the "Town"); and

WHEREAS, SCDOT has allocated $40,000,000 to improve or replace the structurally deficient eastbound span of the Karl Bowers Bridge over Mackay Creek; and

WHEREAS, the traffic capacity limitations and deficient bridge conditions may have dire consequences on public safety during emergency evacuations from Hilton Head Island and post disaster re-entry and recovery operations on Hilton Head Island, as this route is the only land-based route connecting the Island to the mainland; and

WHEREAS, an estimated 2,600,000 tourists visited Hilton Head Island in 2016 and contributed an estimated $1.44 billion in economic impact (output) according to the 2017

Regional Transactions Concepts, LLC study, and the vast majority of these tourists used the US 278 bridges to access Hilton Head Island; and

WHEREAS, according to the U.S. Census Bureau, Center for Economic Studies, Inflow/Outflow Analysis (2015), 12,693 people commute to Hilton Head Island using the US 278 bridges, representing 61.5% of the workforce on Hilton Head Island; and

WHEREAS, the 2017 Town of Hilton Head Island Comprehensive Plan states the U.S. 278 Bridges to Hilton Head Island are critical public facilities that provide the only vehicular access for residents and visitors to the Island, and the only ground transportation link for emergency evacuations, and therefore ensuring they are structurally and functionally sound is a top priority; and

WHEREAS, the Project shall provide for long term economic benefits to the Town, the County and the State by improving long-term transportation efficiency and reliability for the Strategic Statewide Freight Roadway Network, as listed in the SCDOT South Carolina Statewide Freight Plan, by improving the movement of people and goods, and the access between employment centers, job opportunities, and workforces; and

WHEREAS, future highway corridor planning must be broadened beyond mere traffic engineering and access management to encompass land use, economic development, pedestrian safety, and aesthetic issues, as well as impacts to existing residents along the corridor; and

WHEREAS, the Project will include an Environmental Assessment currently underway to assess all of the possible solutions and their potential impact on community, natural and cultural resources before committing to a design; and

WHEREAS, THE Town of Hilton Head Island will be appointing a task force made up of community groups to provide input as part of the Environmental Assessment; and

WHEREAS, the Project will improve road capacity; improve safety during daily trips and during emergency evacuations; improve access to U.S. 278 from adjoining roads and properties; improve efficiency through the U.S. 278 corridor; and consider related infrastructure and connectivity for non-motorized transportation; and

WHEREAS, the improvements to the U.S. 278 corridor between Moss Creek Drive and Spanish Wells Road, including repairing or replacing both bridges across Mackay Creek and Skull Creek, is projected to cost in excess of $245,000,000 (based on SCDOT engineering estimates dated November 2018, adjusted for inflation and contingency factors); and

WHEREAS, Beaufort County voters supported the November 2018 1 cent transportation referendum committing $80 million in local funds for the U.S. 278 Corridor Improvement Project.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, that the Project is essential to the safety and welfare of the citizens of, and the continued economic development within, the Town of Hilton Head Island; and

1. The Town of Hilton Head Island supports the joint pursuit of funding from the South Carolina Transportation Infrastructure Bank to plan, analyze and implement the Department of Transportation project known as "SCDOT Project ID PO30450 – U.S. 278 Corridor Improvements".

2. In supporting this project the Town will not consider any future use of its Jenkins Island property within this corridor until all needs for this project have been identified.

PASSED AND APPROVED BY THE TOWN COUNCIL, THIS 18Th DAY OF December, 2018.

John J. McCann, Mayor

ATTEST:

Krista M. Wiedmeyer, Town Clerk

APPROVED AS TO FORM:

Gregg Alford, Town Attorney

Introduced by Council Member William Harkins

TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA-CM, *Town Manager*
FROM: Charles Cousins, AICP, *Community Development Director* CFC
CC: Josh Gruber, *Assistant Town Manager*
DATE: December 10, 2018
SUBJECT: Resolution Supporting U.S. 278 Corridor Improvements Project/ S.C. Transportation Infrastructure Bank Application

Recommendation: Staff recommends that Town Council approve the attached resolution supporting the joint pursuit, with Beaufort County, and in coordination with the State of South Carolina, of funding, analysis and implementation of SCDOT's "U.S. 278 Corridor Improvements" project.

Summary: SCDOT has identified as a project "U.S. 278 Corridor Improvements". This project encompasses the area along U.S. 278 between Moss Creek Drive and Spanish Wells Road. A portion of this section of U.S. 278 includes the eastbound span of the Karl Bowers Bridge over Mackay Creek which has been determined to be structurally deficient. SCDOT has allocated $40,000,000 to improve or replace this bridge span. The entire cost of the "U.S. 278 Corridor Improvements" project has been estimated by SCDOT at $245,000,000. In October 2019 Beaufort County voter approved a 1 cent sales tax referendum intended to raise $80,000,000 for this project. It is anticipated that the remainder of the $245,000,000 would be funded by the South Carolina Transportation Infrastructure Bank.

Background: SCDOT's project "U.S. 278 Corridor Improvements" is underway to study and improve the 3.7 mile section of U.S. 278 between Moss Creek Drive and Spanish Wells Road. This project includes 4 bridge structures which cross either Mackay Creek or the Intracoastal Waterway. Initial SCDOT cost estimates for this project are $245,000,000. One of these bridge spans, the eastbound Karl Bowers Bridge over Mackay Creek, has been identified as structurally deficient. SCDOT has allocated $40,000,000 to address this deficiency. A 1 cent sales tax referendum was passed by Beaufort County voters in October of this year to provide $80,000,000 towards the cost of this project. Town and County staff, along with the County's consultant, have been preparing an application to the South Carolina Transportation Infrastructure bank to provide additional funds needed for this project. In support of this application, local governments and key stakeholders have been requested to pass resolutions of support.

APPENDIX B

LETTERS OF SUPPORT

Henry McMaster, Governor of South Carolina – Letter of Support

HENRY MCMASTER
GOVERNOR

October 25, 2018

Mr. John B. White, Jr.
Chairman
South Carolina Transportation Infrastructure Bank
955 Park Street, Suite 120 B
Columbia, SC 29201

Dear Chairman White:

It is my understanding that Beaufort County and the Town of Hilton Head has submitted a request for funding assistance to the S.C. Transportation Infrastructure Bank in order to widen and improve the U.S. 278 corridor.

Through their transportation planning processes, the local governments have identified this highway corridor as a high priority for improvements to facilitate continued economic growth, tourism, improve safety as well as to provide for efficient hurricane evacuations.

These local needs are consistent with many of the statewide strategic objectives that I have identified for the State of South Carolina. I have stated that our statewide goals for public infrastructure and economic development should include building a world-class and safe public infrastructure to enhance the quality of life of our citizens and to promote the state in global competitiveness as a location for business, investment, talent, innovation and visitors.

Additionally, I firmly believe that it is our duty to our citizens to deliver a government that serves the needs of South Carolinians and achieves inter-agency collaboration to deliver highly effective, efficient and innovative programs.

The proposed U.S. 278 widening project is a great example of where the S.C. Transportation Infrastructure Bank could partner with local governments to stretch infrastructure funding to generate a greater benefit for the tax payers and poise the region for continued economic growth for years to come.

Yours very truly,

Henry McMaster

HDM/tw

cc: The Honorable Tom Davis

STATE HOUSE • 1100 GERVAIS STREET • COLUMBIA, SOUTH CAROLINA 29201 • TELEPHONE: 803-734-2100

The City of Beaufort – Letter of Support

William A. Prokop
CITY MANAGER
843-525-7070
FAX 843-525-7013

CITY OF BEAUFORT
1911 Boundary Street
BEAUFORT, SOUTH CAROLINA 29902

COUNCIL MEMBERS:
Billy Keyserling, Mayor
Mike McFee, Mayor Pro Tem
Nan B Sutton
Philip Cromer
Stephen Murray

October 3, 2018

Mr. John B. White, Jr., Chairman
S.C. Transportation Infrastructure Bank
955 Park Street, Suite 120 B
Columbia, SC 29201

Dear Chairman White:

As the City Manager for the City of Beaufort, I am proud of what our community has done to contribute to the overwhelming popularity of the Beaufort County area. In fact, Hilton Head Island-Bluffton-Beaufort, S.C. is the 23rd fastest growing area in the country according to the USA Today. According to recently released data from the US census Bureau, the City of Beaufort is also one of the fastest growing cities in South Carolina. With the great success of region comes many challenges, and we take pride in maintaining a high quality of life for our residents and keeping the southern charm of our community in tact for generations to come. Our local government has implemented many improvements in our downtown and has invested millions in capital improvements throughout our city to welcome and embrace the three million visitors that come to Beaufort County each year, but we need the completion of US 278 to help move people and commerce.

Beaufort County and its municipalities, including the City of Beaufort, recognize the immediate need for the US 278 bridge project to be completed and support this application documenting it as a top priority for this region. Regional Transactions Concepts, LLC Economic Modeling estimated that in 2016 tourism in Beaufort County was estimated to contribute an economic impact (output) of approximately $1.53 billion within the County annually. The functioning of US 278 is an absolute necessity if we wish for this success to continue in years to come. The impact that tourism has on our local budget is critical for maintaining high levels of service for our residents, fund the services necessary for public safety related to increased traffic, and keep property taxes at an affordable rate. A significant portion of the City budget is directly attributed to tourism.

Over the years, Beaufort County has been proactive in securing several different revenue streams to pay for much needed improvements. The residents of Beaufort County have supported significant local funding commitments through sales tax funds, impact fees and general obligation borrowing to build transportation improvements, including many which are owned by the State of South Carolina. As the popularity of this area continues to increase, our city government is committed to again supporting the proposed one-cent tax increase on the November 2018 referendum and doing our part in raising $80 million dollars of local dollars to help fund this project.

Sincerely yours,

William Prokop
City Manager

The Town of Bluffton – Letter of Support

Lisa Sulka
Mayor

Larry Toomer
Mayor Pro Tempore

Marc Orlando
Town Manager

Council Members
Fred Hamilton
Dan Wood
Harry Lutz

Kimberly Chapman
Town Clerk

October 9, 2018

John B. White, Jr.
Chairman
SC Transportation Infrastructure Bank Board
955 Park Street
Columbia, SC 29201

Dear Mr. White:

The purpose of this letter is to express support for Beaufort County, South Carolina in its efforts to obtain funding for the bridge widening project along U.S. 278 between the Towns of Bluffton and Hilton Head Island. The Town of Bluffton is located a few miles west of the Town of Hilton Head Island and shares the U.S. 278 corridor which links the two municipalities.

This portion of roadway is heavily traveled by local residents, visitors and the labor work force which supports over $1.5 billion in annual economic impact to the region. We believe the proposed improvements in the project will positively impact commerce while enhancing safety for travelers. Thank you for your consideration in this matter.

Sincerely,

Lisa Sulka
Mayor

CC: Members of the Town of Bluffton Town Council
Marc Orlando, Town Manager, Town of Bluffton
Paul Sommerville, Chairman, Beaufort County Council
Robert McFee, Director of Construction, Engineering & Facilities, Beaufort County

Theodore D. Washington Municipal Building
20 Bridge Street P.O. Box 386 Bluffton, South Carolina 29910
Telephone (843) 706-4500 Fax (843) 757-6720
www.townofbluffton.sc.gov

Southern Carolina Regional Development Alliance – Letter of Support

southerncarolina regional development alliance
1750 Jackson Street, Suite 100 Barnwell, SC 29812

December 11, 2018

Mr. John B. White, Jr., Chairman
S.C. Transportation Infrastructure Bank
955 Park Street, Suite 120 B
Columbia, SC 29201

Dear Chairman White:

As President & CEO of SouthernCarolina Regional Alliance, the regional entity for marketing and economic evelopment supporting the counties of Allendale, Bamberg, Barnwell, Beaufort, Colleton, Hampton and Jasper counties, I am pleased to write in support the US 278 bridges to Hilton Head Island Project. Each year Beaufort County sees over 3,000,000 visitors with a $1.53 billion impact on our state. US Hwy 278 is the most critical corridor to the region's success. Our organization has reviewed this project and believe it is essential to economic development and will have a positive impact on the transportation system and the economic development in the State of South Carolina.

SouthernCarolina Alliance appreciates the opportunity to serve and support the citizens of the Lowcountry Area.

If you have any questions, please feel free to contact me at 803-541-0023.

Sincerely,

Danny Black
President & CEO

Located in the Southern Carolina Business Center
1750 Jackson Street, Suite 100 * Barnwell, South Carolina 29812 * (803) 541-0023 * Fax (803) 541-3322
E-Mail: sca@southerncarolina.org

APPENDIX C

EXISTING PLANS WHERE THIS PROJECT IS PRIORITIZED OR REFERENCED

This project has unanimous support from all local governing bodies and jurisdictional entities and has been listed and prioritized in many long range and strategic plans. This roadway project has been listed as a priority project in the following documents:

SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION:

- **SCDOT Statewide Transportation Improvement Program (STIP) (2017-2022)**

The US 278 Corridor Improvements / US 278 Corridor Improvements from Buckingham Plantation Dr to Squire Pope Road, including replacement of eastbound Mackay Creek Bridge, intersection improvements on Pinckney Island and improvements to Jenkins Island is listed in the SCDOT STIP

- **SCDOT Lowcountry Project/Ten Year Plan (2018)**
  - The 2018 SCDOT Ten-Year Plan for the Lowcountry region lists the US 278 eastbound bridge over Mackay Creek replacement as a priority project.[34]
  - Listed under Lowcountry Projects:
    "Route: Fording Island Rd (US 278 EB)
    County: Beaufort
    Project Name: US 278 EBL over Mackay Creek
    Construction Year: 2023
    Category: Eliminate Interstate/NHS Structurally Deficient Bridges"

- **2016 SCDOT Interstate/NHS Bridge Replacement Priority List**
  - The US 278 eastbound lane of the Karl Bowers Bridge over Mackay Creek is #2 ranked structurally deficient bridge in South Carolina.

- **South Carolina 2040 Statewide Multimodal Transportation Plan (2014)**
  - *"US 278 has been identified for priority improvements to preserve and improve freight movements by truck within South Carolina."*[35]

LOWCOUNTRY AREA TRANSPORTATION STUDY (LATS) METROPOLITAN PLANNING ORGANIZATION:

- **Lowcountry LATS Transportation Improvement Program (TIP) (2019)**
  - *"US 278 Corridor Improvements from Buckingham Plantation Dr to Squire Pope Rd, including replacement of the EB Mackay Creek Bridge, intersection improvements on Pinkney Island and improvements to Jenkins Island."*[36]

[34] South Carolina Department of Transportation, *Lowcountry Project/Ten Year Plan,* (2018)
[35] South Carolina Department of Transportation, *South Carolina 2040 Statewide Multimodal Transportation Plan,* (2014)
[36] Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization, *Lowcountry LATS Transportation Improvement Program,* (2019)

BEAUFORT COUNTY:

- **Beaufort County Strategic Plan (2018)**
  - *"U.S. Highway 278 Expansion/Improvements is listed as a top priority under the Policy Agenda for the Beaufort County Strategic Plan."*[37]
  - *"U.S. Highway 278 Corridor (Gateway): Environmental Assessment for Bridge is listed as a top priority under the Management Agenda for the Beaufort County Strategic Plan."*[37]

- **Beaufort County Comprehensive Plan (2010)**
  - *"Additional Planned Transportation Improvements to Address 2025 Needs: US 278 Bridge Widening from to Hilton Head Island to 6 lanes divided. Estimated cost = $155 Million"*[38]

- ***Southern Beaufort County Regional Plan (2006)***
  - *"The most visible consequence of southern Beaufort County's fast rate of growth is the demand it places on the region's roads. The rapid rate of growth has already caused portions of U.S. 278, the region's primary east-west arterial, to fail with traffic volumes far exceeding capacity between S.C. 46 and the bridges to Hilton Head Island."*[39]

TOWN OF HILTON HEAD ISLAND:

- **Town Council 2018 Key Priorities Dashboard (2018)**
  - *"The Hilton Head Town Council authorized funding in the amount of $45,882 to assist Beaufort County with the engineering services required to prepare this application to the State Infrastructure Bank (SIB). An intergovernmental agreement has been executed as a result. "*[40]

- **Town of Hilton Head Island Comprehensive Plan (2017)**
  - *Goal 6.3-D is "To have a pathway network that provides for recreational opportunities as well as an alternative means of transportation to and on the Island" … Implementation Strategy 6.3-D is to "Coordinate with SCDOT and Beaufort County to provide a pathway link to the mainland."*
  - *"The bridges onto the Island are critical public facilities that provide the only vehicular access for residents and visitors to the Island, as well as the only ground transportation link for emergency evacuations. Protection of these critical facilities should be a priority."*[41]

- **Mayor's Task Force for the Island's Future - Vision for 2025 (2010)**
  - *"THREATS - Third Priority Tier: - Limited capacity of bridge to mainland; … It is the intent of the Town Council of Hilton Head Island to revitalize the Island's buildings and infrastructure by: Improving access to the Island (local, county, state, and federal) as well as internal connectivity and circulation."*[42]

[37] Beaufort County, *Beaufort County Strategic Plan,* (2018)
[38] Beaufort County, *Beaufort County Comprehensive Plan,* (2010)
[39] Beaufort County, *Southern Beaufort County Regional Plan,* (2006)
[40] Town of Hilton Head Island, *Town Council 2018 Key Priorities Dashboard,* (2018)
[41] Town of Hilton Head Island, *Town of Hilton Head Island Comprehensive Plan,* (2017)
[42] Town of Hilton Head Island, *Mayor's Task Force for the Island's Future - Vision for 2025,* (2010)

Improving the US 278 bridges to reduce congestion between Moss Creek Drive and Squire Pope Road and replacing the structurally deficient eastbound span on the Karl Bowers Bridge corresponds with priorities, goals, and objectives listed in all local and regional planning documents and has unanimous support from all entities with jurisdictional influence in the area.

The project is also listed in the following additional local land use plans and related documents:

Beaufort County:

- Beaufort County Strategic Plan (2018)
- Jenkins Island Access Management System - Preliminary Project Planning Environmental Screening Report (2015)
- Beaufort County Comprehensive Plan (2010)
- Cursory Above Water & Underwater Investigation of US 278 Eastbound & Westbound Over MacKay Creek and Skull Creek (2010)

South Carolina Department of Transportation:

- South Carolina Statewide Transportation Improvement Program (2017-2022)
- South Carolina Strategic Corridors Plan (2014)
- South Carolina 2040 Statewide Multimodal Transportation Plan (2014)

Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization:

- 2040 Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization's Long-Range Transportation Plan (2015)

Town of Bluffton

- Town of Bluffton Comprehensive Plan (2014)

Town of Hilton Head Island:

- Town of Hilton Head Island Comprehensive Plan (2017)

Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization:

- 2040 Lowcountry Regional Transit and Coordination Plan (2014)

Jasper County, South Carolina

- Jasper County Comprehensive Plan (2014)

APPENDIX D

LATS MPO Scoring Criteria

LATS 2040 Long Range Transportation Plan
Roadway Corridor Prioritization

Project ID	Spot/Corridor	Type	Source	Location	Congestion Mitigation	Livability / Complete Streets	Barriers to Mobility	Multimodal Integration	Economic Vitality / Tourism	Environmental Stewardship	Consistency with Comprehensive Plans	Financial Viability	Total Score
C-5	Corridor	ITS/Access Management	SC 170/US 278 Corridor Study; N Beaufort Cty Plan	SC 170 from US 278 to US 21 Bus	15	10	18	5	15	5	Yes	3	71
C-18	Corridor	ITS/Access Management	Kimley-Horn - congestion	SC 315 / SC 46 from SC 170 to Pin Oak St	15	10	19	5	15	5	Yes	0	69
C-19	Corridor	Bridge Widening and related improvements	Bfrt Cty Comp Plan; US 278 Long Term Needs Study	US 278 from Buckingham Plantation Dr to Squire Pope Rd	25	10	14	5	15	0	Yes	5	**74**
C-22	Corridor	ITS/Access Management	Beaufort County Comprehensive Plan	US 278 / US 278 Bus in Hilton Head Island	15	10	18	5	10	5	Yes	0	63
C-1	Corridor	ITS/Access Management	Kimley-Horn - congestion	SC 802 from US 21 to Brickyard Point Rd / Holly Hall Rd	5	10	19	5	10	10	Yes	0	59
C-21	Corridor	ITS/Access Management	Kimley-Horn - congestion	SC 315 / SC 46 from US 17 to SC 170	15	10	15	5	5	5	Yes	0	55
C-8	Corridor	ITS/Access Management	Vision Beaufort	Ribaut Rd (US 21 / SC 281) from Lenora Rd to US 21 Bus	5	10	19	5	5	10	Yes	0	54
C-7	Corridor	ITS/Access Management	Northern Beaufort County Plan	US 21 from Mink Point Blvd to SC 170	5	10	15	5	10	5	Yes	3	53
C-4	Corridor	ITS/Access Management	Kimley-Horn - congestion	Joe Frazier Rd from SC 116 to Broad River Blvd	5	10	16	5	10	5	Yes	0	51
C-12	Corridor	ITS/Access Management	Beaufort County Comprehensive Plan	Buck Island Rd from Bluffton Pkwy to US 278	5	10	18	5	0	10	Yes	3	51
C-23	Corridor	Roadway Widening	Kimley-Horn - congestion	SC 315 / SC 46 from US 17 to SC 170	10	10	15	5	5	5	Yes	0	50
C-9	Corridor	Roadway Widening	Kimley-Horn - congestion	Argent Blvd from US 278 to SC 170	10	5	14	0	15	5	Yes	0	49
C-10	Corridor	Roadway Widening	Kimley-Horn - congestion	US 278 from I-95 to Argent Blvd	10	10	9	5	5	5	Yes	0	44
C-11	Corridor	Roadway Widening	H'ville 2009 Comp Plan	US 321 from US 17 to Honey Hill Rd	0	5	20	0	5	10	Yes	3	43
C-16	Corridor	Roadway Widening	H'ville 2009 Comp Plan	I-95 from Georgia line to US 278	10	5	12	0	15	0	Yes	0	42
C-2	Corridor	New Location	Boundary Street Master Plan, Civic Master Plan	From S-281 to S-167	15	5	10	0	5	0	Yes	0	35
C-15	Corridor	New Location	Bluffton Parkway Phases 6 & 7	from Bluffton Pkway to SC 46	0	5	10	0	10	5	Yes	3	33
C-20	Corridor	New Location	Kimley-Horn - connectivity	Stroup Lane extension from Burnt Church Rd to Buckingham Plantation Dr	0	5	10	0	10	5	Yes	0	30
C-13	Corridor	New Location	Bluffton Pkwy Access Mgmt Plan; Phase 5B	Bluffton Pkwy from Buckwalter Pkwy to Buck Island Rd	0	10	10	5	0	5	Yes	0	30
C-3	Corridor	New Location	Civic Master Plan	From US 21 to S-73	0	5	10	0	5	5	Yes	5	30
C-24	Corridor	Roadway Widening	Lowcountry LRTP	US 17 from Georgia line to SC 170	0	10	9	5	5	0	Yes	0	29
C-14	Corridor	New Location	Bluffton Parkway Phases 6 & 7	Bluffton Pkwy from Riverport Pkwy to SC 170	0	5	10	0	10	0	Yes	0	25
C-6	Corridor	New Location	Civic Master Plan	From Myrtle St to Reynolds St	0	5	10	0	5	0	Yes	3	23
C-17	Corridor	New Location	H'ville 2009 Comp Plan	from SC 170 to US 321	0	5	10	0	0	0	Yes	0	15

APPENDIX E

SCDOT Commitment of Funds

COUNTY COUNCIL OF BEAUFORT COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2023
FAX: (843) 255-9403
www.beaufortcountysc.gov

CHERYL H. HARRIS
EXECUTIVE ASSISTANT

ASHLEY M. JACOBS
COUNTY ADMINISTRATOR

July 23, 2019

Mr. Brent L. Rewis, PE
Director of Planning
South Carolina Department of Transportation
955 Park Street
Columbia, SC 29229

Dear Mr. Rewis:

As you know, over the past six months as Beaufort County has been developing its State Infrastructure Bank Application for Financial Assistance, we have been requesting an affirmation letter from SCDOT as it relates to your cost estimate, committed level of funding, maintenance and operation and eminent domain activities on behalf of the US 278 Corridor project.

Please let this letter act as an additional record to those numerous requests. Applications are due August 1, 2019, and we would deeply appreciate your assistance as soon as possible.

If you have any questions or concerns, please feel free to contact Robert McFee of my staff at (843) 255-2730.

Sincerely,

Ashley M. Jacobs
County Administrator

AMJ:ch

cc: Robert McFee, Division Director, Construction, Engineering and Facilities

SCDOT
South Carolina
Department of Transportation

July 22, 2019

Ms. Ashley Jacobs
County Administrator
Beaufort County Administration Building
100 Ribaut Road
Beaufort, South Carolina 29901-1228

RE: Beaufort County's South Carolina
State Transportation Infrastructure Bank (SCTIB) Application

Dear Ms. Jacobs:

The South Carolina Department of Transportation (SCDOT) is in receipt of Beaufort County's request for confirmation of the Department's funding commitment for the US 278 Corridor Improvement project in Beaufort County.

In response to the requirements of the SCTIB *Financial Assistance Application Process*, Section V (5.6) Financial Plan, "Other proposed sources of funds, including a written commitment of all parties," SCDOT offers the following:

SCDOT has committed $43,520,112 of Interstate/NHS Bridge Replacement funds for the replacement of the southbound Mackay Creek Bridge to be included in the US 278 Corridor Improvement project as outlined in the financial participation agreement with Beaufort County, see attached. Preliminary engineering funds are currently available and construction funds will be available in FY2024.

SCDOT looks forward to a continued partnership in improving transportation in Beaufort County.

Sincerely,

Brent L. Rewis
Director of Planning

BLR:sdb
Enclosure
ec: Christy Hall, Secretary of Transportation
Leland Colvin, Deputy Secretary for Engineering
Jim Feda, Deputy Secretary for Intermodal Planning
Randy Young, Chief Engineer for Project Delivery
John Boylston, Director of Preconstruction
Craig Winn, Lowcountry Program Manager
Jennifer Necker, Lowcountry RPG Engineer
Rob McFee, PE, Beaufort County Engineer
File: Pln/BLR

Post Office Box 191
955 Park Street
Columbia, SC 29202-0191

www.scdot.org
An Equal Opportunity
Affirmative Action Employer
855-GO-SCDOT (855-467-2368)

FPA-29-17

If Applicable
CFDA No. 20.205
Highway Planning & Construction

Project ID No.: _____
Cost Center: _____
WBS No.: _____
Fund: _____
PIN: _____
Functional Area: _____

Financial Participation Agreement
Between
South Carolina Department of Transportation
And
Beaufort County

THIS AGREEMENT is made this 27th day of April, 2017, by and between the South Carolina Department of Transportation (hereinafter referred to as "SCDOT") and Beaufort County (hereinafter referred to as "COUNTY") (collectively referred to as "Parties") for the below described Project:

WITNESSETH THAT:

WHEREAS, SCDOT and COUNTY want to work together in the planning and implementation of the US 278 Corridor Improvements in Beaufort County; and

WHEREAS, SCDOT is an agency of the State of South Carolina with the authority to enter into contracts necessary for the proper discharge of its functions and duties; and

WHEREAS, COUNTY is a body politic with all the rights and privileges of such including the power to contract as a necessary and incidental power to carry out COUNTY's obligations covered under this Agreement; and

WHEREAS, SCDOT is agreeable to provide the services necessary to administer the services covered by this Agreement;

NOW THEREFORE, in consideration of the several promises to be faithfully performed by the parties hereto as set forth herein, SCDOT and COUNTY do hereby agree as follows:

I. PROJECT DESCRIPTION

The Project which is the subject of this Agreement consists of: all preliminary engineering for the preparation of an Environmental Assessment document for the US 278 Corridor Improvements, which consists of: the widening of US 278 from four lanes to six lanes from Buckingham Plantation Drive to Squire Pope Road, including replacement of the eastbound Mackay Creek Bridge, intersection improvements of US 278 on Pinckney Island, and incorporating improvements to Jenkins Island being developed by COUNTY.

"Exhibit A," attached hereto and specifically made a part of this Agreement, provides a map of the Project area.

The Project as described above shall be referred to hereinafter as "the PROJECT."

II. PROJECT SCOPE

SCDOT will be responsible for PROJECT Preliminary Engineering for the environmental documentation for US 278 Corridor Improvements from Buckingham Plantation Drive to Squire Pope Road to include: project organization and management, aerial mapping and field surveys, preliminary geotechnical services, conceptual bridge and roadway plans, preliminary hydrology and hydraulic design, bridge seismic analysis and recommendations, subsurface engineering (SUE) and a preliminary utility report, preliminary right-of-way coordination, environmental documentation to complete and Environmental Assessment document, and NEPA compliance.

Remaining Preliminary Engineering, right-of-way acquisition, and construction of the US 278 Corridor Improvements will be addressed in a future agreement between the Parties.

III. FUNDING

A. PROJECT COST

The estimated PROJECT cost is $3,000,000.00. SCDOT will contribute $1,000,000.00 of Federal Bridge Interstate / NHS Funds as approved by the SCDOT Commission on September 15, 2016. The Lowcountry Area Transportation Study (LATS) will contribute $2,000,000.00 of Federal Guideshare Funds as approved by LATS on January 13, 2017. SCDOT will provide the required matching funds for both sources of funds above.

B. COST OVERRUNS

If it becomes apparent that the cost of the PROJECT will exceed the estimated cost set forth above, SCDOT will provide COUNTY notice prior to total expenditure of funding available and will provide the estimate of funds needed to complete the PROJECT. COUNTY and SCDOT shall jointly agree on the appropriateness of any such cost overruns and upon such agreement the COUNTY shall remit to SCDOT within thirty (30) days of receipt of the notice the additional funds needed to complete the PROJECT. In the event of PROJECT overruns, SCDOT will be responsible for 33% of the additional costs, and COUNTY will be responsible for 67% of the additional costs.

C. COST UNDERRUNS

In the event that the total cost of the PROJECT is less than originally estimated, 33% of expended costs will be allocated to SCDOT and 67% of expended costs will be allocated to LATS, with unspent funds remaining with their sources.

D. SPECIAL FUNDING NOTICE

COUNTY will have eighteen months from FHWA approval of the draft Environmental Assessment (EA) Document in which to secure funding for remaining preliminary engineering, right-of-way acquisition, and construction phases of the US 278 Corridor Improvements. Approval of the EA Document is

established just prior to the public hearing, and SCDOT will notify COUNTY, in writing, at the start of the eighteen month period.

If COUNTY fails to secure the necessary funding for the remaining preliminary engineering, right-of-way acquisition, and construction phases of the US 278 Corridor Improvements, SCDOT will abandon the Corridor Improvements work described in Section I of this Agreement and will proceed, independent of COUNTY, with plans to replace only the eastbound Mackay Creek Bridge. Additionally, COUNTY will be required to reimburse SCDOT on behalf of LATS for all Federal Guideshare Funds and state matching funds expended on this PROJECT.

SCDOT shall notify COUNTY of the date when the eighteen month period identified above will end, and if reimbursement is required, COUNTY shall make quarterly payments to SCDOT starting at the beginning of the next quarter. COUNTY shall have two years to reimburse all Federal Guideshare Funds and state matching funds to SCDOT.

IV. PERIOD OF PERFORMANCE

The effective date of this Agreement is the date identified above. This Agreement shall be deemed complete upon receipt of a PROJECT Finding of No Significant Impacts (FONSI) from the Federal Highway Administration (FHWA) and completion of all activities of the parties contemplated herein. This Agreement may be terminated pursuant to Section VII. D of this Agreement at any time prior to receipt of FONSI.

Once a scope has been established, the Parties will enter into a new agreement for the remaining Preliminary Engineering, Right-of-Way acquisition, construction, and maintenance phases of the planned project when funds are identified and a NEPA document is approved.

V. SCDOT WILL:

A. Provide PROJECT funding and notifications as specified in Section III of this Agreement.

B. Assign a SCDOT employee to serve as liaison and contact between the Parties hereto.

C. Provide a monthly update to the County Administrator and County Engineer, as needed, on the status of the PROJECT and funds.

D. Plan PROJECT and all work to be performed pursuant to this Agreement.

E. Prepare a detailed scope of work, budget, and schedule for the PROJECT with input from COUNTY.

F. Advise COUNTY as to changes in scope, budget, and schedule as the scope develops through public involvement.

G. Be responsible for all contract administration; advertising and awarding of contracts; review and approval of payment of contracts; and any other related or necessary activities or functions.

H. Perform all or any part of the work with its own forces or may contract out any of the work or services to outside private or governmental consultants or contractors at SCDOT's sole discretion if SCDOT determines that such contracting out would be more efficient or cost effective or would result in more expeditious completion of the PROJECT.

I. Be entitled to bill or draw payment at its normal and customary billing rates for services by its in-house personnel.

J. Use reasonable efforts to assist COUNTY in identifying and pursuing potential funding sources at the local, State, and Federal levels that might be available to satisfy the remaining preliminary engineering, right-of-way acquisition, and construction phases of the US 278 Corridor Improvements.

VI. COUNTY WILL:

A. Provide COUNTY's share of cost overruns as specified in Section III of this Agreement.

B. Assign a Beaufort County employee to serve as liaison and contact between the Parties hereto.

C. Provide input on the PROJECT to SCDOT.

D. Use its best efforts to identify and allocate funding for the remaining preliminary engineering, right-of-way acquisition, and construction phases of the preferred alternative.

E. Reimburse SCDOT pursuant to Section III of this Agreement if funding for the remaining preliminary engineering, right-of-way acquisition, and construction phases is not secured within the eighteen month period.

VII. GENERAL TERMS

A. CONFORMITY WITH LAWS. The Parties hereto agree to conform to all SCDOT policies; all State, Federal, and local laws, rules, regulations, and ordinances governing agreements or contracts relative to the acquisition, design, construction, maintenance and repair of roads and bridges, and other services covered under this Agreement.

B. AMENDMENTS. The PARTICIPANT, or its authorized agent, shall agree to hold consultations with SCDOT as may be necessary with regard to the execution of supplements to this Agreement during the course of this PROJECT for the purpose of resolving any items that may have been unintentionally omitted from this Agreement. Such supplemental agreements shall be subject to the approval and proper execution of the Parties hereto. No amendment to this Agreement shall be effective or binding on any Party hereto unless such amendment has been agreed to in writing by all Parties hereto.

C. REVIEWS/APPROVALS. Any and all reviews and approvals required of the Parties herein shall not be unreasonably denied or withheld.

D. TERMINATION. This Agreement may be terminated by COUNTY upon written notice to SCDOT, provided that COUNTY covers all costs incurred prior to termination and as the result of termination. SCDOT may terminate this Agreement if COUNTY fails to pay according to the terms of the Agreement. SCDOT will provide written notice of termination to COUNTY, and COUNTY shall be responsible for all costs incurred prior to termination and as the result of termination. Upon written notification of termination, all work on the PROJECT shall cease, unless otherwise directed. COUNTY's obligation to make payments and reimbursements for costs incurred prior to termination or for claims and judgments relating to the PROJECT received after termination shall survive the termination hereof.

E. DISPUTES. All claims or disputes shall be filed with the SCDOT Project Manager. The Parties will meet to attempt to resolve any dispute or claim. If unable to resolve the dispute with the SCDOT Project Manager, the Parties may appeal the claim or dispute to the appropriate SCDOT Deputy Director. The Deputy Director's decision in the matter shall be final and conclusive for both Parties.

F. NOTICES. All notices required to be given hereunder, except as otherwise provided in this Agreement, shall be deemed effective when received by the other party, through certified mail, registered mail, personal delivery, or courier delivery. All such notices shall be addressed to the parties as follows:

1. As to SCDOT:
   South Carolina Department of Transportation
   955 Park Street
   Post Office Box 191
   Columbia, South Carolina 29202-0191
   Attn.: Deputy Secretary for Engineering

2. As to COUNTY:
   Mr. Gary Kubic
   Beaufort County Administrator

100 Ribaut Road
Beaufort, South Carolina 29902

G. CONSENT OF MUNICIPALITY. COUNTY is responsible for obtaining any municipal consent required pursuant to South Carolina Code of Laws Section 57-5-820.

H. WAIVERS No waiver of any event of default by SCDOT or COUNTY hereunder shall be implied from any delay or omission by the other party to take action on account of such event of default, and no express waiver shall affect any event of default other than the event of default specified in the waiver and it shall be operative only for the time and to the extent therein stated. Waivers of any covenants, terms, or conditions contained herein must be in writing and shall not be construed as a waiver of any subsequent or other breach of the same covenant, term, or condition. The consent or approval by a party of any act by the other requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent or similar act. No single or partial exercise of any right or remedy of a party hereunder shall preclude any further exercise thereof of the exercise of any other or different right or remedy.

I. SUCCESSORS AND ASSIGNS. SCDOT and COUNTY each bind themselves, their successors, executors, administrators, and assigns to the other Party with respect to these requirements, and also agrees that no Party shall assign, sublet, or transfer its interest in the Agreement without the written consent of the other.

J. BENEFIT AND RIGHT OF THIRD PARTIES. This Agreement is made and entered into for the sole protection and benefit of SCDOT and COUNTY, and their respective successors, executors, administrators, and assigns. No other persons, firms, entities, or parties shall have any rights, or standing to assert any rights, under this Agreement in any manner.

K. SAVINGS CLAUSE Invalidation of any one or more of the provisions of this Agreement by any court of competent jurisdiction shall in no way affect any of the other provisions hereof, all of which shall remain, and is intended by the Parties to remain, in full force and effect.

L. EXECUTION IN COUNTERPARTS. This Agreement may be executed and delivered in counterparts, and if so executed, shall become effective when a counterpart has been executed and delivered by all Parties hereto. All counterparts taken together shall constitute one and the same Agreement and shall be fully enforceable as such. Delivery of counterparts via facsimile transmission or via email with scanned attachment shall be effective as if originals thereof were delivered.

M. AUTHORITY TO EXECUTE By executing this Agreement, the undersigned each affirms and certifies that he or she has authority to bind his or her principal thereto and that all necessary acts have been taken to duly authorize this Agreement under applicable law.

N. ENTIRE AGREEMENT. This Agreement with any attachments constitutes the entire Agreement between the parties. The Agreement is to be interpreted under the laws of the State of South Carolina.

[Signature blocks on next page]

FPA-29-17

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on their behalf

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Witness

BEAUFORT COUNTY

By: _____
(Signature)

Title: Administrator

Witness

SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

By: for Brian W. Keys
Deputy Secretary for Finance and Administration
or Designee

RECOMMENDED BY:

Deputy Secretary or Designee

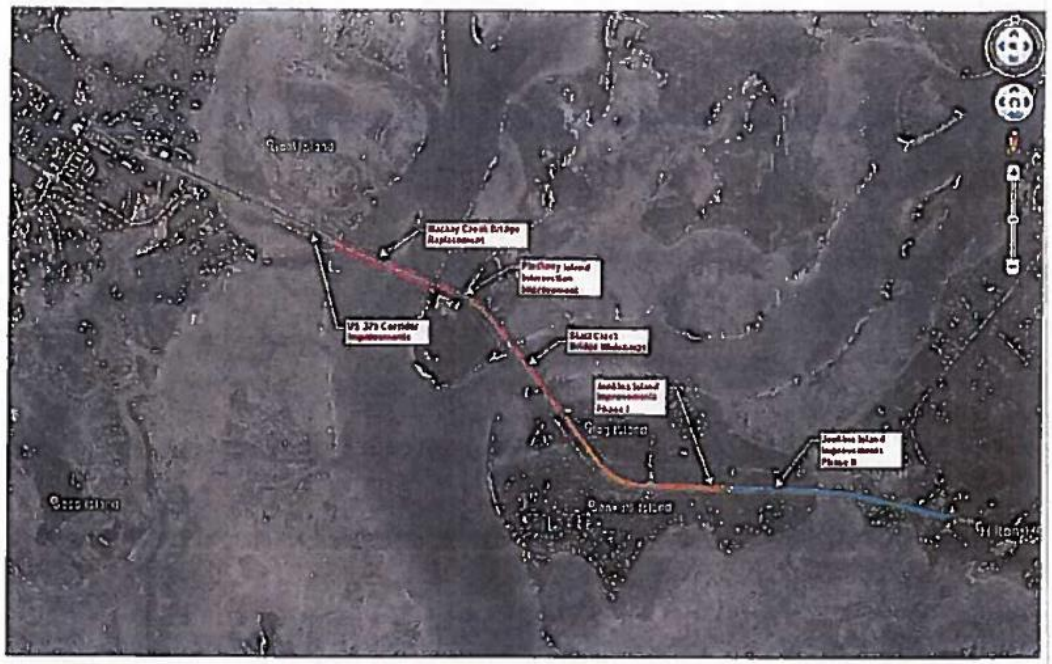
REVIEWED BY:

Title: RPGI Engineer

PROFESSIONAL SERVICES CONTRACTING

By: _____
Chief Procurement Officer or Designee

Exhibit A



COUNTY COUNCIL OF BEAUFORT COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2023
FAX: (843) 255-9403
www.beaufortcountysc.gov

CHERYL H. HARRIS
EXECUTIVE ASSISTANT

MIKE MOORE
COUNTY ADMINISTRATOR

March 28, 2025

South Carolina Transportation Infrastructure Bank
Chairman John White
955 Park Street, Room 120 B
Columbia, SC 29201

RE: US 278 Corridor Project – Project Update and Request Following Sales Tax Referendum

Dear Chairman White,

This letter is in response to your correspondence dated November 7, 2024, requesting an update on Beaufort County's plans for the US 278 Corridor Project following the failed transportation sales tax referendum last November. We sincerely appreciate the SCTIB Board's willingness to extend the response deadline to March 31, 2025, allowing time for the County, the Town of Hilton Head Island, and other project stakeholders to formulate a revised and realistic path forward. Since the SCTIB meeting on November 20, 2024, we have worked diligently toward that goal.

With the option of a transportation sales tax no longer available to close the project's funding gap, our initial efforts focused on identifying other potential local funding sources. Unfortunately, the scale of the shortfall far exceeded the County's ability to bridge the gap using alternative funding. As a result, the conversation shifted from how to fully fund the original project scope to what could be accomplished within the existing $300 million in committed funding.

At the recommendation of our legislative delegation, the County, the Town and SCDOT explored a phased approach that would address the most critical needs—specifically, the aging eastbound bridge spans. SCDOT developed six alternative concepts with varying cost estimates. Of these, only one alternative fit within the available funding. This alternative includes the construction of a new three-lane eastbound bridge, along with minimal roadwork to tie into the existing roadway network. Due to funding constraints, the bridge would be initially striped for two lanes, with the third lane to be opened in a future phase when additional funding is available. The westbound lanes and bridge structures would remain in use for the time being. Access to Pinckney Island would be maintained via the existing spans across Skull Creek.

Although this redefined scope is more limited than originally envisioned, it addresses the most immediate safety concerns while laying the groundwork for future corridor improvements. With

strong coordination between Beaufort County and the Town of Hilton Head Island, both jurisdictions have reached consensus on this refined project plan. To formalize this support, the County and Town jointly adopted Resolution 2025/15, which outlines the key components of the revised project. A copy of the resolution is included with this letter for your reference.

Rather than requesting additional funds from SCTIB to close the $190 million funding gap, Beaufort County respectfully requests that SCTIB maintain its current $120 million funding commitment to support this revised project scope. We believe this remains a meaningful and impactful infrastructure improvement that will deliver long-term regional and statewide benefits. With broad stakeholder alignment, we are prepared to advance the project immediately upon receiving SCTIB's confirmation of continued support. With funding in place, the County and SCDOT are ready to finalize the NEPA process, complete engineering and permitting, and move the project to construction bidding by the end of 2027.

In addition to maintaining the current SCTIB funding commitment, the County requests SCTIB's approval of the proposed expenditure order of funds. The total revised project cost is estimated at $272.7 million. With $298.53 million currently available—including SCTIB's $120 million—this leaves approximately $25.83 million beyond the base project cost.

As the project owner, Beaufort County bears responsibility for any project cost overruns. The County proposes to allocate the remaining $25.83 million as follows:

- Funding a required water main relocation for the local public service district;
- Delivering a small safety improvement project in the Stoney Community, consistent with the original corridor vision;
- Establishing a contingency reserve of approximately $15 million to cover unforeseen expenses.

Should these contingency funds remain unspent at project completion, they will be directed toward additional road improvements within the US 278 corridor. This approach offers both fiscal responsibility and flexibility to address project-related priorities while managing taxpayer dollars prudently.

The SCTIB funds would remain dedicated to construction activities, as originally pledged. The proposed order of expenditure is: County and SCDOT funds would cover engineering, right-of-way acquisition, and utility coordination. The construction costs would be paid in the following order—SCDOT funds, SCTIB funds, then County funds. If construction costs exceed projections, the County's reserved contingency would be used to cover the overages. If not, the reserves would support enhancements within the corridor.

As you can see, significant time and effort have gone into developing this revised plan to responsibly advance this critical infrastructure project. We are grateful for SCTIB's continued investment and partnership and respectfully request favorable consideration of our two requests:

1. **Retain SCTIB's $120 million project commitment;**

2. **Approve the proposed order of expenditure as outlined above.**

Thank you for your continued support of Beaufort County and the US 278 Corridor Project. We look forward to working together to deliver meaningful improvements for the region and the State of South Carolina.

Kindest regards,

Mike Moore
County Administrator

CC: Charles Cannon – SCTIB Executive Director
Justin Powell – SCDOT Secretary of Transportation
Marc Orlando – HHI Town Manager
Beaufort County Delegation
County Council

Attachments:
1. County and Town Joint Resolution 2025/15
2. State Delegation Support Letter
3. Rep. Mace Support Letter

RESOLUTION 2025/15

A JOINT RESOLUTION OF BEAUFORT COUNTY & TOWN OF HILTON HEAD ISLAND TO REDEFINE THE US 278 CORRIDOR PROJECT (ALSO KNOWN AS THE WILLIAM HILTON PARKWAY GATEWAY CORRIDOR PROJECT) TO ALIGN WITH THE AVAILABLE FUNDING

WHEREAS, the current proposed 278 Corridor Project (also known as the William Hilton Parkway Gateway Corridor Project [("Project"]) includes a six-lane bridge with a multi-use pathway and roadway improvements spanning from Moss Creek Drive to Spanish Wells Road; and

WHEREAS, any Funds expended from the 2018 Referendum as per the referendum will solely be expended within the originally defined project area from Moss Creek Drive to Squire Pope Road, and funds spent for improvements between Squire Pope Road and Spanish Wells Road will be sourced solely from Local Impact Fee Revenue; and

WHEREAS, the current available funding for the Project totals $298.85 million, consisting of $101 million from Beaufort County (sales tax and impact fees), $3.35 million from the Town of Hilton Head Island (right-of-way donations), $74.5 million from the South Carolina Department of Transportation (SCDOT), and $120 million from the State Infrastructure Bank (SIB); and

WHEREAS, in February 2024, SCDOT provided an updated Project cost estimate, increasing the projected Project cost from $305 million to $488 million; and

WHEREAS, this updated Project cost estimate was reflected in our following quarterly report to the SIB, and upon receipt, the SIB requested a meeting with the County to address the project status and funding shortfall; and

WHEREAS, at a meeting on May 29, 2024, between SIB, SCDOT, state representatives, and Beaufort County, the County proposed a pro-rata cost-sharing arrangement between SIB, SCDOT, and the County to cover the $190 million Project funding shortfall; and

WHEREAS, in a follow-up letter to SIB dated July 3, 2024, the County formally requested $90 million from SIB to match a $90 million contribution from the County, contingent upon voter approval of a proposed Transportation Sales Tax Referendum in November 2024; and

WHEREAS, on November 5, 2024, the Transportation Sales Tax Referendum did not receive voter approval thereby rendering the County's proposed match unavailable; and

WHEREAS, on November 7, 2024, SIB issued a letter to the County requesting a response within 15 days regarding the County's plan to address the $190M Project funding shortfall; and

WHEREAS, at its November 12, 2024, County Council meeting, the Council voted not to allocate additional funds to the Project; and

WHEREAS, in a letter to Beaufort County dated November 18, 2024, SCDOT reiterated the deteriorating condition of the eastbound Mackay Creek Bridge, stating that its current condition is rated a 4 out of 10, and emphasized that a decision on a viable project must be made by March 31, 2025, to proceed with construction by 2027; and

WHEREAS, at the November 20, 2024, SIB meeting, an extension was granted to Beaufort County until March 31, 2025, for the County to provide a revised funding plan for the Project; and

WHEREAS, on January 9, 2025, Senator Tom Davis, with support from the state delegation, presented a proposal to redefine the Project to match available funding; and

WHEREAS, SCDOT has provided six project options along with cost estimates for each option, including the proposal endorsed by Senator Tom Davis; and

WHEREAS, only two of the six options, (excluding the standalone Mackay Creek Bridge replacement) fall within the available $298.85 million budget; and

WHEREAS, a joint meeting of the Beaufort County Council and the Hilton Head Town Council was held on February 12, 2025, to discuss the options for the Project presented by SCDOT and the funding for the Project.

WHEREAS, in a February 28, 2025, letter from South Carolina Secretary of Transportation Justin Powell, to Senator Tom Davis, if the projected proceeds, SCDOT will make it a "design build" Project and is willing to include in the procurement documents and in the scoring of new proposals, a preference for alternatives that provide two way access, meaning one can exit from the New Bridge heading eastbound onto Pinckney Island as well as depart from Pinckney Island on to the New Bridge to head eastbound to Jenkins Island, rather than the current plan to provide access to Pinckney Island solely from Jenkins Island, a copy of which is incorporated by reference and attached as Exhibit B.

NOW THEREFORE, BE IT RESOLVED THAT THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AND THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, hereby adopt a revised scope for the Project to align with the available funds. The revised Project includes the following elements:

Revised Project Scope:

1. * Demolition of the existing eastbound bridge over Mackay Creek, construction of a new bridge extending from the mainland to Jenkins Island ("New Bridge"), and retaining the existing two lane eastbound bridge over Skull Creek and the two existing two lane westbound bridges over Mackay Creek and Skull Creek* Construction of the New Bridge will be a three-lane eastbound lifeline bridge without a multi-use pathway.
2. * Striping the New Bridge for two lanes, with only necessary road tie-ins included.
3. Designing the New Bridge width to accommodate temporary four-lane use in the future if westbound bridge replacement is required.
4. * The New Bridge will be designed so that there is a preference to provide two-way access to and from Pinckney Island from the New Bridge over the use of the existing Skull Creek

bridge, either the eastbound or westbound lanes being repurposed for two-way access to Pinckney Island.

5. * Construction of a Hog Island connector road/bridge to provide access to Mariner's Cove, Blue Heron Point, and Hog Island, linking back to US 278 at the Windmill Harbor intersection.
6. * Retention and improvement of the Windmill Harbor traffic signal with mast arms.
7. The Town of Hilton Head Island and Beaufort County agree to work cooperatively on the following:
   i. Transfer the maintenance and repair responsibilities of the Windmill Harbor Traffic Signal to the Town of Hilton Head Island. Funding for mast arms and installation of adaptive technology consistent with that installed on existing Town of Hilton Head Island Signals will be eligible for the use of Reserve Funds if they remain at the end of the bridge project.
   ii. Explore providing a bike/pedestrian lane on the new eastbound bridge structure, as part of the built third lane, until the third lane is needed for traffic operations.
   iii. Request that SCDOT reduce the speed limit of the William Hilton Parkway Corridor to 40mph.

*These project elements are identified in SCDOT's "Option 1," attached as Exhibit A.

Funding Elements:

Funding Source	Amount **(in millions)**
Current Project Funding (SIB, DOT, Local)	$295.50M
Additional SCDOT Funding (DOT, Local)	$ 16.10 M
Spent to Date (DOT, Local)	- $ 13.07 M
Total Available Funding	$298.53M

Planned Project Costs	**Amount (in millions)**
Revised Project Costs (SIB, DOT, Local)	$257.70M
Remaining Engineering Costs (DOT, Local)	$ 15.00M
Reserve Funds (Local)	$ 14.33M
PSD Relocation Funds (Local)	$ 6.50M
Stoney Historic Community Safety Projects (Local)	$ 5.00M
Total Costs	$298.53M

Use of Local Funds:

1. Reserve Funds will cover potential project overruns.
2. The Project will fund the replacement of the 24" waterline up to the limits defined in State Act 36, plus the allocated $6.5 million in Local Funds Costs for the waterline relocation not covered by the combination of State Act 36 and Local Funds will be funded using Reserve Funds as the top priority.
3. To address immediate safety concerns in the Stoney Historic Community, a minimum of $5.0 million in Local Funds will be set aside and reserved for a local road project, with funds made available upon approval of the Project by the Federal Highway Administration, with the Town overseeing design and construction, prioritized as follows:
   i. Squire Pope intersection enhancements – (pedestrian safety, turn movements, etc.)
   ii. Sidewalk enhancements

iii. Spanish Wells intersection enhancements – (pedestrian safety, turn movements, etc.)
iv. Signage – safety/wayfinding

4. Any remaining Reserve Funds, not spent on the above, shall be used for other local road improvements along the corridor between Moss Creek Drive and Spanish Wells Road.

Adopted this 10th day of March 2025.

COUNTY COUNCIL OF BEAUFORT COUNTY

ATTEST:

BY : Alice G. Howard
Alice Howard, Chair

Sarah W. Brock
Sarah W. Brock, Clerk to Council

Adopted this 4th day of March 2025.

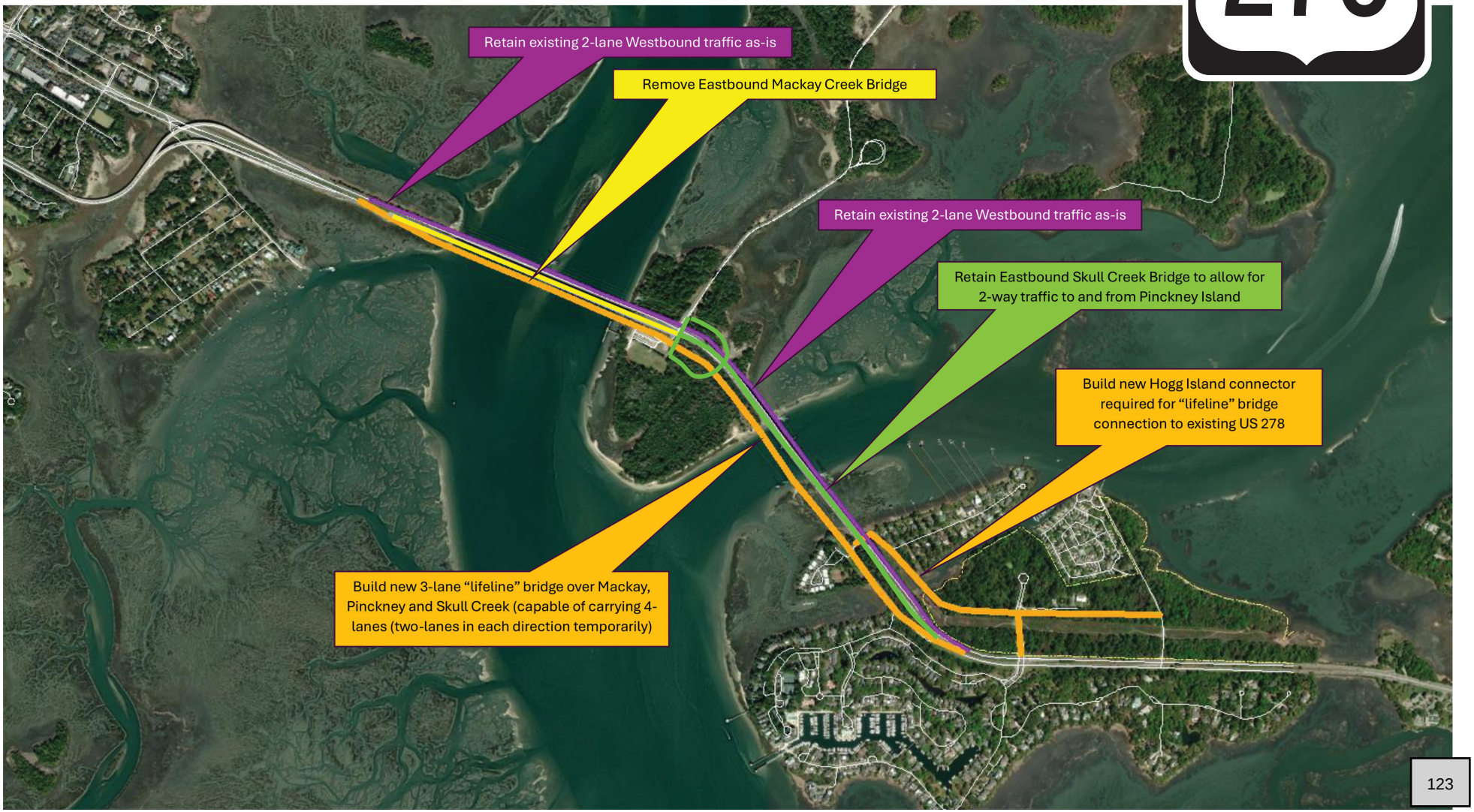
HILTON HEAD ISLAND TOWN COUNCIL

BY: _____
Alan Perry, Mayor

ATTEST:

Kimberly Gammon
Kimberly Gammon, Clerk to Council

3-lane Bridge (capable of accommodating 4th lane) with using portion of Westbound bridge for off island and one of the old Skull Creek for access to Pinckney Island



NANCY MACE
1ST DISTRICT, SOUTH CAROLINA

HOUSE ARMED SERVICES COMMITTEE

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

COMMITTEE ON VETERANS' AFFAIRS

Congress of the United States
House of Representatives
Washington, DC 20515

WASHINGTON, DC OFFICE
1728 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3176
WWW.MACE.HOUSE.GOV

MOUNT PLEASANT OFFICE
652 COLEMAN BLVD.
SUITE 102
MOUNT PLEASANT, SC 29464
(843) 352-7572

BEAUFORT OFFICE
710 BOUNDARY ST.
BEAUFORT, SC 29902
(843) 521-2530

March 20, 2025

John B. White, Jr., Chairman
South Carolina Transportation Infrastructure Bank
955 Park Street, Room 120 B
Columbia, SC 29901

Dear Mr. White,

We are writing to express our support for the redefined US 278 Corridor Project and the South Carolina Transportation Infrastructure Bank (SCTIB) to maintain its $120 million investment in this vital infrastructure initiative. This project is critical to improving mobility, safety, and economic vitality for the residents of Beaufort County and the State of South Carolina.

Beaufort County, the Town of Hilton Head Island, the South Carolina Department of Transportation (SCDOT), and the South Carolina General Assembly delegation have worked collaboratively and responsibly to develop a meaningful and fiscally responsible project that will address the long-standing transportation needs of this corridor. This partnership demonstrates a shared commitment to delivering an infrastructure solution that serves local and statewide interests while ensuring responsible stewardship of public funds.

The US 278 Corridor is a critical gateway to Hilton Head Island and serves as an essential economic artery for the region. The planned improvements will alleviate congestion, enhance public safety, and provide much-needed connectivity to support residents, businesses, and the millions of visitors who travel to this area each year. The $120 million investment by the SCTIB is a fundamental component in bringing this long-overdue project to fruition, and its continued commitment will ensure that the project moves forward as planned.

We respectfully request the South Carolina Transportation Infrastructure Bank to uphold its financial commitment to the US 278 Corridor Project. The success of this initiative depends on the collaboration and investment of all stakeholders, and your continued partnership will be instrumental in transforming this vital corridor to meet the needs of our communities for generations to come.

NANCY MACE
1ST DISTRICT, SOUTH CAROLINA

HOUSE ARMED SERVICES COMMITTEE

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

COMMITTEE ON VETERANS' AFFAIRS

Congress of the United States
House of Representatives
Washington, DC 20515

WASHINGTON, DC OFFICE
1728 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225–3176
WWW.MACE.HOUSE.GOV

MOUNT PLEASANT OFFICE
652 COLEMAN BLVD.
SUITE 102
MOUNT PLEASANT, SC 29464
(843) 352–7572

BEAUFORT OFFICE
710 BOUNDARY ST.
BEAUFORT, SC 29902
(843) 521–2530

Thank you for your time and consideration of this important matter. Our office appreciates your dedication to infrastructure improvements across South Carolina and your support of projects that enhance our state's transportation network.

We simply ask you to provide this project its due and fair consideration. If you have any questions feel free to reach out to our Beaufort office at (843) 521-2530.
Sincerely,

Sincerely,

Nancy Mace

Nancy Mace
Member of Congress

BOARD OF DIRECTORS

John B. White, Jr., *Chairman*

Ernest Duncan, *Vice Chairman*

Senator C. Ross Turner, III

Representative Chris Murphy

David B. Shehan

André Bauer

T.J. Johnson

South Carolina Transportation Infrastructure Bank

955 Park Street
Room 120 B
Columbia, SC 29201
P: (803) 737-2825
Fax: (803) 737-2014

April 14, 2025

Michael Moore
Beaufort County Administrator
100 Ribault Road
Beaufort, SC 29201

Secretary Justin Powell
S.C. Department of Transportation
955 Park Street
Columbia, SC 29201

Marc Orlando
Hilton Head Island Town Manager
1 Town Center Court
Hilton Head Island, SC 29928

Re: Beaufort County US 278 Project

Dear Gentlemen:

I am writing in response to recent letters from Mr. Moore and Secretary Powell. Mr. Moore has asked the Bank to retain the Bank's $120 million commitment to the Project and to approve the order of expenditures such that the County's funding is used last.

Prior to responding to the County's request, I have several questions concerning the revised Project and funding sources. As I mentioned in recent meetings, I want to ensure the Bank adheres to precedent when dealing with Projects with revised scopes. The Bank initially approved its funding when the Application contemplated new infrastructure improvements from the mainland to the island. Granted, construction costs have increased but the Bank is being asked to affirm its financial commitment of $120 million with a significantly different project. Also, if the Bank Board does approve the County's request, the Bank Board will submit its actions to the Joint Bond Review Committee for review.

My questions are as follows:

- When will the design be finalized and more importantly, when will the cost of the project be finalized?
- In the Intergovernmental Agreement signed in 2021, it spelled out the County's, the Town's, and the SCDOT's funding contributions. Please provide detailed description of all funding sources and amounts.
- In the IGA, the Town of Hilton Head committed to dedicate Right-of-Way in the amount of $3.350 million. Now that the scope of the Project has been revised and probably will not require the full amount of the Town's initial commitment, describe the Town's intention concerning its financial commitment to the Project.
- Please detail reasons why Beaufort County seeks to expend its money last.
- Please describe the SCDOT, County, and Town's intention to handle any Project overages. Include specific funding sources for these potential overages.
- Please provide a revised timeline. As the parties know, the IGA required construction to commence in 2024 and be completed by December 31, 2028. The new timeline will be essential to the Bank Board's assessment of whether to affirm its commitment. The Town of Hilton Head and Beaufort County have spent the past three – plus years attempting to iron out details that the Bank Board understood to already have been agreed to.

To assist the Bank Board in its review, please provide a response as soon as practicable.

If you should have any questions, please do not hesitate to contact me or Charles Cannon at (803) 737-0996.

Sincerely,

John B. White. Jr.
Chairman

cc: Board Members

COUNTY COUNCIL OF BEAUFORT COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2023
FAX: (843) 255-9403
www.beaufortcountysc.gov

CHERYL H. HARRIS
EXECUTIVE ASSISTANT

MICHAEL R. MOORE
COUNTY ADMINISTRATOR

April 30, 2025

Mr. John B. White, Jr., Chairman
South Carolina Transportation Infrastructure Bank
955 Park Street, Room 120 B
Columbia, SC 29201

RE: Response to Follow-Up Request Regarding US 278 Corridor Project

Dear Chairman White:

Thank you for your letter dated April 14, 2025, following up on Beaufort County's March 28, 2025, submission regarding the redefined scope and funding strategy for the US 278 Corridor Project. We greatly appreciate the Board's thoughtful review of our updated proposal and continued engagement in this critical regional initiative.

We understand the importance of due diligence in evaluating the project's alignment with SCTIB's funding criteria and statewide infrastructure priorities. To that end, please find below project responses, coordinated and assembled by Beaufort County, to the questions and information requests outlined in your correspondence:

Responses to SCTIB Comments/Requests for Additional Information

1. **When will the design be finalized and more importantly, when will the cost of the project be finalized?**

   Once the revised project scope and associated funding are finalized, the draft NEPA document will require revision and resubmission. This process is expected to take approximately 6 to 9 months. Following the NEPA approval, engineering, right-of-way acquisition, utility coordination and permitting will proceed, with an estimated duration of 18 months. The goal is to finalize the design and advertise the project for construction bids by the end of 2027. A refined engineering estimate and internal SCDOT cost projection will be developed in Fall 2027. The final project cost will be established upon the award of the construction contract, anticipated at the end of 2027.

2. **In the Intergovernmental Agreement signed in 2021, it spelled out the County's, the Town's, and the SCDOT's funding contributions. Please provide detailed description**

of all funding sources and amounts.

Funding Source	Amount
Beaufort County 2018 Sales Tax Funds	*$ 80,000,000*
Beaufort County Road Impact Fees	*$ 21,000,000*
SCDOT (LATS) Guideshare Funds	*$ 2,000,000*
SCDOT Interstate / NHS Bridge Funds	*$ 88,600,000*
Town of Hilton Head Island R/W Donations (up to)	*$ 3,350,000*
SC Transportation Infrastructure Bank	*$120,000,000*
Total	***$314,950,000***

To date, $13,070,000 has been spent on preliminary engineering. The estimated cost of the revised project including the remaining engineering design is $272,700,000. This brings the total project cost to $285,770,000.

3. **In the IGA, the Town of Hilton Head committed to dedicate Right-of-Way in the amount of $3.350 million. Now that the scope of the Project has been revised and probably will not require the full amount of the Town's initial commitment, describe the Town's intention concerning its financial commitment to the Project.**

The Town of Hilton Head Island committed to donating right-of-way valued at $3.35 million, based on the land needed under the original project scope. While the revised project may require less land, the Town remains committed to contributing the required Town-owned parcels necessary to support the updated scope. In both the original and revised scenarios, this in-kind contribution reflects the Town's continued support for the US 278 Corridor Project.

4. **Please detail reasons why Beaufort County seeks to expend its money last.**

Beaufort County remains fully committed to investing its $101 million in the US 278 Corridor. As the project owner and the party responsible for any cost overruns, the County intends to reserve a portion of its funding to serve as a contingency for unexpected expenses. Should the project come in under budget, any remaining County funds would be used for additional roadway improvements along the corridor, consistent with the broader original project vision.

5. **Please describe the SCDOT, County, and Town's intention to handle any Project overages. Include specific funding sources for these potential overages.**

Beaufort County will be responsible for any cost overruns associated with the project. The first source to address overages will be the established project contingency reserve. Should costs exceed this reserve, the County has sufficient bonding capacity—estimated at $87 million—to provide additional funding if necessary. That said, with a reduced project scope, refined design parameters, and detailed cost estimates, significant overruns are not anticipated.

6. **Please provide a revised timeline.**

Upon finalizing the project scope and funding plan, the County and SCDOT will proceed with revising the environmental documentation and resubmitting it to the Federal Highway

Administration (FHWA). Upon receiving a Finding of No Significant Impact (FONSI), the project will advance into preliminary engineering, including permitting, utility coordination, and right-of-way acquisition. The project is expected to be bid by the end of 2027, with an estimated three-year construction period. The projected completion date is the end of 2030.

We hope this information provides clarity and reaffirms Beaufort County's commitment to delivering this redefined yet impactful infrastructure improvement in close coordination with our project partners and SCTIB.

We remain grateful for the Bank's past support and respectfully renew our request for:

1. Retention of the $120 million SCTIB funding commitment;
2. Approval of the proposed fund expenditure order.

Should any additional information or clarification be needed, our team stands ready to respond promptly.

Kindest regards,

Michael R. Moore
County Administrator

MRM: jf

cc: Charles Cannon, Executive Director, SCTIB
Justin Powell, Secretary of Transportation, SCDOT
Marc Orlando, Town Manager, Town of Hilton Head Island
Beaufort County Legislative Delegation
Beaufort County Council

Attachment: Response Letter from Town of Hilton Head Island (4/29/25)

TOWN OF HILTON HEAD ISLAND

One Town Center Court, Hilton Head Island, S.C. 29928
(843) 341-4600 Fax (843) 842-7728
www.hiltonheadislandsc.gov

Alan R. Perry
Mayor

Alexander Brown, Jr.
Mayor Pro Tempore

Council Members

Patsy Brison
Steve DeSimone
Tamara Becker
Steve Alfred
Melinda Tunner

Marc Orlando
Town Manager

April 29, 2025

Chairman John White
South Carolina Transportation Infrastructure Bank
955 Park Street, Room 120 B
Columbia, SC 29201

Re: Response to Follow-Up Request Regarding US 278 Corridor Project

Dear Chairman White:

This letter is provided in direct response to your attached correspondence dated April 14, 2025, wherein you requested a response to several items concerning the revised Project and funding sources. This letter provides a response specifically to bullet number three regarding the donation of Town-owned land to accommodate the U.S. 278 William Hilton Parkway Bridge and Corridor Project. The Town of Hilton Head Island is providing the response below to you and has also provided this response to Beaufort County, the project sponsor, for inclusion in their comprehensive reply to your questions.

The Town of Hilton Head Island committed to donating right-of-way valued at $3.35 million, based on the land needed under the original project scope. While the revised project may require less land, the Town remains committed to contributing the required Town-owned parcels necessary to support the updated scope. In both the original and revised scenarios, this in-kind contribution reflects the Town's continued support for the US 278 Corridor Project.

Sincerely,

Marc Orlando

Marc Orlando, ICMA-CM
Town Manager

Attachment: Letter from State Transportation Infrastructure Bank Chairman John White to Michael Moore, Secretary Justin Powell, and Marc Orlando, dated April 14, 2025.

cc: Shawn Colin, Assistant Town Manager
Michael Moore, Beaufort County Administrator
Jared Fralix, Beaufort County Assistant County Administration - Infrastructure

South Carolina
Department of Transportation

Justin P. Powell
Secretary of Transportation
803-737-0874 | 803-737-2038 Fax

May 16, 2025

Mr. Michael Moore
Beaufort County Administrator
Post Office Drawer 1225
Beaufort, SC 29901

Dear Mr. Moore:

For the past several months, I have expressed the urgency in addressing the US-278 eastbound bridge over Mackay Creek. The bridge was built in 1956 and is subject to harsh conditions through saltwater and tides. In its most recent inspection, it is currently rated a "4" or poor. Due to its deterioration, it is currently inspected annually rather than the biannual cycle required by federal law. Given its age and condition, the bridge was placed on a Commission-approved priority list.

In lieu of a separate bridge project, the South Carolina Department of Transportation (SCDOT) entered into an intergovernmental agreement with Beaufort County (County) to advance a sales tax project to undertake a comprehensive corridor project to improve the connection between Bluffton and Hilton Head Island. This project eventually received $120M in funding from the South Carolina Transportation Infrastructure Bank (SCTIB) in 2020.

In the intervening time, the nation has seen significant inflation related to highway projects – including the US-278 project. This resulted in an increase in the project's cost estimate from $292M in 2020 to $488M in 2025. Beaufort County proposed closing the gap in part with additional funds from its November 2024 referendum, as well as additional funds from SCDOT and SCTIB.

Following the referendum's failure in November 2024, SCDOT indicated it needed a decision on a path forward by March 31 in order to either move forward with the current project in some form or fashion, or to proceed with solely replacing the US-278 eastbound Mackay Creek Bridge independent of the County. To that end, Beaufort County asked SCDOT to evaluate a reduced scope project that improved only the eastbound connection that also laid the foundation for long-term improvements at a later date. The alternative scope chosen by the County has a cost estimate of $273M, within the current County, SCDOT, and SCTIB funds allocated to the project.

In a meeting on March 25, 2025, the County proposed to SCDOT and SCTIB a path forward for a modified bridge scope by SCDOT's deadline of March 31, 2025. The alternative addressed SCDOT's concerns about the Mackay Creek Bridge, but required action of the SCTIB to amend the County's existing agreement. At its May 12, 2025 meeting, the SCTIB voted to disapprove the proposed scope revision.

Post Office Box 191
955 Park Street, Room 309
Columbia, SC 29202-0191

www.scdot.org
An Equal Opportunity
Affirmative Action Employer
855-GO-SCDOT (855-46

This calls into serious question whether funding will be available to proceed in a timely manner to address the US-278 eastbound bridge in the current intergovernmental agreement between SCDOT and the County. The SCTIB Chairman indicated at the meeting the possibility of considering another revised proposal in 60 to 90 days, but it is uncertain that the SCTIB Board will act on any revised proposal. Given the condition of the existing Mackay Creek Bridge, we are now past the point of waiting to make sure access to Hilton Head Island remains unimpeded.

To that end, please consider this letter a 30-day notice that SCDOT intends to exercise the termination provision as allowed under Section VII of the intergovernmental agreement dated March 7, 2023 between SCDOT and Beaufort County.

In the event a resolution is determined by the SCTIB Board and Beaufort County within the termination notice period, though, I will withdraw the termination. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Justin P. Powell
Secretary of Transportation

CC:

Members of the South Carolina Department of Transportation Commission
Members of the South Carolina Transportation Infrastructure Bank Board
The Honorable Members of the Beaufort County Legislative Delegation
Chair Alice Howard and Beaufort County Council
Mayor Alan Perry and Town Council of the Town of Hilton Head Island

Post Office Box 191
955 Park Street, Room 309
Columbia, SC 29202-0191