



## US 278 County Council Workshop Beaufort County, SC

Council Chambers, Administration Building Beaufort County Government Robert Smalls  
Complex 100 Ribaut Road, Beaufort

Wednesday, January 29, 2025  
3:00 PM

### AGENDA

#### COUNCIL MEMBERS:

ALICE HOWARD, CHAIR  
DAVID P. BARTHOLOMEW  
LOGAN CUNNINGHAM  
YORK GLOVER  
LAWRENCE MCELYNN  
THOMAS REITZ

ANNA MARIA TABERNIK, VICE-CHAIR  
PAULA BROWN  
GERALD DAWSON  
MARK LAWSON  
JOSEPH PASSIMENT

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. STATEMENT OF COMPLIANCE WITH FOIA
4. APPROVAL OF AGENDA

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#### CITIZEN COMMENTS

- 
5. CITIZEN COMMENTS PERIOD – 30 MINUTES TOTAL
- 

#### WORKSHOP DISCUSSION

- 
6. US 278 CORRIDOR PROJECT STATUS
  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>

COUNTY COUNCIL OF BEAUFORT COUNTY  
OFFICE OF THE COUNTY ADMINISTRATOR  
ADMINISTRATION BUILDING  
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX  
100 RIBAUT ROAD

CHERYL H. HARRIS  
EXECUTIVE ASSISTANT

POST OFFICE DRAWER 1228  
BEAUFORT, SOUTH CAROLINA 29901-1228  
TELEPHONE: (843) 255-2023  
FAX: (843) 255-9403

MICHAEL MOORE  
COUNTY ADMINISTRATOR

[www.beaufortcountysc.gov](http://www.beaufortcountysc.gov)

**TO:** Beaufort County Council  
**FROM:** Michael Moore, County Administrator  
**DATE:** January 21, 2025  
**SUBJECT:** Update on the US 278 Corridor Project

**BACKGROUND:**

This memorandum provides an update on the US 278 Corridor Project to prepare the Council for the upcoming public workshop on January 21, 2025. Below is a summary of key events and recent developments.

**PROJECT HISTORY**

**Previous Milestones (2017 – Mid-2024)**

1. **April 17, 2017** – Initial agreement with the South Carolina Department of Transportation (SCDOT) to begin the project. (*Attachments 1–3*)
2. **September 27, 2018** – First public information meeting.
3. **July 14, 2019** – Submitted State Infrastructure Bank (SIB) Grant Proposal. (*Attachment 4*)
4. **September 19, 2019** – Second public information meeting.
5. **July 16, 2020** – SIB grant approved.
6. **November 2020–April 2021** – First independent review (County-led by HDR).
7. **July 22, 2021** – Public hearing on the Preferred Alternative.
8. **November 15, 2021** – Received MKSK comments from the Town of Hilton Head Island (HHI).
9. **November 30, 2021** – Executed SIB intergovernmental agreement (IGA). (*Attachment 5*)
10. **March 3, 2022** – Third public information meeting (Modified Preferred Alternative).

- 11. October 21, 2022** – First memorandum of agreement (MOA) with HHI for an additional independent review. (*Attachment 6*)
- 12. March–September 2023** – Second independent review (joint County & Town effort by CBB).
- 13. December 2023–June 2024** – Third independent review (Town-led by Lochmueller Group).

## **CURRENT HISTORY (Last 6 months)**

### **1. SIB Discussion on Project Status – May 29th, 2024**

A meeting was held at SCDOT with representatives from the South Carolina State Infrastructure Bank (SIB), Beaufort County Legislative Delegation members, SCDOT, and Beaufort County to discuss the recent project cost increase and the overall project status.

The County highlighted a \$190 million funding shortfall and proposed a pro-rata cost-sharing arrangement consistent with the funding split outlined in the original grant application. The proposal included the following:

- An additional \$90 million from the County.
- An additional \$90 million from SIB.
- An additional \$10 million from SCDOT.

The County's portion of the funding would be placed on the November 2024 Transportation Sales Tax Referendum. While SIB Chairman White did not agree to or deny the request, he noted that the SIB would evaluate this proposal alongside other grantees facing similar cost overruns.

#### **Meeting Attendees:**

- South Carolina Infrastructure Bank
  - SC Senator John B. White, Jr., Chairman
  - Charles Cannon, Executive Director
  - Rob Tyson, SIB Attorney
- Beaufort County Delegation
  - SC Senator Tom Davis
  - SC Representative Bill Herbkersman
  - SC Representative Weston Newton
- SCDOT:
  - Justin Powell, Secretary of Transportation
  - Rob Perry, PE, Deputy Secretary for Engineering
  - Karl McCottry, Deputy Secretary for Finance & Administration
  - Allen Hutto, Chief of Staff
  - Barbara Wessinger, Chief Counsel

- Maggie Hendry, Chief Administrative Officer
  - John Boylston, PE, Chief Engineer for Program Delivery\*
  - Julie Barker, PE, Director of Preconstruction\*
  - Craig Winn, PE, Lowcountry Program Manager
  - Beaufort County:
    - Joe Passiment, County Council Chairman\*
    - John Robinson, Interim County Administrator\*
    - Jared Fralix, PE, Assistant County Administrator
- \*Position held at the time of the meeting

## **2. SIB Follow Up – June 14, 2024**

The SIB followed up on the May 29 meeting, requesting additional updates on several key aspects of the project, including (*Attachment 7*):

- Progress on obtaining municipal consent.
- The County's plan to address the \$190 million funding shortfall.
- Revisions to the Intergovernmental Agreement (IGA) to reflect updated terms, including funding commitments and the project completion timeline.

## **3. Memorandum of Agreement (MOA) Approval – June 28, 2024**

Town Council approved an MOA with Beaufort County, granting municipal consent for the project. (*Attachment 8*)

## **4. County Project Update to SIB – July 3, 2024**

During the final two weeks of June, the project achieved two significant milestones (*Attachment 9*):

1. On June 26, 2024, County Council approved an ordinance placing the Transportation Sales Tax Referendum on the November 2024 ballot, which included \$90M for the US 278 Corridor Project.
2. On June 28, 2024, Hilton Head Island Town Council granted municipal consent to the project.

## **5. County MOA Response - November 27, 2024**

County proposed bifurcating the MOA into two agreements: one for the bridge and corridor project, the other for community-related elements in the Stoney Historic Community. Town Attorney Curtis Coltrane reviewed these proposals. (*Attachments 10-13*)

## **6. SIB Funding Plan Request – November 7, 2024**



Following the failure of the 2024 Transportation Sales Tax referendum, the SIB requested an updated funding plan by November 7, 2024, allowing 15 days for a response. (*Attachment 14*)

## **7. SCDOT Coordination and Deadline – November 18, 2024**

SCDOT set a March 31, 2025, deadline for project coordination to address the deficient bridge. (*Attachment 15*)

## **8. SIB Meeting – November 20, 2024**

SIB approved Senator Tom Davis' request on behalf of the County for an extension until March 31, 2025, to develop a funding strategy for the project.

## **9. County/Town Meeting – December 6, 2024**

A joint County-Town meeting with legislative representatives committed to refining cost estimates, identifying funding sources, and determining the next steps.

### Meeting Attendees:

- SC Senator Tom Davis
- Beaufort County:
  - Joe Passiment, County Council Chairman\*
  - Larry McElynn, County Council Vice Chairman\*
  - Alice Howard, Councilwoman
  - Michael Moore, Administrator
  - Jared Fralix, PE, Assistant County Administrator

\*Position held at the time of the meeting

- Town of Hilton Head Island:
  - Alan Perry, Mayor
  - Alex Brown, Councilman
  - Marc Orlando, Town Manager
  - Shawn Colin, Assistant Town Manager

## **10.SCDOT Meeting – December 19, 2024**

A meeting with SCDOT in Columbia addressed funding shortfalls, scope adjustments, and potential delays.

### Meeting Attendees:

- SC Senator Tom Davis
- SCDOT:
  - Justin Powell, Secretary of Transportation

- Rob Perry, PE, Deputy Secretary for Engineering
- John Boylston, Chief Engineer for Program Delivery
- Maggie Hendry, Chief Administrative Officer
- Casey Lucas, PE, Regional Production Group Engineering
- Craig Winn, PE, Lowcountry Program Manager
- Beaufort County:
  - Michael Moore, County Administrator
  - Jared Fralix, PE, Assistant County Administrator
- Town of Hilton Head Island:
  - Shawn Colin, Assistant Town Manager

The group discussed the project's funding status, potential additional funding sources, and options to address deficiencies based on available funds. Key topics discussed were as follows:

### **Key Issues and Considerations**

#### **Funding Shortfall:**

The current project cost estimate is \$490 million, with a \$190 million funding gap.

#### **Project Options:**

- Option A: Secure additional funding to proceed with the entire project.
- Option B: Adjust scope to fit available funding of \$300 million.
- Option C: Reduce the budget to \$180 million if SIB funding is withdrawn.

#### **Potential Impacts of Adjustments:**

- Revising the Environmental Assessment (NEPA) and modifying SIB agreements could delay the project by 9–12 months.

#### **Next Steps**

1. January 21, 2025: SCDOT will present updated cost estimates at the planned staff SCDOT, County, Town meeting.
2. February 2025: Anticipated meeting with SIB to explore funding strategies.

### **11. Modified Project Proposed Alternative – January 9, 2025**

Senator Tom Davis, supported by Representatives Jeff Bradley, Weston Newton, and Bill Herbkersman, sent a letter to the County and the Town of Hilton Head Island proposing a modified project alternative. The proposal outlined a \$300 million project plan that prioritizes:

- Constructing a new 3-lane eastbound bridge from the mainland to Hilton Head Island.
- Retaining the existing 2-lane westbound bridges.
- Utilizing remaining funds for roadway improvements.

The proposal emphasizes replacing the deficient eastbound bridge and improving capacity while minimizing the need for additional local contributions. It also recommends developing a master plan to guide future roadwork enhancements. (*Attachment 16*)

## **12.Hilton Head Island Project Workshop Meeting - January 9, 2025**

Hilton Head Island Town Council held a workshop to discuss the US 278 Corridor project. Key speakers included:

- Marc Orlando, Town Manager, and Shawn Colin, Town Project Manager, who provided updates on project developments since June 28, 2024, when the Town granted municipal consent.
- Senator Tom Davis presented the proposed modified project alternative.
- County Council Chairwoman Alice Howard, who offered the County's perspective.

Town Council deliberated on project components, including the funding shortfall and the feasibility of Senator Davis' proposal. No formal action was taken, but there was apparent interest in pursuing the modified alternative.

### Meeting Attendees:

- Hilton Head Island Town Council and staff
- SC Senator Tom Davis
- Beaufort County:
  - Alice Howard, County Council Chairwoman
  - Tab Tabernik, County Council Vice Chairwoman
  - Tom Reitz, Councilman
  - Larry McElynn, Councilman
  - Paula Brown, Councilwoman
  - Michael Moore, County Administrator
  - Jared Fralix, PE, Assistant County Administrator
- Public Citizens

## **13.Scheduled SCDOT Meeting - January 21, 2025**

A meeting is scheduled for January 21, 2025, at 9:30 a.m. at the SCDOT Administration Building in Columbia, South Carolina. This meeting will include representatives from SCDOT, the County, and the Town of Hilton Head Island. Key topics to be discussed include:

- Updated cost estimates from SCDOT.
- Feasibility of Senator Davis' modified project alternative.
- Plans to address SIB's March 31, 2025, deadline.

Planned Meeting Attendees:

- SC Senator Tom Davis
- SCDOT:
  - Justin Powell, Secretary of Transportation
  - Rob Perry, PE, Deputy Secretary for Engineering
  - Craig Winn, PE, Lowcountry Program Manager
- Beaufort County:
  - Michael Moore, County Administrator
  - Jared Fralix, PE, Assistant County Administrator
- Town of Hilton Head Island:
  - Marc Orlando, Town Manager
  - Shawn Colin, Assistant Town Manager

**ATTACHMENTS:**

1. Financial Participation Agreement between Beaufort County & SCDOT dated April 17, 2017
2. Financial Participation Agreement – Supplemental #1 between Beaufort County & SCDOT dated April 3, 2020
3. Financial Participation Agreement – Supplemental #2 between Beaufort County & SCDOT dated March 7, 2023
4. State Infrastructure Bank Grant Application dated July 14, 2019
5. Intergovernmental Agreement between Beaufort County and the State Infrastructure Bank dated November 30, 2021
6. Memorandum of Agreement #1 Between County and Town dated October 21, 2022
7. Letter from SIB to County dated June 14, 2024
8. Memorandum of Agreement #2 Between County and Town Approved by Town Council on June 28, 2024
9. Letter from County to SIB dated July 3, 2024
10. Response Letter from Beaufort County Administrator dated November 26, 2024
11. Beaufort County Proposed MOU for "Bridge and Corridor"
12. Beaufort County Proposed MOU for "Stoney Historic Community"
13. Curtis Coltrane Review of Beaufort County Proposed MOUs for "Bridge and Corridor" and for "Stoney Historic Community" dated December 6, 2024
14. Letter from South Carolina State Infrastructure Bank to Beaufort County dated November 7, 2024
15. Letter from SCDOT to Beaufort County dated November 18, 2024
16. Letter from Senator Davis to Beaufort County and Town dated January 9, 2025

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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 27<sup>th</sup> day of April, 2012, 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.

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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

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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.

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- 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.



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- 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

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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 Invalidity 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.

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- 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]*

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

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF

Chris Harris  
Witness

BEAUFORT COUNTY

By: [Signature]  
(Signature)

Title: Administrator

SOUTH CAROLINA DEPARTMENT OF  
TRANSPORTATION

Catharine L. Brooks  
Witness

Kyle A. Smith  
By: Mr. Brian W. Keys  
Deputy Secretary for Finance and Administration  
or Designee

RECOMMENDED BY:

[Signature]  
Deputy Secretary or Designee

REVIEWED BY:

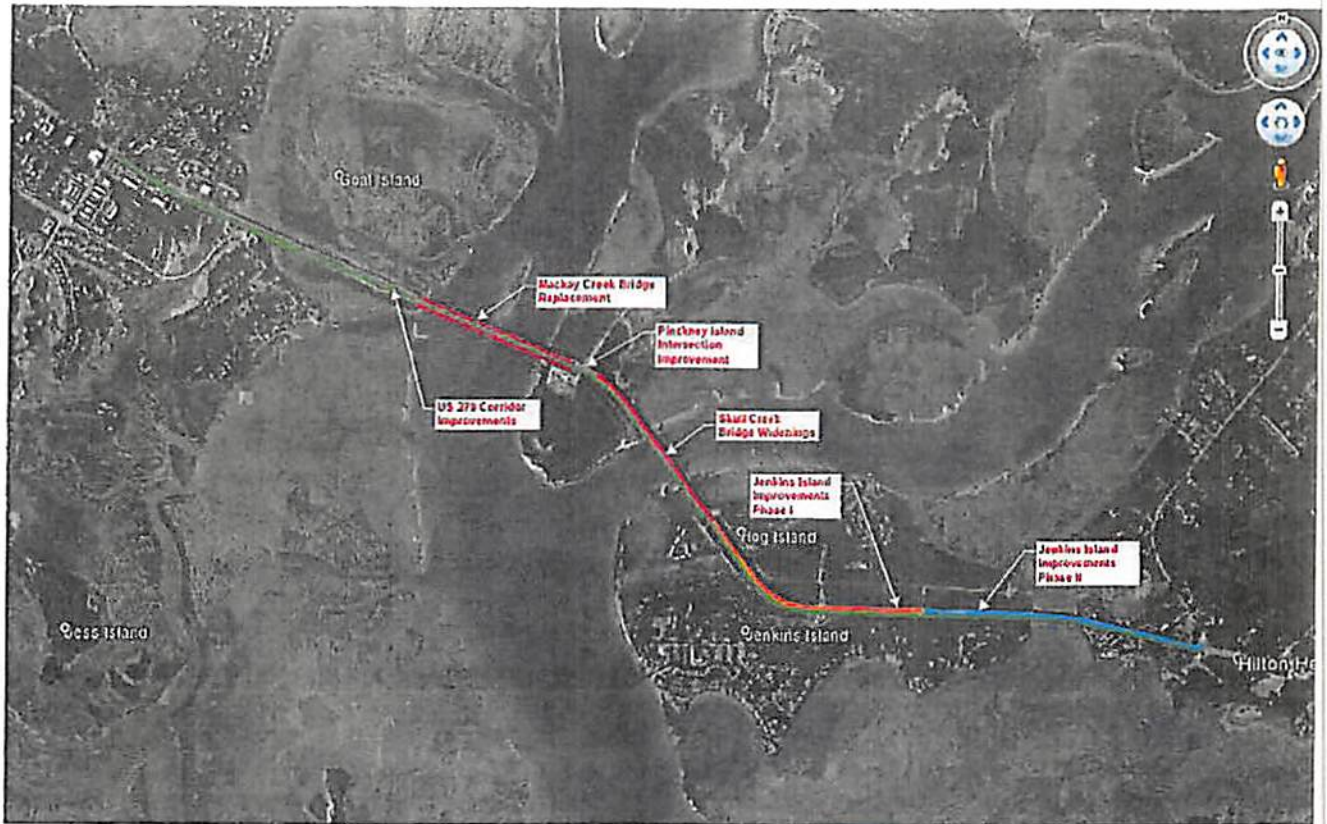
Brent Rennie

Title: RDGI Engineer

PROFESSIONAL SERVICES CONTRACTING

By: [Signature]  
Chief Procurement Officer or Designee

Exhibit A



**SCDOT USE ONLY**

Start Date: April 30, 2020

Completion Date: Dec 31, 2024

CFDA No. 20.205

Highway Planning & Construction

FAIN: \_\_\_\_\_

**SCDOT USE ONLY**

WBS No.: \_\_\_\_\_

Functional Area: \_\_\_\_\_

Commitment Item: \_\_\_\_\_

Organization Unit: \_\_\_\_\_

PIN: **P030450**

DUNS: \_\_\_\_\_

SUPPLEMENTAL No. 1  
TO THE  
AGREEMENT BETWEEN THE  
SOUTH CAROLINA  
DEPARTMENT OF TRANSPORTATION  
AND  
BEAUFORT COUNTY

THIS SUPPLEMENTAL No. 1 agreement is made and entered into this 30<sup>th</sup> day of April, 2020, by and between the South Carolina Department of Transportation (hereinafter "SCDOT") and Beaufort County (hereinafter "COUNTY") (collectively "the Parties") to modify the funding specified in the Original Agreement.

WHEREAS, on April 27, 2017, the Parties hereto entered into an Agreement, FPA-29-17 (hereinafter "Original Agreement"), for the planning and implementation of the US 278 Corridor Improvements in Beaufort County; and

WHEREAS, the Parties desire to amend the Original Agreement to modify the total PROJECT cost, funding amounts, and funding sources from those specified in the Original Agreement;

The Parties therefore amend and restate Section III of the Original Agreement to read in its entirety as follows:

**III. FUNDING**

**A. PROJECT COST**

The estimated PROJECT cost is \$6,200,000.00. SCDOT will contribute \$2,046,000.00 of Federal Bridge Interstate / NHS Funds as initially 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. COUNTY will contribute \$2,154,000.00.

**B. INVOICING AND PAYMENT**

SCDOT will invoice COUNTY based on this Agreement approximately 30 days after execution of this Agreement.

COUNTY shall remit the invoiced amount to SCDOT within thirty (30) days.

**C. 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 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.

**D. 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 LATA, with unspent funds remaining with their sources. Any refunds will not be unreasonably withheld, delayed, or denied.

**E. 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.

All other terms and conditions of the Original Agreement not changed, modified, or supplemented by this Amendment shall remain in full force and effect as originally written.

*[Signature blocks on next page]*



FPA-29-17  
Supplemental No. 1

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

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF

BEAUFORT COUNTY

C. Lynn Harris  
Witness

By: Ashley M. Jacobs  
(Signature)

Title: County Administrator

DUNS No.: 57-6000311

SOUTH CAROLINA DEPARTMENT OF  
TRANSPORTATION

C. S. Smith  
Witness

By: [Signature]  
Deputy Secretary for Finance & Administration or  
Designee

RECOMMENDED BY:

[Signature]  
Deputy Secretary or Designee

REVIEWED BY:

By: [Signature]  
Title: Program Manager

PROFESSIONAL SERVICES CONTRACTING

By: [Signature]  
Chief Procurement Officer or Designee

Supplemental No. 2  
To the  
Financial Participation Agreement  
Between the  
South Carolina Department of Transportation  
And  
Beaufort County

This Supplemental Agreement is made and entered into this 7<sup>th</sup> day of March, 2023, by and between the South Carolina Department of Transportation (hereinafter "SCDOT"), and Beaufort County (hereinafter "COUNTY") (collectively "the Parties") for Phase II of the US 278 Corridor Improvements Project.

WITNESSETH THAT:

WHEREAS, on April 17, 2017, the Parties hereto entered into an Agreement, FPA-29-17 (hereinafter the "Original Agreement"), for the planning and implementation of the US 278 Corridor Improvements in Beaufort County; and

WHEREAS, on April 30, 2020, the Parties hereto entered into the first Supplemental Agreement (hereinafter "Supplemental No. 1") to modify the Project costs, funding amounts, and funding sources from those specified in the Original Agreement; and

WHEREAS, the Parties now desire to further amend the Original Agreement to cover Phase II of the US 278 Corridor Improvements Project; 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 functions covered under this Agreement; and

WHEREAS, this second Supplemental Agreement (hereinafter "Supplemental No. 2") shall serve as the "new agreement" contemplated by Sections II and IV of the Original 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 remaining preliminary engineering necessary to complete the final design; all necessary right-of-way acquisition; Project organization and management; field surveys; final geotechnical service; final bridge and roadway plans; final hydrology and hydraulic design; subsurface engineering; final utility report; public involvement; environmental permits; construction letting; construction administration; and construction engineering and inspection (CE&I) for Phase II of the US 278 Corridor Improvements Project. The Project shall include the portion of US 278 between Moss Creek Drive (Local Road) and Spanish Wells Road (S-7-79).

Additional Project details are available in the COUNTY's application to and agreement with the South Carolina Transportation Infrastructure Bank, both incorporated herein by reference.

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

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

## **II. PROJECT SCOPE**

SCDOT shall be responsible for all work to be performed pursuant to this Agreement.

SCDOT does not guarantee completion of the PROJECT within the proposed budget for the PROJECT.

## **III. FUNDING**

- A. COUNTY estimates the total cost for the PROJECT to be \$298,850,000. The total cost shall include all allowable and allocable costs for the PROJECT. The total cost shall also include costs for oversight and administration, including but not limited to, attending public hearing(s), project location, design, other engineering services, and inspection and testing performed by SCDOT in accordance with applicable state and federal requirements.
- B. SCDOT's maximum funding for the PROJECT is \$74,500,000. This includes \$2,000,000 in LATS Guideshare funding and \$2,805,000 of Interstate / NHS Bridge funding already utilized in the Original Agreement. The remaining \$69,695,000 will come from Interstate / NHS Bridge funding. If COUNTY requests additional Guideshare funding from LATS, the Interstate / NHS Bridge funding will decrease by the same amount to keep the maximum funding at \$74,500,000.
- C. COUNTY has entered into a grant agreement with the South Carolina Transportation Infrastructure Bank in an amount not to exceed \$120,000,000. This amount may only be used for construction expenses.

- D. The Town of Hilton Head is contributing real property valued at \$3,350,000 for right-of-way purposes. COUNTY is responsible for obtaining this dedication and all documentation necessary to convey the right-of-way to SCDOT upon PROJECT completion.
- E. COUNTY's commitment is currently estimated at \$101,000,000. COUNTY is responsible for 100% of the total cost of the PROJECT excluding SCDOT's maximum funding as identified in Paragraph B above. The breakdown of the COUNTY's commitment is as follows:

\$13,000,000.00	Preliminary Engineering
\$ 1,490,000.00	Right of Way
\$86,510,000.00	Construction

- F. COUNTY has previously paid \$6,710,000.00 towards Preliminary Engineering. SCDOT will invoice COUNTY for the remainder of the Preliminary Engineering Cost of \$6,290,000.00 based on this Agreement approximately 30 days after execution of this Agreement. SCDOT will invoice COUNTY \$1,490,000.00 for Right of Way in **April 2023**. SCDOT will invoice COUNTY \$86,510,000.00 for CONSTRUCTION in **April 2024**.

- G. COUNTY agrees to remit the invoiced amount to SCDOT within 30 days of receipt of the invoice.

- H. Funding Summary:

Fund Priority	Fund Source	Total Amount	Federal Share	Federal Amount (Maximum)	State Share	State Amount	Other Share	Other Amount	Other Source
1	System Upgrade - Urban LATS Guideshare Funds (CFDA# 20.205)	\$ 2,000,000.00	80%	\$ 1,600,000.00	20%	\$ 400,000.00	0%	\$ -	n/a
2	Interstate/NHS Funding (CFDA# 20.205)	\$ 72,500,000.00	80%	\$ 58,000,000.00	20%	\$ 14,500,000.00	0%	\$ -	n/a
3	Beaufort County	\$ 101,000,000.00	0%	\$ -	0%	\$ -	100%	\$ 101,000,000.00	Beaufort County
4	State Infrastructure Bank	\$ 120,000,000.00	0%	\$ -	0%	\$ -	100%	\$ 120,000,000.00	State Infrastructure Bank
5	Town of Hilton Head	\$ 3,350,000.00	0%	\$ -	0%	\$ -	100%	\$ 3,350,000.00	Town of Hilton Head (Contribution of Real Property)
Total Project Cost		\$ 298,850,000.00		\$ 59,600,000.00		\$ 14,900,000.00		\$ 221,000,000.00	

#### IV. SCDOT WILL:

- A. Assign an SCDOT employee to serve as liaison and contact between the Parties hereto.
- B. Plan PROJECT and all work to be performed pursuant to this Agreement.
- C. Prepare a detailed scope of work, budget, and schedule for the PROJECT.

- D. Perform all work necessary to design, construct, and inspect the PROJECT according to SCDOT policies and directives.
- E. Provide updates to COUNTY, as needed, on the status of the PROJECT and funds.
- F. 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.
- G. 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.
- H. Be entitled to bill or draw payment at its normal and customary billing rates for services by its in-house personnel.
- I. Be entitled to draw reimbursement for payments made to outside consultants and contractors for services hereunder.
- J. Within the limitations of the South Carolina Tort Claims Act, be responsible for any loss resulting from bodily injuries (including death) or damages to property, arising out of any act or failure to act on SCDOT's part, or the part of any employee or agent of SCDOT in performance of the work undertaken under this Agreement.

**V. COUNTY WILL:**

- A. Provide funding for the PROJECT as specified in Section III of this Agreement.
- B. Assign an employee to serve as liaison and contact between the Parties hereto.
- C. Obtain and deliver to SCDOT any municipal consent required pursuant to South Carolina Code of Laws Section 57-5-820. The forgoing consent shall be the sole approval necessary for SCDOT to complete the PROJECT as described in this Agreement, and constitutes a waiver of any and all other requirements with regard to the construction within municipality's corporate limits.
- D. Within the limitations of the South Carolina Tort Claims Act, COUNTY will be responsible for any loss resulting from bodily injuries (including death) or damages to property, arising out of any act or failure to act on COUNTY's part, or the part of any employee or agent of COUNTY in performance of the work undertaken under this Agreement.

**VI. MAINTENANCE RESPONSIBILITIES**

- A. SCDOT will accept maintenance responsibility only for standard transportation materials, structures, and workmanship within SCDOT rights-of-way according to common local practices. For those items which will be maintained by SCDOT, SCDOT will accept maintenance responsibility after construction of the PROJECT is complete and the PROJECT is accepted by SCDOT.
- B. COUNTY will be responsible for maintenance of any special or non-standard features incorporated into the PROJECT. Maintenance of any special or non-standard features will be addressed in a separate maintenance agreement between the Parties.

## VII. GENERAL TERMS

- A. PERIODIC REPORTS. SCDOT's Project Manager will periodically update PARTICIPANT on the status of the PROJECT and funds.
- B. COST UNDERRUNS. In the event that total cost of the PROJECT is less than originally estimated, SCDOT will refund any excess amount paid (as determined based on final share ratio) to SCDOT by COUNTY within 30 days of the final completion and closure of the PROJECT within SCDOT's accounting office. Refunds will not be unreasonably withheld, denied, or delayed. SCDOT shall retain the remaining PROJECT funds. No additional work shall be added to the PROJECT even if there are cost underruns or PROJECT award underruns. At PARTICIPANT's request, SCDOT may consider an exception to this requirement on a case by case basis.
- C. COST OVERRUNS. If it becomes apparent that the cost of the PROJECT will exceed the funding available, SCDOT will provide COUNTY notice prior to total expenditure of funding available and provide the estimate of funds needed to complete the PROJECT. COUNTY shall remit to SCDOT within 30 days of receipt of the notice the additional funds needed to complete the PROJECT. No work will be completed beyond that covered by the available funds. If COUNTY does not have the additional funding needed to complete the PROJECT, SCDOT and COUNTY will mutually agree on a revision to the PROJECT scope and termini that is in accordance with the available budget and maintains eligibility for funds used to date. PARTICIPANT will be 100% responsible for the cost of overruns. SCDOT will not participate in the cost of overruns.
- D. 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.
- E. AMENDMENTS. COUNTY, 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.

- F. REVIEWS/APPROVALS. Any and all reviews and approvals required of the Parties herein shall not be unreasonably denied or withheld.
- H. TERMINATION. This Agreement may be terminated by COUNTY upon written notice provided that COUNTY covers all costs incurred prior to termination and as the result of termination, including any required repayment of federal funds. If COUNTY fails to advance the Project to completion, SCDOT may terminate the Agreement upon written notice and COUNTY shall be responsible for all costs incurred prior to termination and as the result of termination, including any required repayment of federal funds. Upon written notification of termination, all work on the PROJECT shall cease, unless otherwise directed.
- I. DISPUTES. All claims or disputes shall be filed with the SCDOT Project Manager and the Parties will meet to attempt to resolve the dispute or claim. If unable to resolve the dispute with the SCDOT Project Manager, COUNTY may appeal the claim or dispute to SCDOT's Deputy Secretary for Engineering. The decision of SCDOT's Deputy Secretary for Engineering in the matter shall be final and conclusive for both Parties.
- J. FUTURE CONSTRUCTION PROJECTS. COUNTY acknowledges SCDOT's resurfacing program and other construction programs do not account for the cost of protecting and/or replacement of enhancements. This cost is the sole responsibility of COUNTY. SCDOT will notify COUNTY prior to resurfacing or construction and provide a time period for COUNTY to provide the additional funding for one of the following:
- 1) The additional cost to protect the enhancement; or
  - 2) The cost for SCDOT to replace the enhancement.

Failure of COUNTY to provide the additional funding within the time period specified by SCDOT will result in SCDOT's milling and resurfacing the enhancement. COUNTY may replace the enhancement at COUNTY's expense after resurfacing or construction by encroachment permit.

- K. SUCCESSORS AND ASSIGNS. SCDOT and COUNTY each bind themselves and their respective successors, executors, administrators, and assigns to the other Party with respect to these requirements, and also agrees that neither Party shall assign, sublet, or transfer its interest in the Agreement without the written consent of the other.

- L. 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.
- M. 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.
- N. 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.
- O. 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.
- P. ENTIRE AGREEMENT. This Agreement with attached Exhibits and Certification constitutes the entire Agreement between the Parties. The Agreement is to be interpreted under the laws of the State of South Carolina.
- Q. Any terms and conditions of the Original Agreement and Supplemental No. 1 not changed, modified, or supplemented by this Supplemental Agreement shall remain in full force and effect as originally written.

*[Signature blocks on next page]*



FPA-29-17  
Supplement 2

SCDOT Project No. P030450

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

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF

BEAUFORT COUNTY

Cheryl Harris  
Witness

By: Eric L. Greenway  
(Signature)  
Title: County Administrator

SOUTH CAROLINA DEPARTMENT OF  
TRANSPORTATION

Cathleen Bush  
Witness

By: Michelle Kary  
Deputy Secretary for Finance & Administration  
or Designee

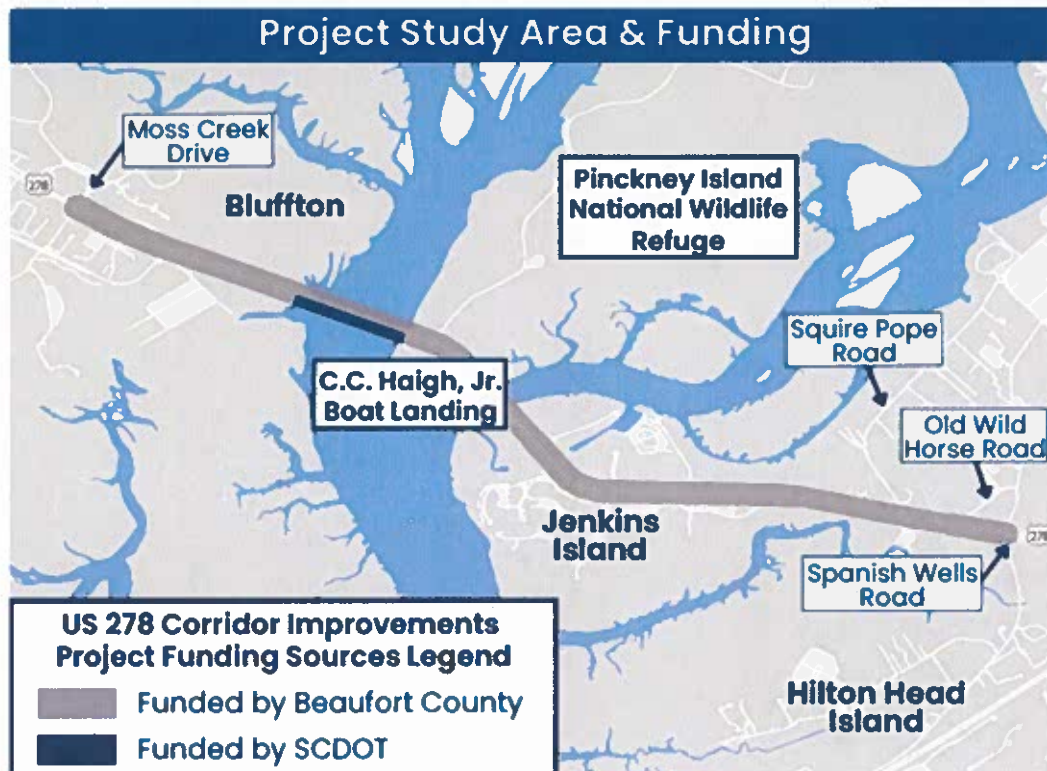
RECOMMENDED BY:

By: [Signature]  
Deputy Secretary for Engineering or Designee

REVIEWED BY:

By: Craig V. [Signature]

EXHIBIT A  
PROJECT DETAILS  
PROJECT AREA MAP





# Beaufort County - US 278 Corridor Improvement Project

## STATE INFRASTRUCTURE BANK APPLICATION



Date: July 24, 2019





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## 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
<i>Per Section 5.25</i>	
Federal Guidesshare / 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
<b>Total Project Risk</b>	<b>\$272,370,112</b>

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

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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:

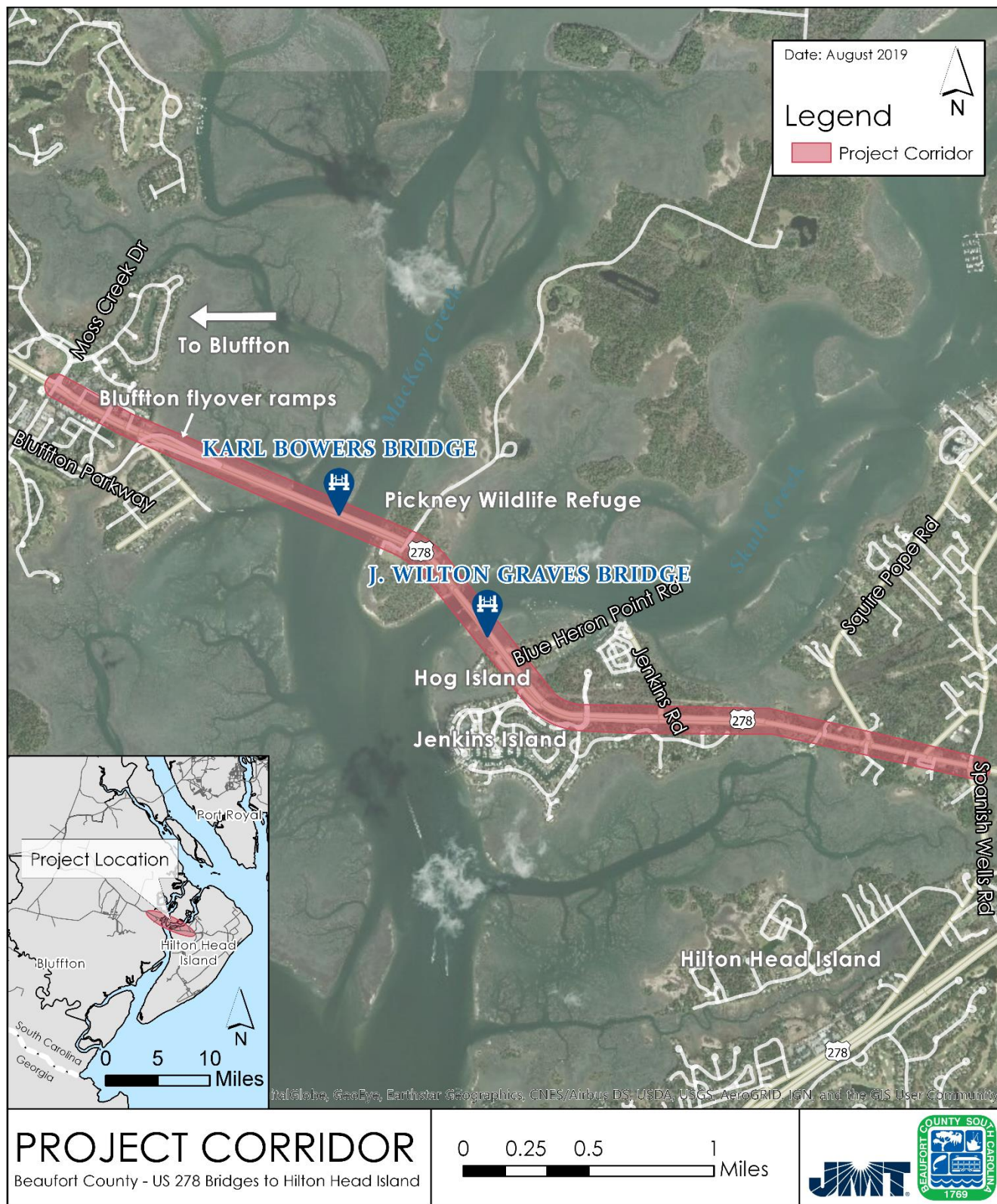
- Modifications to the remaining three bridge structures;
- Improved access to Pinckney Island National Wildlife Refuge; and
- Improved access to the C.C. Haigh, Jr. boat ramp.

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)<sup>1</sup>, 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).

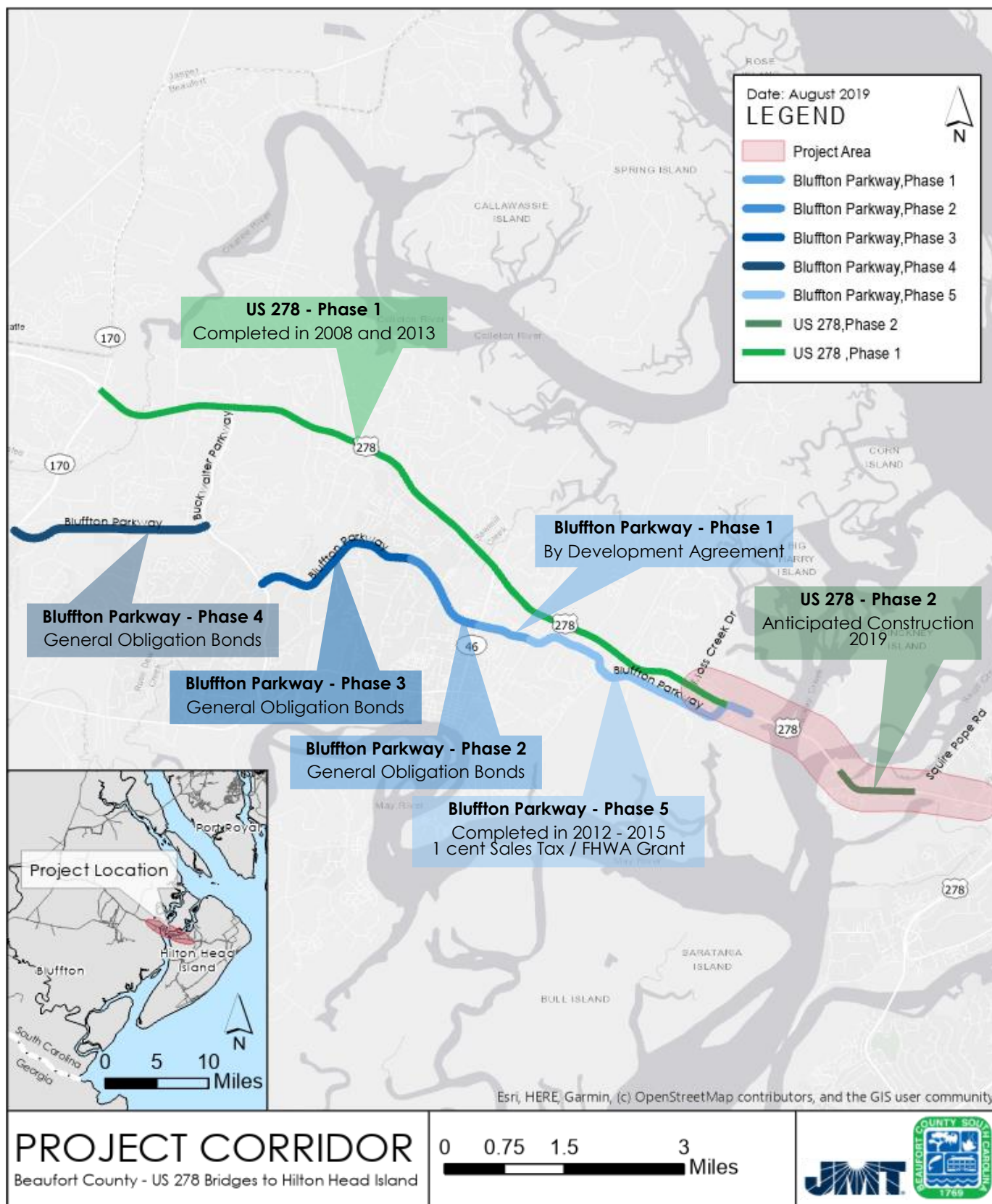
**US 278 Phase 1 (Funded by Beaufort County and SCDOT)** – Construction completed 2008 - 2013, the mainland portions of US 278 were widened from four to six lanes from SC 170 to the approaches to the Atlantic Intracoastal Waterway. This section of roadway was widened to increase safety and capacity resulting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

<sup>1</sup> 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
<b>GOAL: MOBILITY AND SYSTEM RELIABILITY</b>	
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.	✓
<b>GOAL: SAFETY AND SECURITY</b>	
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.	✓
<b>GOAL: INFRASTRUCTURE CONDITION</b>	
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.	✓
<b>GOAL: ECONOMIC AND COMMUNITY VITALITY</b>	
Utilize the existing transportation system to facilitate enhanced freight movement to support a growing economy.	✓
<b>GOAL: ENVIRONMENT</b>	
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.	✓
<b>GOAL: EQUITY</b>	
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)



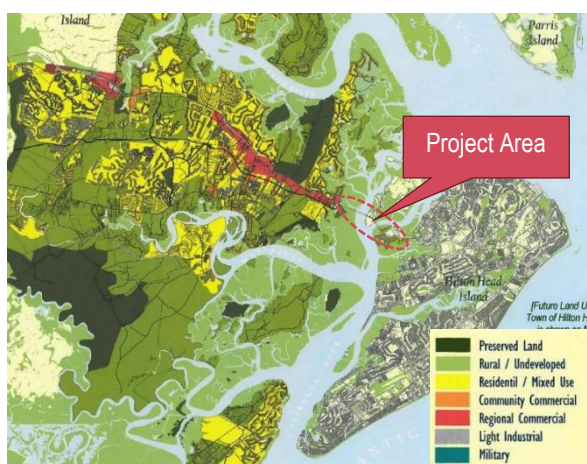
## CONSISTENCY WITH LOCAL LAND USE PLANS

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.

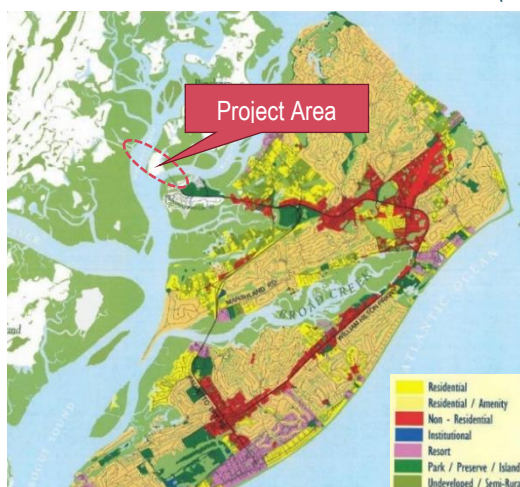
The project is located within a rural / undeveloped land use area providing the transportation linkage between regional commercial land along the US 278 corridor in Bluffton and a mix of lands use types on Hilton Head Island including park, non-residential, and residential land.

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.

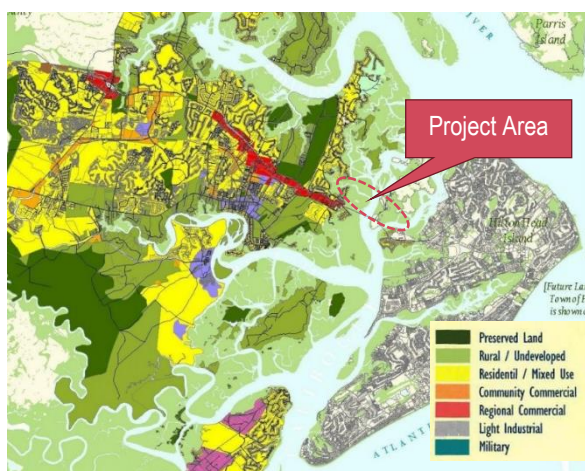
**MAP 3: EXISTING LAND USE / BLUFFTON AREA**  
BEAUFORT COUNTY COMPREHENSIVE PLAN (2010)



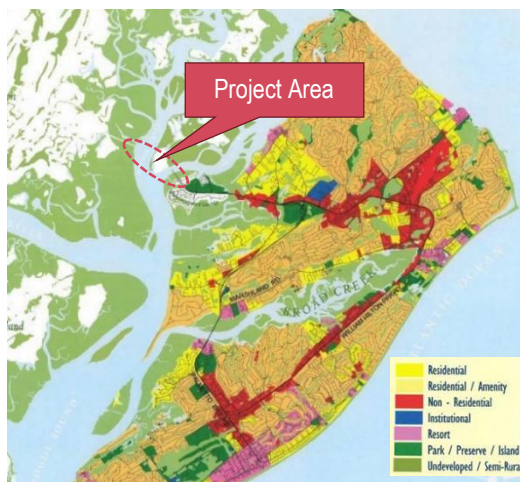
**MAP 4: EXISTING LAND USE / HILTON HEAD ISLAND**  
BEAUFORT COUNTY COMPREHENSIVE PLAN (2010)



**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

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<sup>2</sup>, 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.<sup>3</sup> 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*.



IMAGE 2: US 278 APPROACHING BRIDGES

### 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.

<sup>2</sup> SCDOT, *Average Annual Daily Traffic Sheets, Beaufort County* (2018)

<sup>3</sup> SCDOT, *Average Annual Daily Traffic Sheets, Jasper County* (2017)





## 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<sup>2</sup> 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.

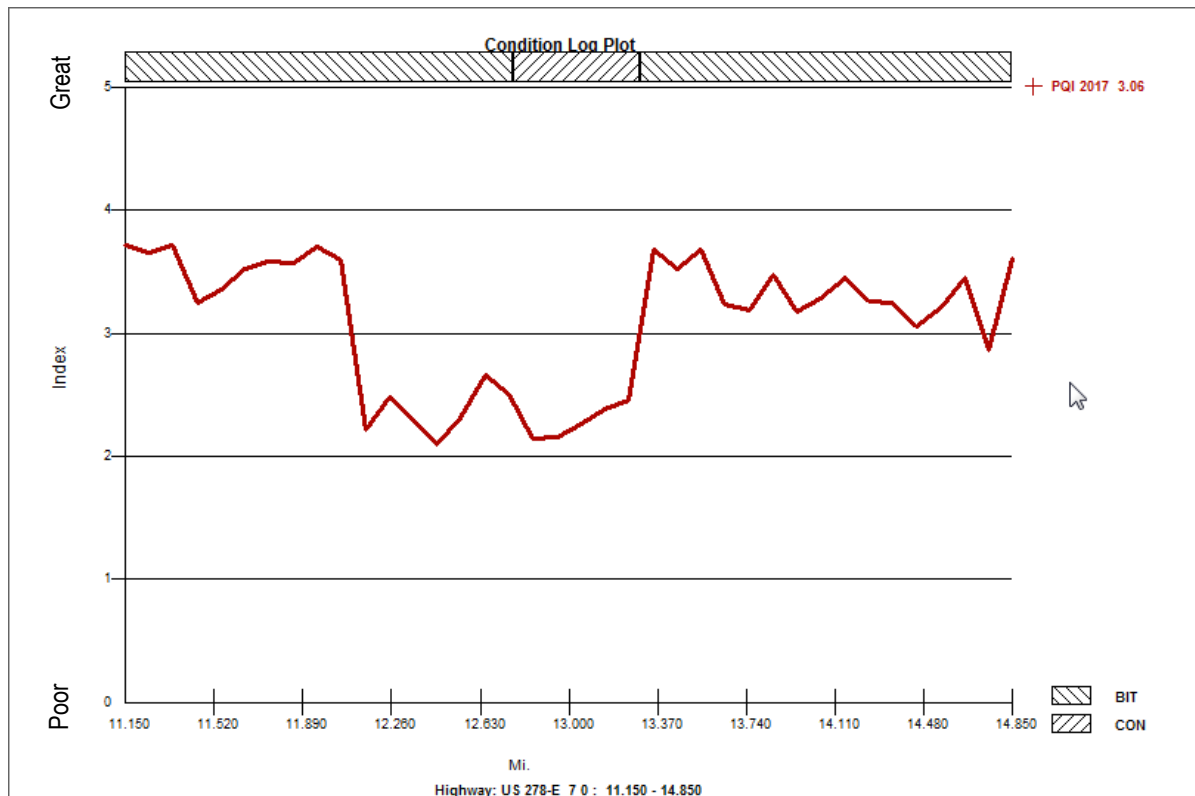


## PAVEMENT QUALITY

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.<sup>4</sup> 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)



<sup>4</sup> SCDOT, *The State of the Pavement Report*, (2014)



IMAGE 4: TRAFFIC CRASH

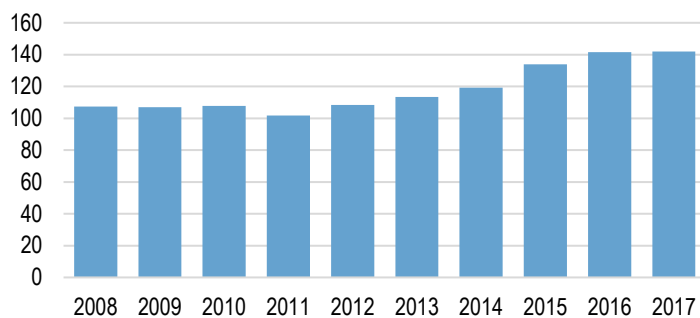
## SOUTH CAROLINA CRASH STATISTICS

South Carolina has one of the highest rates of traffic fatalities per 100 million vehicle miles traveled in the country<sup>5</sup>

- **One person is killed** every **8.9 hours** on South Carolina roadways.<sup>6</sup>
- **One person is injured** every **8.7 minutes**.<sup>6</sup>
- **One traffic collision** occurs every **3.7 minutes**.<sup>6</sup>

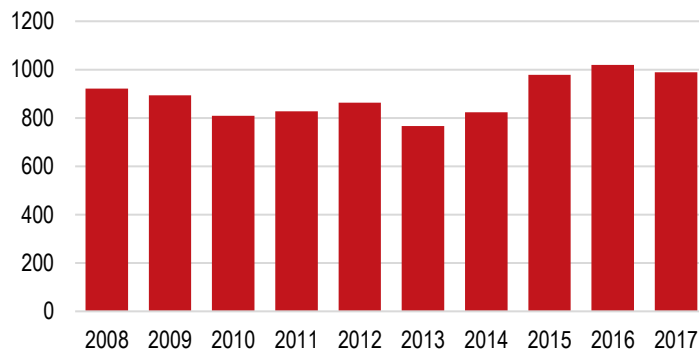
Collisions, resulting injuries, and fatalities are on the rise in South Carolina (Charts 2 & 3), these trends are far exceeding the national average (See Chart 4).

**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)**

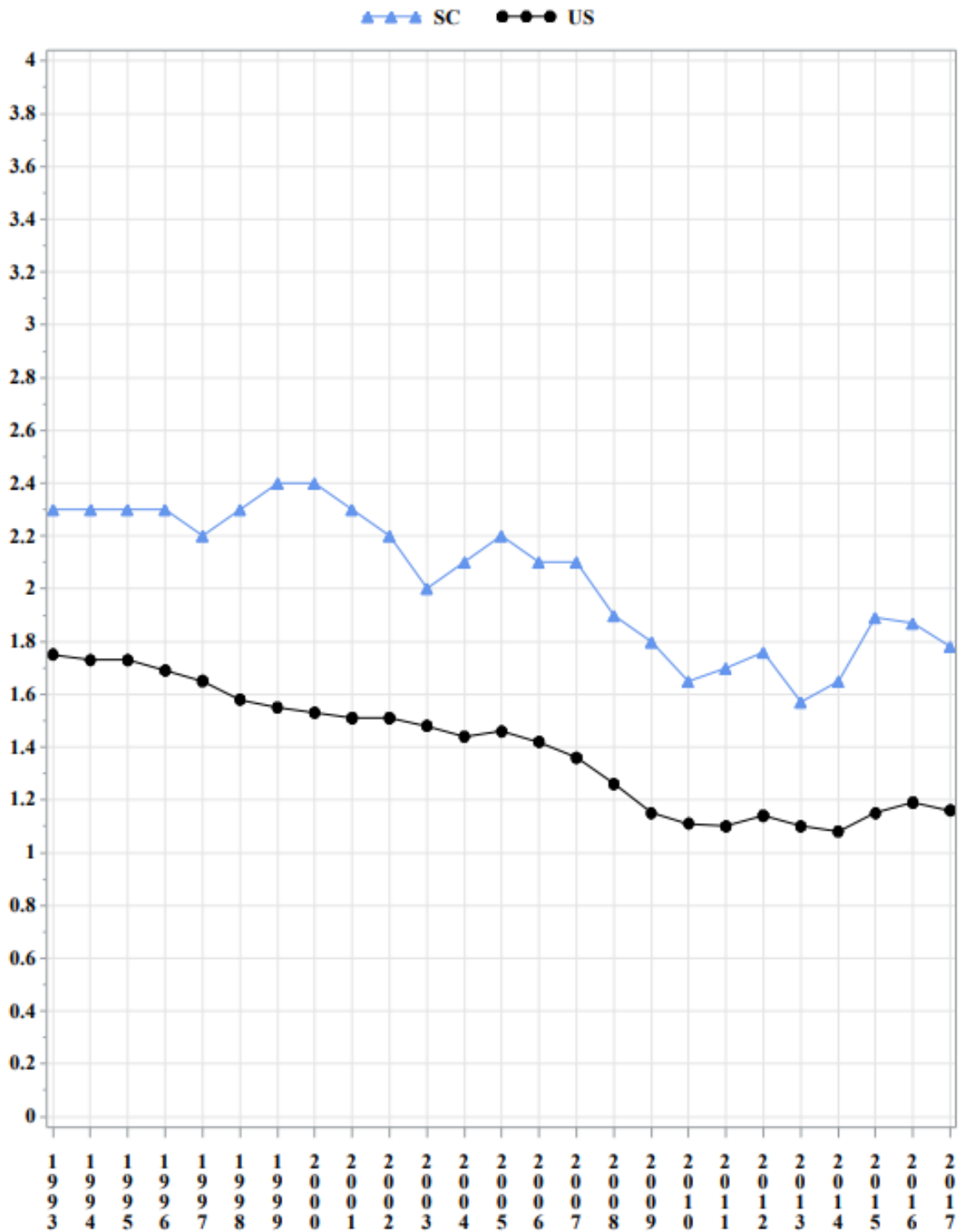


Data Source: South Carolina Traffic Collision Fact Book 2017

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

<sup>6</sup> 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.**<sup>5</sup> 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).<sup>7</sup>

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
<b>2014-2018 Total Crashes</b>	<b>648</b>
Rear End	412
Angle	93
Sideswipe	59
Head On	4
Run Off Road	60
Animal	1
Bicycle	0
Pedestrian	2
Other	17
<b>Total Crashes</b>	<b>648</b>

<sup>7</sup> 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

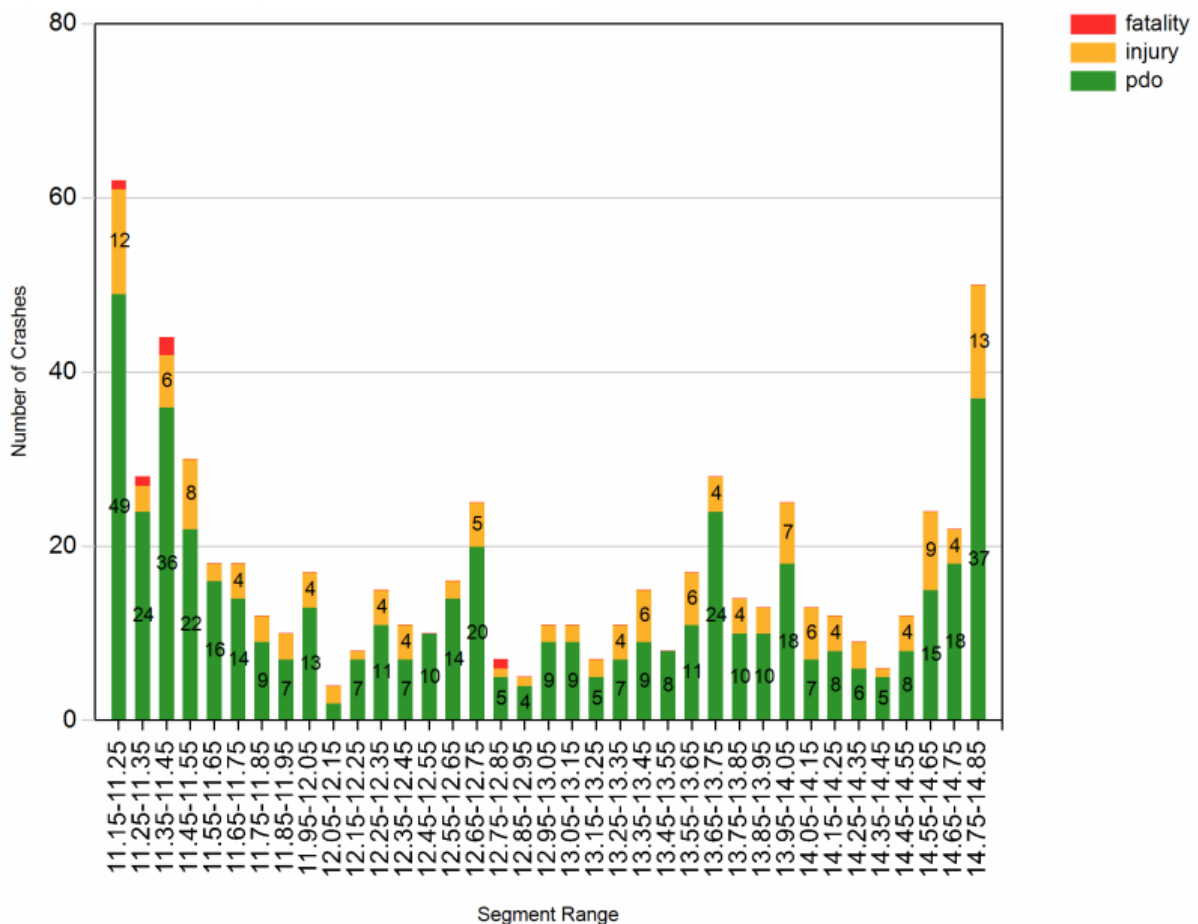
US 278 (FORDING ISLAND RD) from MPT 11.150 to MPT 14.850 (SQUIRE POPE RD)

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<sup>8</sup> and is ranked as the #1 priority project in the Lowcountry Area Transportation Study (LATS) 2015-2019 Transportation Improvement Program (TIP)<sup>9</sup>.

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.

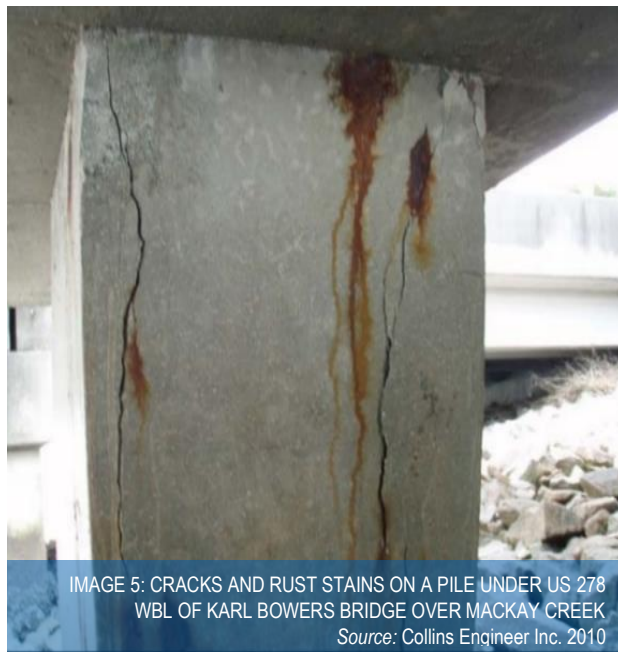


IMAGE 5: CRACKS AND RUST STAINS ON A PILE UNDER US 278 WBL OF KARL BOWERS BRIDGE OVER MACKAY CREEK  
Source: Collins Engineer Inc. 2010

## 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.<sup>10</sup>

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.<sup>11</sup> 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.

<sup>8</sup> South Carolina Department of Transportation, *Statewide Transportation Improvement Program (2017-2022)*

<sup>9</sup> Lowcountry Area Transportation Study (LATS) Metropolitan Planning Organization, *2015-2019 Transportation Improvement Program (2016)*

<sup>10</sup> American Road and Transportation Builders Association, *2018 Deficient Bridge Report (2018)*

<sup>11</sup> 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.<sup>12</sup>

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

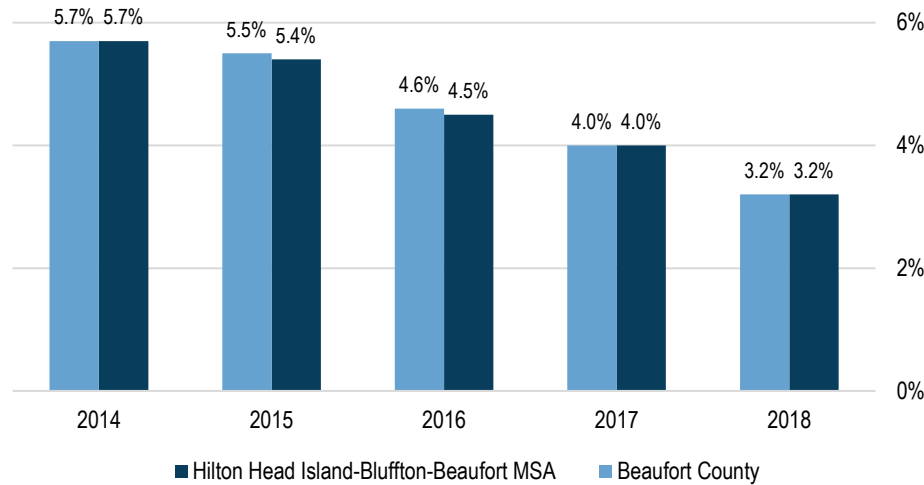
Not applicable. The South Carolina Transportation Infrastructure Bank (the Bank) criteria states: *"If applicable, a certificate that the project is essential to the economic development in the state from the Advisory Coordinating Council for Economic Development of the Department of Commerce. Must be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

<sup>12</sup> 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.<sup>13</sup> 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.<sup>14</sup> 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

<sup>13</sup> Bureau of Labor Statistics, *SC Dept of Employment & Workforce Data* (2018)

<sup>14</sup> 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 lane, 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

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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 10<sup>th</sup> 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

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### 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 918 634 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) Metropolitan Planning Organization's Long Range Transportation Plan (2040 LATS LRTP); Barriers to Mobility, Congestion Mitigation, and Economic Vitality/Tourism; 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 7<sup>th</sup> 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 918 634 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 18<sup>th</sup> 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

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.<sup>15</sup>

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.



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%.<sup>16</sup> 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.

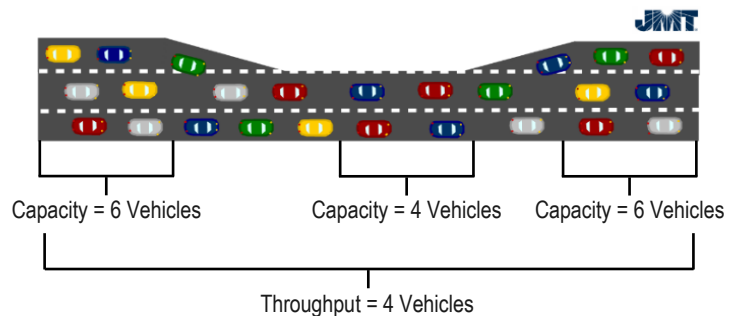


FIGURE 1: The capacity at the bottleneck will dictate the capacity of the roadway. Traffic cannot travel faster than the speed through the bottleneck.

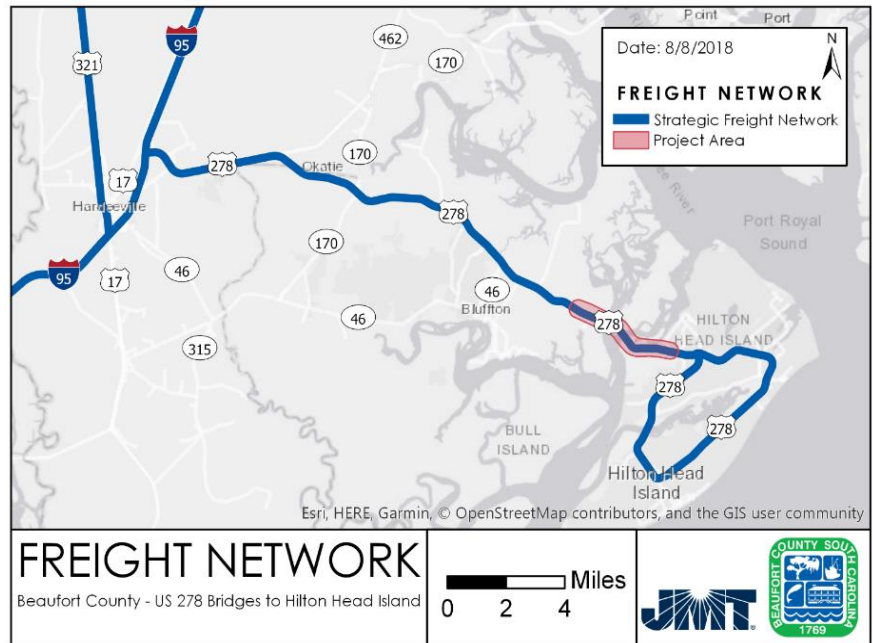
<sup>15</sup> Office of Economic and Strategic Analysis, U.S. Department of Transportation, *Assessing the Full Costs of Congestion on Surface Transportation Systems and Reducing Them through Pricing*, (2009)

<sup>16</sup> 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,<sup>17</sup> 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<sup>17</sup> (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<sup>17</sup>)

OBJECTIVES:	ACHIEVED BY THIS PROJECT
<b>STATE GOAL: MOBILITY AND SYSTEM RELIABILITY   NATIONAL GOAL: ECONOMIC COMPETITIVENESS</b>	
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.	✓
<b>STATE GOAL: SAFETY   NATIONAL GOAL: SAFETY, SECURITY, RESILIENCY / ADVANCED TECHNOLOGY</b>	
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.	-
<b>STATE GOAL: INFRASTRUCTURE CONDITION   NATIONAL GOAL: STATE OF GOOD REPAIR</b>	
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.	✓
<b>STATE GOAL: ECONOMIC AND COMMUNITY VITALITY NATIONAL GOAL: ECONOMIC COMPETITIVENESS / ECONOMIC EFFICIENCY</b>	
Utilize the existing transportation system to facilitate enhanced freight movement to support a growing economy.	✓

<sup>17</sup> 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.<sup>18</sup> 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.<sup>14</sup> 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.<sup>19</sup> 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.<sup>20</sup>

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.<sup>14</sup> This impact is important for local governments to help lessen the tax burden on residents by providing a supplement (or alternative) revenue stream.

<sup>18</sup> South Carolina Department of Parks, Recreation, and Tourism, *Fiscal Year 2017-18 Accountability Report*, (2018)

<sup>19</sup> 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 expenditures on Hilton Head Island.<sup>14</sup> This number accounts only for biking related expenditures 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.<sup>20</sup>

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<sup>21</sup> 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.<sup>22</sup>

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

<sup>20</sup> U.S. Travel Association, *The Economic Impact of Travel on South Carolina Counties* 2016 (2017).

<sup>21</sup> 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

<sup>22</sup> 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.

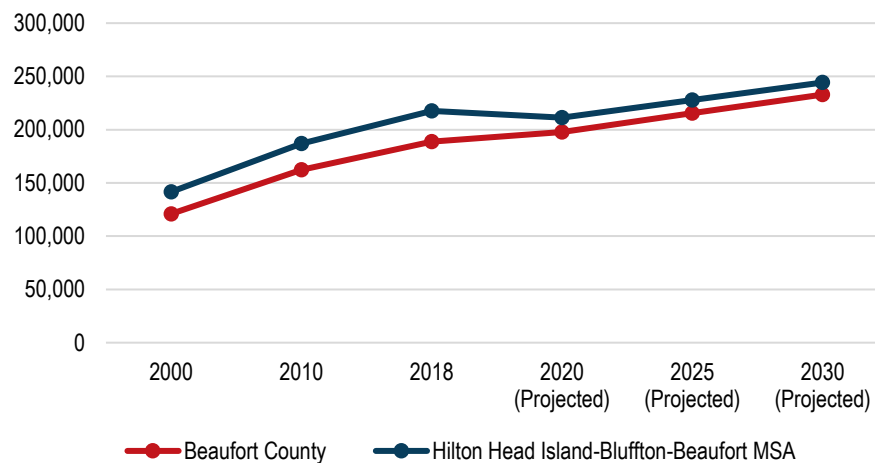
## INCREASE IN THE QUALITY OF LIFE AND GENERAL WELFARE OF THE PUBLIC

### Population Growth

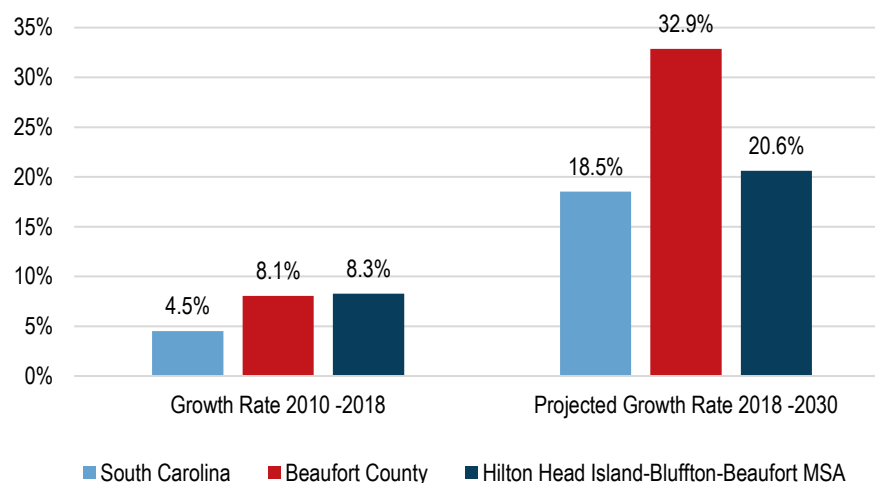
The region has developed significantly with new residents moving in regularly, making Beaufort County the 7th fastest growing county in South Carolina. Both the Hilton Head Island-Bluffton-Beaufort MSA and Beaufort County's growth rates are projected to be higher than the overall growth rate of the state. 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.<sup>23</sup>

**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

<sup>23</sup> 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.<sup>24</sup>

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.<sup>25</sup> 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

<sup>24</sup> The U.S. Department of Transportation – *Safer People, Safer Streets: Pedestrian and Bicycle Safety Initiative*

<sup>25</sup> 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<sup>26</sup> (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)

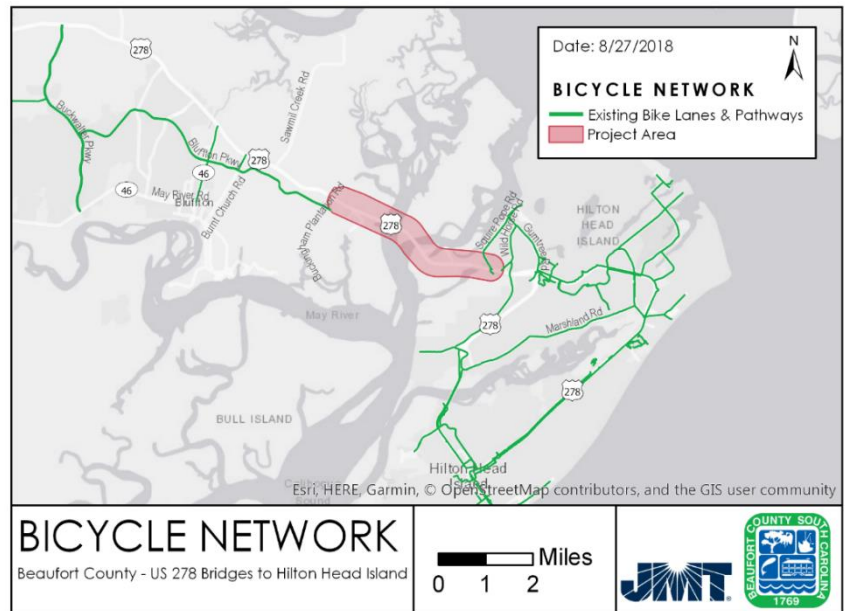


<sup>26</sup> Hilton Head Island-Bluffton Chamber of Commerce & Visitor and Convention Bureau, *Biking on Hilton Head Island*, Explore Hilton Head Island, SC. <https://www.hiltonheadisland.org/see-do/biking/biking-hilton-head-island>, accessed on October 24, 2018.

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

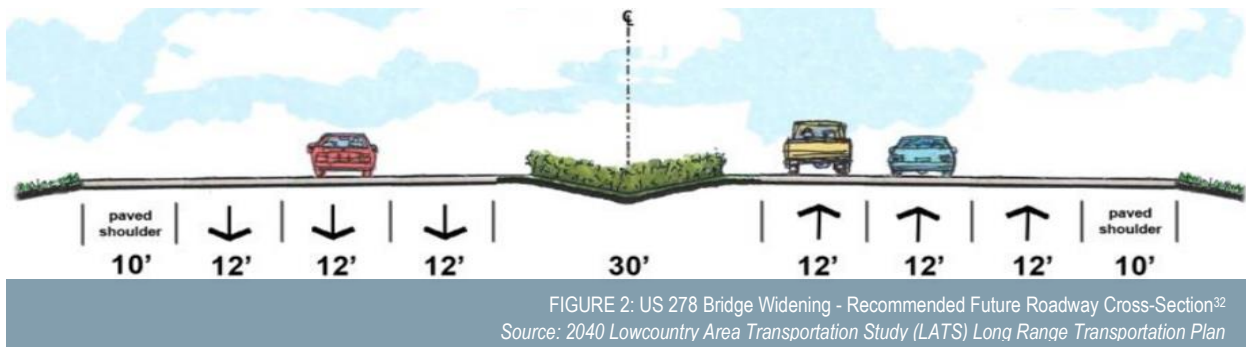


A bicycle connection along the US 278 bridges is supported in multiple area planning documents. The Town of HHI Comprehensive Plan (2017) Goal 6.3-D is "To have a pathway network that provides for recreational opportunities as well as an alternative means of transportation to and on the Island." On page 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.<sup>27</sup> 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.<sup>28</sup> 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



<sup>27</sup> Beaufort County, *Beaufort County Comprehensive Plan – Appendix 10 A - Trails and Blueways Master Plan*, (2010)

<sup>28</sup> 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.<sup>29</sup> 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.<sup>30</sup>

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.

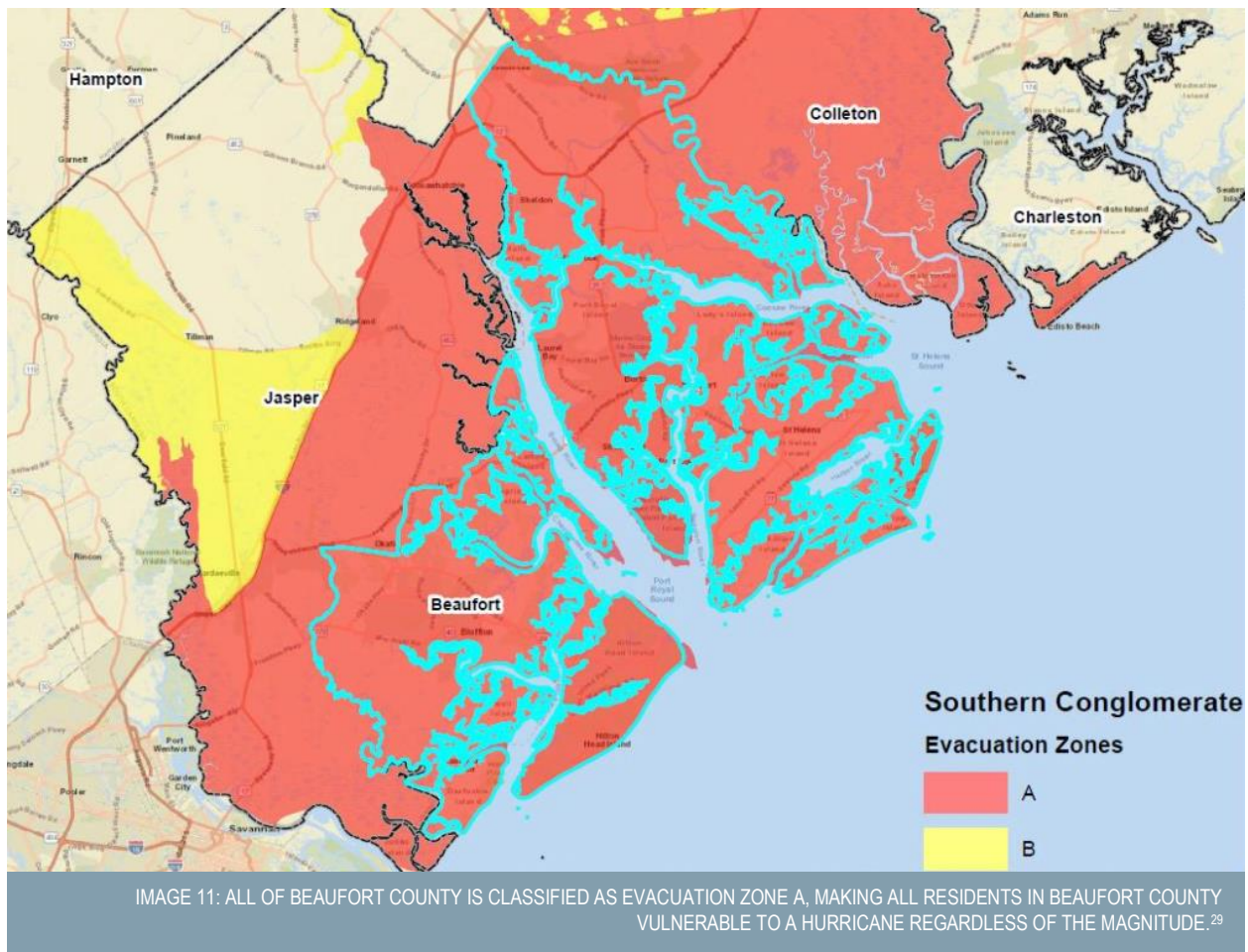
<sup>29</sup> The American Red Cross, *Red Cross Supporting Evacuation Shelters in South Carolina*, (2016)

<sup>30</sup> 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).<sup>31</sup> 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.<sup>29</sup> 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.<sup>29</sup>

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.



<sup>31</sup> South Carolina Emergency Management Division, *State of South Carolina Critical Transportation Need Evacuation Operations Plan*, (2018)

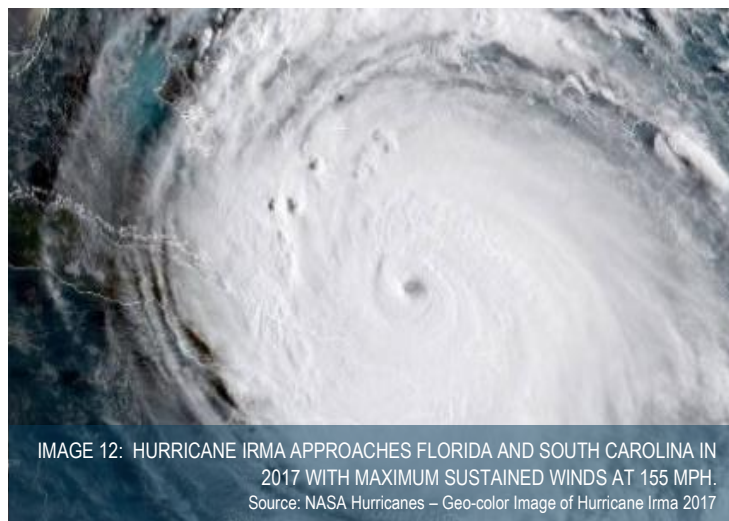
## Evacuation Routes

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.<sup>29</sup>

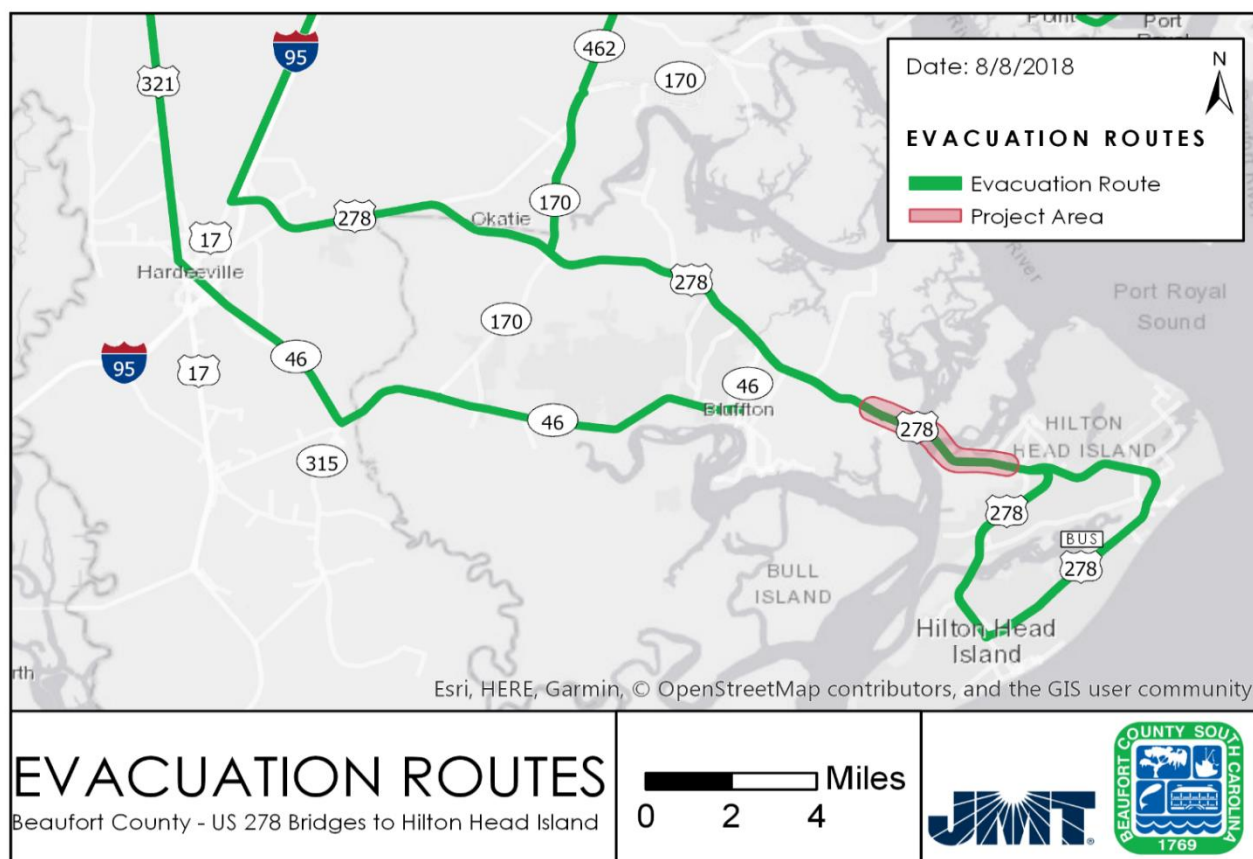
While South Carolina is using their lessons learned to improve the evacuation process, the changes that are in discussion and implementation will likely not significantly change the evacuation times from Hilton Head Island due to the bottleneck at the bridges. This narrowing of US 278 will continuously 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.

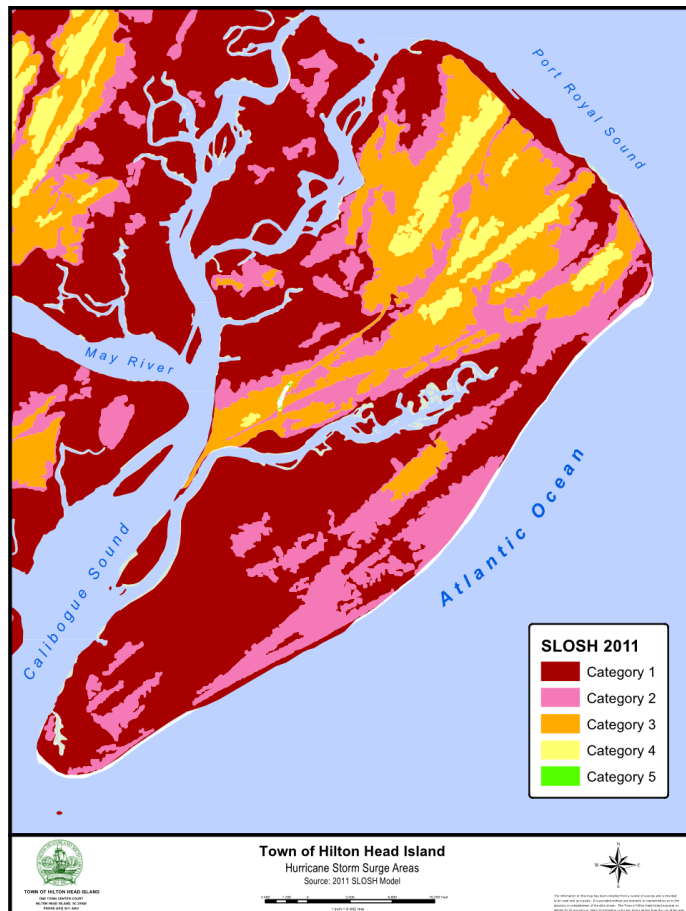


## MAP 10: HURRICANE EVACUATION ROUTES IN BEAUFORT COUNTY





**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
<b>CATEGORY 1 – 2</b>		
Rapid	8 (9)	13 (15)
Medium	11 (13)	15 (17)
Slow	13 (15)	18 (21)
<b>CATEGORY 3 - 5</b>		
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.**<sup>32</sup> 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,<sup>32</sup> 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).

<sup>32</sup> 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**

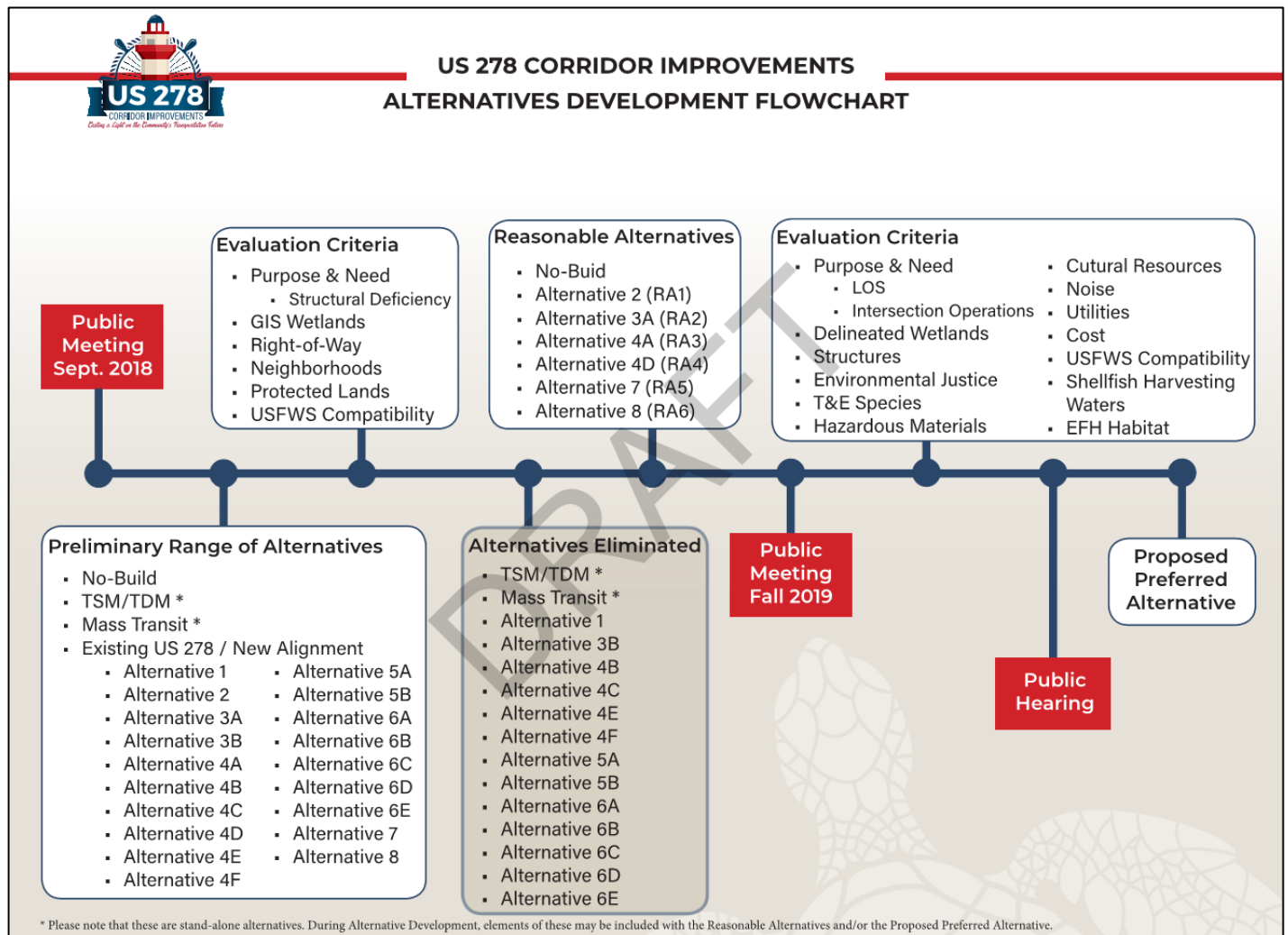




IMAGE 13: PINCKNEY ISLAND NATIONAL WILDLIFE REFUGE ENTRANCE

## 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.<sup>33</sup>

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

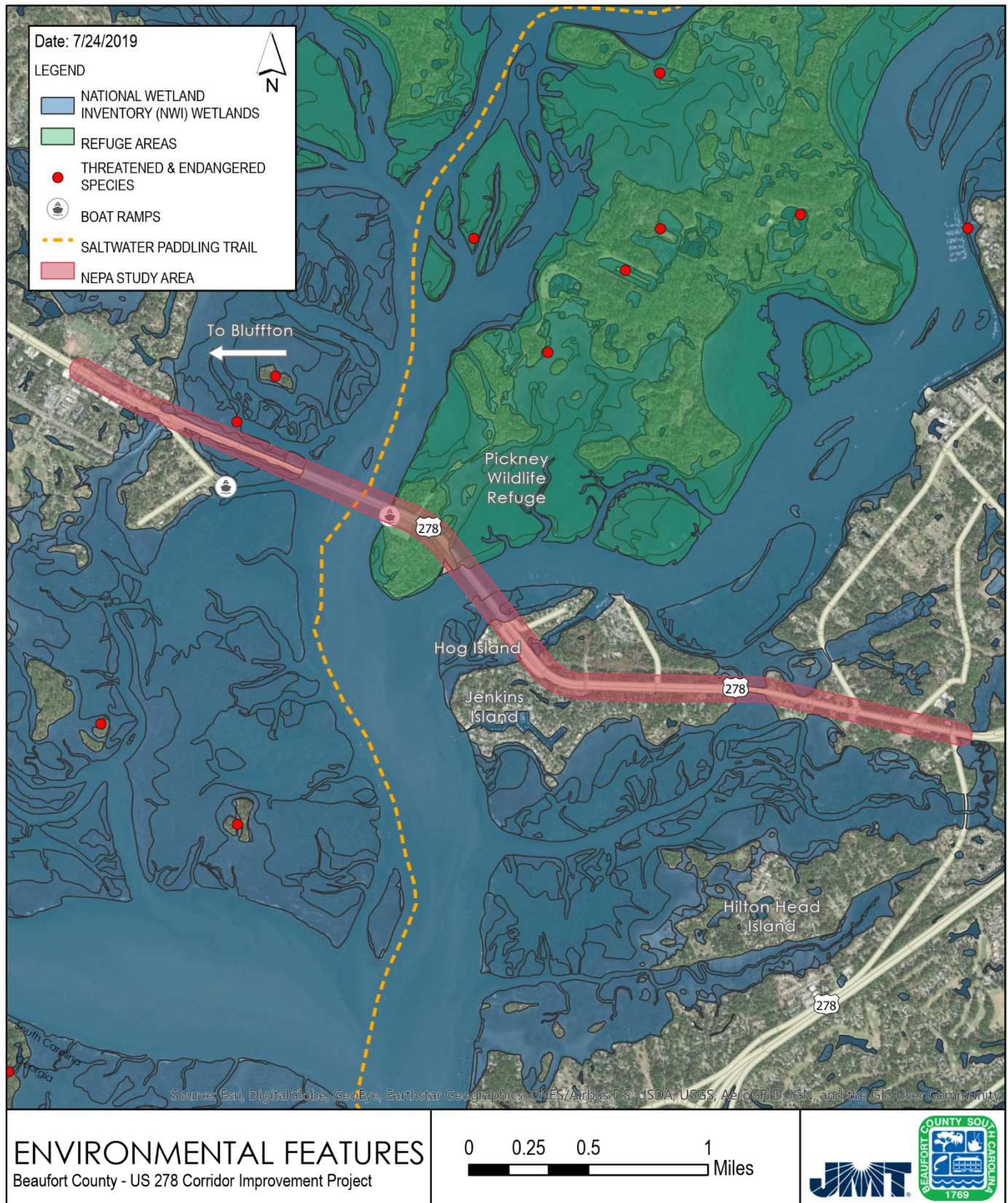
The expected level of Environmental Document is a Finding of No Significant Impact (FONSI), which is anticipated to be approved by early 2021. It is anticipated that a US Army Corps permit will be required. In addition, it is anticipated that the following permits will also be required:

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

<sup>33</sup> 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](https://www.fws.gov/refuge/Pinckney_Island/about.html), Accessed: August 14, 2018



**MAP 12: ENVIRONMENTAL FEATURES & NEPA STUDY AREA**



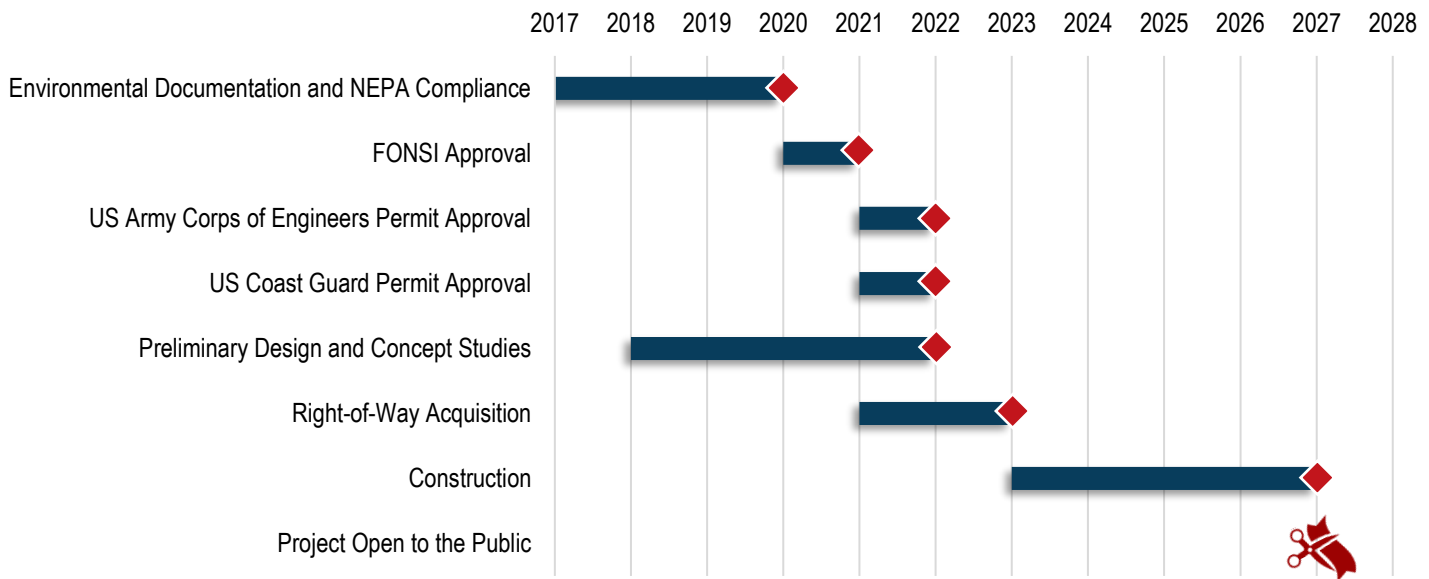


## 4.11 EVENTS/MILESTONES TO IMPLEMENT PHASES OF PROJECT

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:

- financial viability including a life cycle analysis of estimated maintenance and repair costs over the expected life of the project;
- public safety;
- potential for economic development;
- traffic volume and congestion;
- truck traffic;
- the pavement quality index;
- environmental impact;
- alternative transportation solutions; and
- 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](http://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
<b>Total Project Cost</b>	<b>\$246,000,000</b>
Local Obligations Contingency**	\$26,370,112**
<b>Total Project Risk</b>	<b>\$272,370,112</b>

\* 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
<i>Per Section 5.25</i>	
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
<b>Total Local / Non-Bank Funded Match including Project Risk (see Table 7)</b>	<b>\$152,370,112</b>
SCIB Grant Request	\$120,000,000
<b>Total Project Risk</b>	<b>\$272,370,112</b>

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

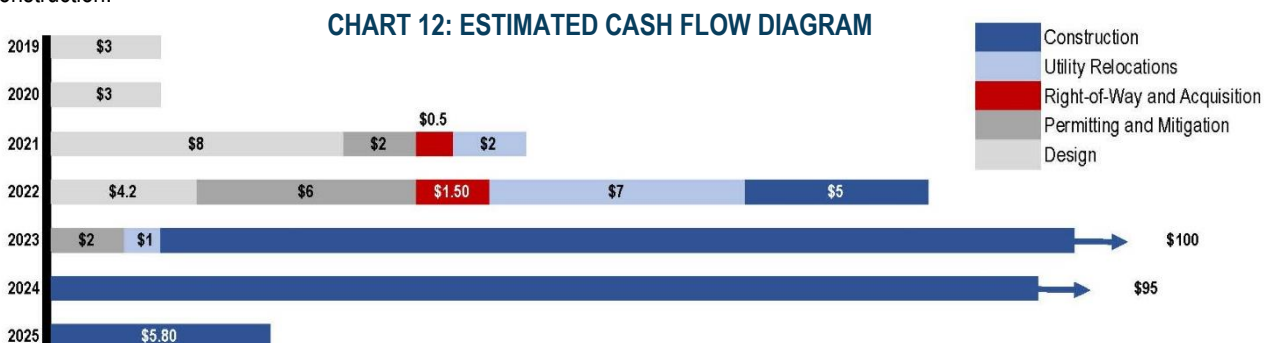
As listed above, Beaufort County has passed a local sales tax that will generate \$80 million for traffic improvements on Hilton Head Island as part of this project. The sales tax language, as approved, specifies the use of the funds and states:

*"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

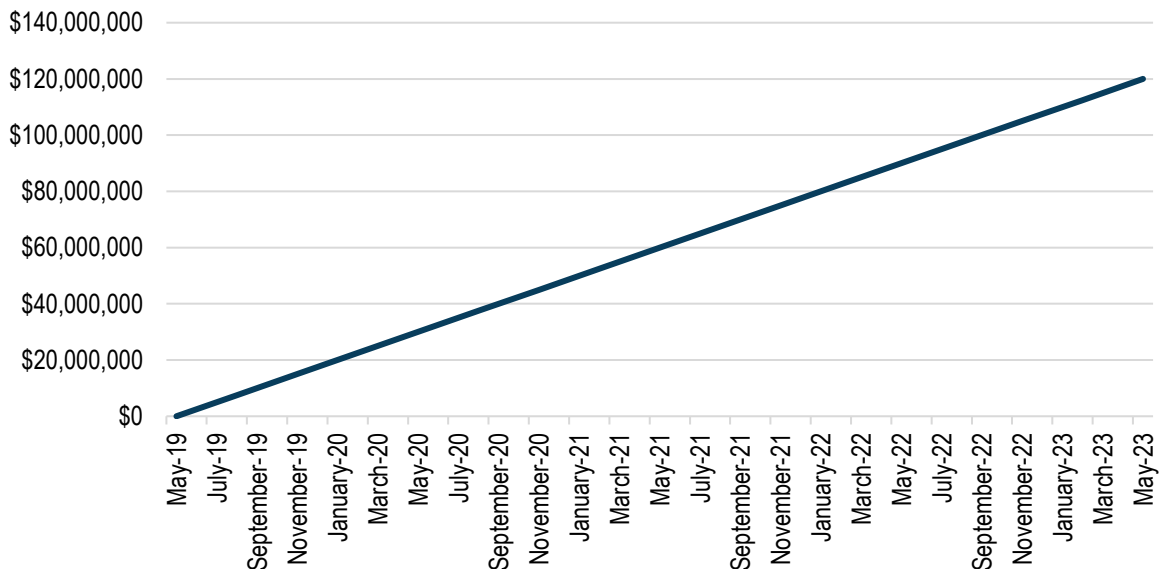
The following represents the anticipated schedule of funds disbursement for the project to move forward. While the construction is not anticipated for several years, the urgency of the grant application is to ensure that the project can continue to move forward with necessary key next steps including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



## 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
<b>TOTAL</b>		<b>\$317M - \$329M</b>

### 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.

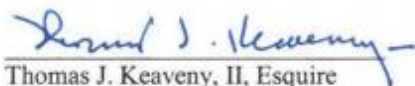
Adopted this 10<sup>th</sup> day of December 2018.

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



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](http://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

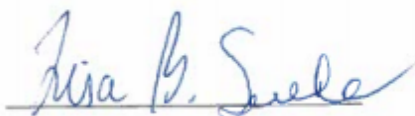
WHEREAS, the improvements of the US 278 Bridges to Hilton Head Island is projected to cost in excess of \$240,000,000 based on SCDOT engineering estimates and contingency factors; and

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 7<sup>th</sup> day of June, 2019.

LOWCOUNTRY AREA TRANSPORTATION STUDY POLICY COMMITTEE

A handwritten signature in blue ink, reading 'Lisa B. Sulka'.

Lisa Sulka, Chair  
Mayor, Town of Bluffton

c/o Lowcountry Council of Governments

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[www.lowcountrycog.org](http://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

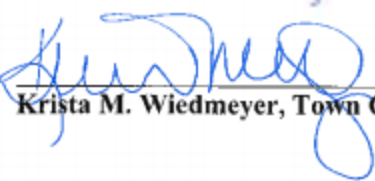
1. The Town of Hilton Head Island supports the joint pursuit of funding from the South Carolina Transportation Infrastructure Bank to plan, analyze and implement the Department of Transportation project known as "SCDOT Project ID PO30450 – U.S. 278 Corridor Improvements".

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 18<sup>th</sup> 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,

A handwritten signature in blue ink, appearing to read "Henry McMaster".

Henry McMaster

HDM/tw

cc: The Honorable Tom Davis

## 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 23<sup>rd</sup> 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 A. 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](http://www.townofbluffton.sc.gov)

## Southern Carolina Regional Development Alliance – Letter of Support



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 development 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,

A handwritten signature in black ink, appearing to read "D. Black".

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](mailto: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.<sup>34</sup>
- 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."<sup>35</sup>

**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."<sup>36</sup>

<sup>34</sup> South Carolina Department of Transportation, *Lowcountry Project/Ten Year Plan*, (2018)

<sup>35</sup> South Carolina Department of Transportation, *South Carolina 2040 Statewide Multimodal Transportation Plan*, (2014)

<sup>36</sup> 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."*<sup>37</sup>
  - *"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."*<sup>37</sup>
- **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"*<sup>38</sup>
- **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."*<sup>39</sup>

**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."*<sup>40</sup>
- **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."*<sup>41</sup>
- **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."*<sup>42</sup>

<sup>37</sup> Beaufort County, *Beaufort County Strategic Plan*, (2018)

<sup>38</sup> Beaufort County, *Beaufort County Comprehensive Plan*, (2010)

<sup>39</sup> Beaufort County, *Southern Beaufort County Regional Plan*, (2006)

<sup>40</sup> Town of Hilton Head Island, *Town Council 2018 Key Priorities Dashboard*, (2018)

<sup>41</sup> Town of Hilton Head Island, *Town of Hilton Head Island Comprehensive Plan*, (2017)

<sup>42</sup> 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





# Beaufort County - US 278 Corridor Improvement Project

## STATE INFRASTRUCTURE BANK APPLICATION

Item 6.

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 City Plan	SC 170 from US 278 to US 21 Bus St	15	10	18	5	15	5	5 Yes	3	71
C-18	Corridor	ITS/Access Management	Kinley-Horn - congestion	SC 315 / SC 46 from SC 170 to Pin Oak St	15	10	19	5	15	5	5 Yes	0	69
C-19	Corridor	Bridge Widening and related Improvements	Bift City 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	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	5 Yes	0	63
C-1	Corridor	ITS/Access Management	Kinley-Horn - congestion	SC 802 from US 21 to Brickyard Point Rd / Holly Hall Rd	5	10	19	5	10	10	10 Yes	0	59
C-21	Corridor	ITS/Access Management	Kinley-Horn - congestion	SC 315 / SC 46 from US 17 to SC 170	15	10	15	5	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	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	5 Yes	3	53
C-4	Corridor	ITS/Access Management	Kinley-Horn - congestion	Joe Frazier Rd from SC 116 to Broad River Blvd	5	10	16	5	10	5	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	5	0	10 Yes	3	51
C-23	Corridor	Roadway Widening	Kinley-Horn - congestion	SC 315 / SC 46 from US 17 to SC 170	10	10	15	5	5	5	5 Yes	0	50
C-9	Corridor	Roadway Widening	Kinley-Horn - congestion	Argent Blvd from US 278 to SC 170	10	5	14	0	15	5	5 Yes	0	49
C-10	Corridor	Roadway Widening	Kinley-Horn - congestion	US 278 from I-95 to Argent Blvd	10	10	9	5	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	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	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	0 Yes	0	35
C-15	Corridor	New Location	Bluffton Parkway Phases 6 & 7	from Bluffton Pkwy to SC 46	0	5	10	0	10	5	5 Yes	3	33
C-20	Corridor	New Location	Kinley-Horn - connectivity	Stroup Lane extension from Burnt Church Rd to Buckingham Plantation Dr	0	5	10	0	10	5	5 Yes	0	30
C-13	Corridor	New Location	Bluffton Pkwy Access Mgmt Plan; Phase SB	Bluffton Pkwy from Buckwalter Pkwy to Buck Island Rd	0	10	10	5	0	5	5 Yes	0	30
C-3	Corridor	New Location	Civic Master Plan	From US 21 to S-73	0	5	10	0	5	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	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	0 Yes	0	25
C-6	Corridor	New Location	Civic Master Plan	From Myrtle St to Reynolds St	0	5	10	0	5	0	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	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](http://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



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

cc: 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 27<sup>th</sup> 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.



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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 Guidesare 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

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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.

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- 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.



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- 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

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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.





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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]*

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

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF

Chris Harris  
Witness

BEAUFORT COUNTY

By: [Signature]  
(Signature)

Title: Administrator

SOUTH CAROLINA DEPARTMENT OF  
TRANSPORTATION

Christopher Buck  
Witness

[Signature]  
By: Mr. Brian W. Kays  
Deputy Secretary for Finance and Administration  
or Designee

RECOMMENDED BY:

[Signature]  
Deputy Secretary or Designee

REVIEWED BY:

[Signature]  
By: Brent Renier  
Title: RP61 Engineer

PROFESSIONAL SERVICES CONTRACTING

By: [Signature]  
Chief Procurement Officer or Designee

Exhibit A



**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 thereof 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: Erik L. Greenway

Printed Name: Erik 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

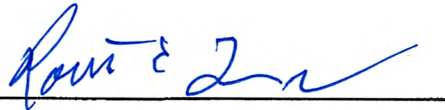
IN WITNESS WHEREOF, the South Carolina Transportation Infrastructure Bank has caused this Agreement to be executed on its behalf and its seal to be affixed hereto.

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

Sadanar Camichael  
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

**RESOLUTION NO. 2022-28**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER TO ENTER INTO A REVISED MEMORANDUM OF AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA CONCERNING THE WILLIAM HILTON PARKWAY GATEWAY CORRIDOR PROJECT AND ADAPTIVE TRAFFIC SIGNAL IMPROVEMENTS.**

**WHEREAS**, the U.S. Highway 278 corridor runs from I-95 to and throughout the Town of Hilton Head Island, and is both an economic generator and necessity for transportation; and

**WHEREAS**, the William Hilton Parkway Gateway Corridor Project (the "Project") is a Beaufort County project and is part of the programs funded by the 2018 sales tax that was authorized by the public in a referendum; and

**WHEREAS**, the synchronization of adaptive traffic signals on U.S. Highway 278 is essential to the public safety and traffic control; and

**WHEREAS**, the Project will have a substantial impact on the citizens and visitors of the Town of Hilton Head Island; and

**WHEREAS**, the Town of Hilton Head Island and Beaufort County desire to undertake improvements to U.S. Highway 278 and install adaptive traffic signals thereon; and

**WHEREAS**, the Town Council hereby finds that the execution of the revised Memorandum of Agreement is in the best interest of the Town of Hilton Head Island.

**NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA** That the Town Council hereby authorizes the Town Manager to enter into an agreement materially consistent with the revised Memorandum of Understanding from Beaufort County for the purpose of coordinating and implementing the William Hilton Parkway Gateway Corridor Project and installation of adaptive traffic signals on U.S. Highway 278.

**PASSED AND APPROVED BY THE TOWN COUNCIL ON THIS 4TH DAY OF OCTOBER, 2022.**

  
John J. McCann, Mayor

**ATTEST:**

  
Krista M. Wiedmeyer, Town Clerk

**APPROVED AS TO FORM**

  
Curtis L. Coltrane, Town Attorney

Introduced by Council Member: \_\_\_\_\_



## FINAL WHP-US 278 County-Town MOU County Approved 10-04-22

STATE OF SOUTH CAROLINA ) ) COUNTY OF BEAUFORT ) ) TOWN OF HILTON HEAD ISLAND)	<b>MEMORANDUM OF AGREEMENT FOR THE          WILLIAM HILTON PARKWAY GATEWAY/US          278 CORRIDOR PROJECT AND ADAPTIVE          SIGNAL IMPROVEMENTS</b>
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**THIS MEMORANDUM OF AGREEMENT** is made and entered into this 21 day of October 2022 by and between Beaufort County, South Carolina (the "County"), and The Town of Hilton Head Island, South Carolina (the "Town").

**WHEREAS**, the William Hilton Parkway Gateway/US 278 Corridor Project, referred to herein as the "Project", is a Beaufort County Project and is part of the programs funded by the 2018 sales tax; and

**WHEREAS**, a portion of the Project is located within the corporate limits of the Town, which impacts the citizens and visitors of the Town of Hilton Head Island, will provide for safer public transportation; and

**WHEREAS**, the Project is currently in the preliminary design stage and is working through the Environmental Assessment process; and

**WHEREAS**, separate from the design consultant for the Project retained by the South Carolina Department of Transportation (the "SCDOT"), and at the request of the Town, the County hired a design engineer, HDR, to perform an Independent Review of the project. In addition to the Independent Review, the Town hired a land planning consultant, MKSK, to assist the Town Council with evaluating the current design and to provide recommendations to enhance the Project; and

**WHEREAS**, as part of the Environmental Assessment process a preferred alternative for the Project was identified by the SCDOT and presented at a public hearing held on July 22, 2021; and

**WHEREAS**, based upon comments received from the public and from the Town, the Project plans were updated, and a modified preferred alternative was presented at a public information meeting held on March 3, 2022; and

**WHEREAS**, there have been several comments made by residents of the Town regarding the impacts to the citizens and visitors of Hilton Head Island and have requested an additional Independent Review be conducted to evaluate community impacts to include areas that lie outside of the Project limits and provide design modification recommendations that will otherwise enhance the Project; and

**WHEREAS**, the County and the Town have determined that an Independent Review (the "Independent Review") must be performed by a consultant in material conformance with the Scope of Work (the "Scope of Work") set forth on Exhibit A attached hereto; and

**WHEREAS**, the William Hilton Parkway/US 278 Corridor, extending from Interstate 95 (I-95) to Sea Pines Circle, is of regional importance to the County and the Town to facilitate trade and commerce throughout the region; and

**WHEREAS**, it is recognized that it is of utmost importance to keep traffic moving as safely and efficiently as possible throughout the corridor; and

**WHEREAS**, there are many SCDOT-owned signals along the corridor that are managed and maintained by the County and the Town through various signal maintenance agreements with SCDOT; and

**WHEREAS**, the Town has funds budgeted in its Capital Improvement Plan for Fiscal Year 2023 to make improvements to the traffic signals within the corporate limits of the Town which they maintain under their signal maintenance agreement(s) with SCDOT; and

**WHEREAS**, the County and Town desire to make traffic signal improvements along the entire William Hilton Parkway/US 278 Corridor to increase safety and capacity through the synchronization of "Adaptive Traffic Signals."; and

**WHEREAS**, any and all future signal projects, including those signals within the William Hilton Parkway Gateway/US 278 Corridor Improvement Project, are to be fitted with the same technologies to ensure they are synchronized with the other signals.

**NOW, THEREFORE**, for and in consideration of the mutual covenants exchanged herein, the County and the Town hereby agree as follows:

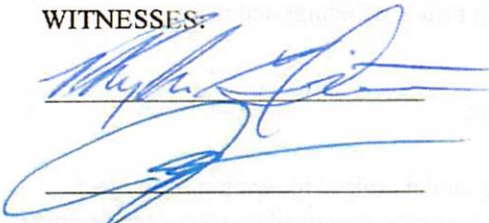
1. The County and the Town agree to advance the Project in a cooperative manner for the entire duration of the Project.
2. The County and the Town mutually agree to work together in good faith to address the feasibility, and merits of recommendations approved by Town Council on October 12, 2021 (as set forth in Exhibit B) (the "Recommendations") and further agree that one bridge will be designed and constructed for the Project.
3. The County will procure an Independent Consultant (the "Independent Consultant"), (i.e. – one that does not have a previous or current contractual relationship with SCDOT, the County, or the Town) to perform an additional Independent Review of the project. This Independent Consultant will conduct an end-to-end simulation and study through and beyond the Project limits to include additional intersections materially consistent with the Scope of Work set forth in Exhibit A.
4. The County and the Town will establish a committee (the "Committee") to select the Independent Consultant through a competitive bid process. The following County representatives shall sit on the Committee: (a) the County Administrator or his designee (b) the Assistant County Administrator for Infrastructure; (c) and the County Transportation Program Manager Consultant. The following Town representatives shall sit on the Committee: (d) the Town Manager or his designee; (e) the Assistant Town Manager of Community Development; and (f) the Town Engineer.
5. All recommendations from the Independent Review for areas within the project boundary will be considered for inclusion in the project. The County and Town agree to pursue the "Finding of No Significant Impacts" (FONSI) from the Federal Highway Administration concurrent with the Independent Review. If any findings from the Independent Review affect environmental documents submitted for the FONSI, those recommendations will be considered, and the environmental documents will be updated and resubmitted as agreed upon by the County and the Town.
6. The County and the Town, as required as part of the NEPA process, will coordinate with SCDOT to perform a value engineering of the project to identify and eliminate unwanted costs, and improve function and quality, as well as to optimize initial and long-term investment, ultimately seeking the best value for the lowest cost.
7. The County and the Town mutually agree to work together, along with SCDOT and Lowcountry

Area Transportation Study (LATS), to design, implement and maintain a connected and synchronized signal system along the entire length of the William Hilton Parkway/US 278 Corridor from I-95 to Sea Pines Circle. The synchronized system will include fiber connectivity, Adaptive Signal technologies and other tools to help maximize flow. The County and the Town mutually agree to work together to seek funds necessary to acquire and implement the proposed improvements.

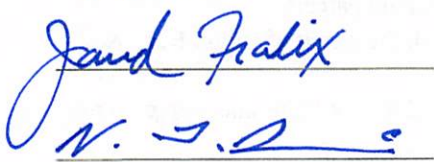
8. Any signal improvements from the synchronization project which are not already installed within the corridor prior to the construction of the Project, will be incorporated as such.
9. This Agreement does not provide the Town's municipal consent. Such consent may be provided by the Town Council after the Independent Review has been evaluated by the Town and County and before the right-of-way acquisition phase of the Project begins. Municipal consent by the Town will not be unreasonably withheld.
10. The County and the Town agree that the Independent Review will be the last and final study needed for the Town to make a final decision related to the Project.

**IN WITNESS WHEREOF**, Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina, by their authorized officers, have executed the within memorandum on this \_\_\_\_ day of October 2022.

WITNESSES:



WITNESSES:

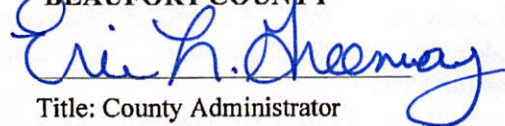


**TOWN OF HILTON HEAD ISLAND**



Title: Town Manager

**BEAUFORT COUNTY**



Title: County Administrator



## **EXHIBIT A**

### ***US 278 Corridor Project – Independent Review Scope of Services***

#### **Task 1: Project Initiation and Coordination:**

- Initial HHI, Beaufort County, and Independent Consultant
- Biweekly project discussions with County and Town Staff
- Review meeting with representations of Beaufort County, Town of Hilton Head Island, SCDOT and the existing design consultants on prior work performed
- Monthly update meetings with Town Manager and County Administrator
- Review and define the study area
- Perform a site visit/field review
- Understand the Town of Hilton Head Island's concern with the proposed concept and existing model
- Identify what has already been completed for the project

#### **Task 2: Model and Recommended Concept Review:**

##### **Review previous models and concept recommendations**

- Review assumptions contained within the model – Daily Hour, Land Use, & other input variables
- Review data collection approach and study area
- Review model outputs and subsequent recommendations for intersection operations and bridge concepts

##### **Model Review and Concept Review Memo**

- Compile findings into a Summary Review Memo, identifying primary findings and recommendations for improvement

#### **Task 3: Updating Model & Operational Updates**

##### **Model and Operational Analysis Updates**

- The model updates will be based on the version of the LATS model utilized to develop the project
- Confirm that the base traffic demand model accurately takes into trips generated by visitor traffic, mass transit traffic, and traffic demand from redevelopment of existing Island parcels
- Update the model based on findings in Task 2 and coordination with the Town of Hilton Head & Beaufort County
- Expand the model and study area to include the following signalized intersections and merge points east of Spanish Wells Road
  - US 278 merge with Cross Island Pkwy
  - US 278 Bus (William Hilton Pkwy) at Gum Tree Road
  - US 278 Bus (William Hilton Pkwy) at Wilborn Road/Jarvis Park Road
  - US 278 Bus (William Hilton Pkwy) at Pembroke Drive/Museum Street
  - US 278 Bus (William Hilton Pkwy) at Indigo Run Drive/Whooping Crane Way
  - US 278 (Palmetto Bay Road) at Point Comfort Road/Arrow Road
  - Palmetto Bay Road at Target Road
  - US 278 Bus (William Hilton Pkwy) at Palmetto Bay Road (Sea Pines Circle)
- Expand the model and study area to include the following signalized intersection and merge point west of Moss Creek Drive
  - Bluffton Parkway and Buckingham Landing Road (on Mainland)
- Traffic counts for the study area intersections will be obtained from the Town of Hilton Head Island
- Any additional counts not available from the Town of Hilton Head or SCDOT shall be assumed counts that will need to be collected

- Ensure the model includes most recent traffic data that reflects the toll removal on the Cross Island Parkway
- Generate model outputs for study area with new assumptions and volumes & analyze operations in Synchro/VISSIM
- Evaluate how Adaptive Traffic Signals could impact the traffic flow and average travel times along the corridor at peak times as well as other periods. The Town and County are expected to implement Adaptive Signals on the William Hilton Parkway/US 278 Corridor from I-95 to Sea Pines Circle. Answer questions related to potential for downstream impacts
- Evaluate opportunities to achieve operational efficiency by maintaining four lanes (two lanes in each direction) between the Windmill Harbour and Squire Pope Road intersections with William Hilton Parkway. These include system improvements that result from Intelligent Traffic Systems and other operational adjustments that may provide improved efficiency in the system
- Coordinate and refine recommendations with the Town of Hilton Head Island and Beaufort County
- Participate in meetings as directed by the Town of Hilton Head Island and Beaufort County

#### **Task 4: Proposed Intersection Improvements & Potential Future Projects**

- Evaluate the safety for bicycle and pedestrians within the original Project Study Area from Moss Creek to Spanish Wells Road and make recommendations on ways to improve the safety of the proposed intersections
- Identify potential modifications to the proposed intersection designs of the preferred alternative within the original Project Study Area from Moss Creek to Spanish Wells Road that deliver the same (or better) expected operational level within the same (or smaller) footprint of the currently planned project. Include estimated increased or decreased costs for the potential modifications to the intersection designs. Potential modifications that increase the Project footprint and impacts to the human and natural environment should be excluded
- Based on the findings of Task 3 for intersections outside of the original project study area, develop alternatives to improve operations in the future
- Evaluation should include traffic improvements (LOS, delay, etc.) as well as anticipated project costs and known impacts or concerns with the alternatives
- Assume up to 3 alternatives for each impacted intersection area evaluated
- Develop a Summary of Recommendations for review by the Town of Hilton Head Island and Beaufort County that can be utilized to secure future funding for improvements beyond the Project Study Area

#### **Task 5: Draft and Final Report**

- Compile model updates, operational analysis, and findings into a report for review and discussion with Beaufort County and Town of Hilton Head Island staff
- Finalize elements into draft and final reports, including executive summaries and recommendations
- Presentation of final findings to both County Council and Town Council for endorsement/adoption by both Councils
- Submit final report electronically



## **EXHIBIT B**

### **Town Approved Recommendations - Gateway Corridor Project - October 12, 2021**

#### **CORRIDOR-WIDE RECOMMENDATIONS**

1. Reduce lane widths to 11' to calm traffic & reduce property impacts.
2. Eliminate raised curbs in medians wherever possible, encourage existing vegetation and natural drainage in these areas.
3. Vary median widths and meander roadway alignments where possible for traffic calming and aesthetics.
4. Take advantage of Town-owned property for sake of Parkway improvements.
5. Utilize ITS smart signal technology throughout.
6. Reduce curb cuts & provide for alternative/safer property access throughout.
7. Provide trails on both sides of Parkway where possible with sufficient separation from road and in lieu of sidewalks.
8. Create a comprehensive system of safe, comfortable, and attractive shared use paths for cyclists and pedestrians.
9. Open/encourage views to the water wherever possible, as a part of the Island's "signature".
10. Ensure integration of unique, Hilton Head-specific signage, landscape schemes, public art program, architectural vocabulary, iconic features, and accent lighting that distinguish this parkway from all others.
11. Reduce design & posted speeds throughout the corridor.
12. Evaluate the island-wide transportation system.

#### **ZONE-SPECIFIC RECOMMENDATIONS**

13. Encourage Moss Creek area improvements (*commercial redevelopment, access/roadway improvements, trail connections*).
14. Establish "Gateway Experience" threshold at west end of Mackay Creek bridges (*landscape, island "icon", art, lighting*).
15. Reduce bridge mass with two separate bridges and Shared-Use Path on south side of eastbound bridge.
16. Reduce bridge lane width to 11', reduce shoulder width on left, only one breakdown lane on right.
17. Provide 14' minimum width non-motorized lane on bridge with multiple viewing areas and protection/screening of vehicles.
18. Attention to bridge design/details as viewed from afar and on-deck (parapet, railings, structural forms).
19. Consolidate Jenkins Island access to one signalized location at C. Heinrichs/Windmill Harbor Entrance.

20. Provide traditional turn lanes and intuitive intersection configurations throughout Stoney.
21. Eliminate confusing SCOOT U-turns.
22. Eliminate left turns and traffic introduction onto Old Wild Horse.
23. Create new park south of Parkway in Stoney to authentically showcase Gullah Geechee culture/heritage.
24. Consider a new Visitors Center as a part of this park that intentionally showcases this heritage while introducing visitors to the Island's offerings.

**ADDITIONAL POLICY RECOMMENDATIONS**

25. Create a Stoney-authored vision plan for the next generation of that neighborhood.
26. Create and professionally staff a Development Corporation as a vehicle for Stoney Advancement.

## **Responses to Town of Hilton Head Island Recommendations**

The preliminary responses are based on the meeting held between the Beaufort County (County Administrator Eric Greenway & Assistant County Administrator Jared Fralix), SCDOT (Secretary Christy Hall, Deputy Secretary Leland Colvin, & Program Manager Craig Winn), and the Town of Hilton Head Island (Town Manager Marc Orlando, Mayor John McCann, and Senior Advisor to the Town Manager Shawn Colin) on October 14, 2021, at the Beaufort County Administration Building. Additional responses are based on further environmental NEPA evaluations, traffic evaluations & engineering design performed since the October 14, 2021 meeting.

### **Corridor Wide**

#### ***1. Reduce lane widths to 11' to calm traffic & reduce property impacts***

**Preliminary Response:** Agreement on 12' lanes on the bridge and Jenkins Island but a 12' outside lane and a pair of 11' inside lanes as well as accessory lanes will be pursued through the Stoney Community from the Causeway to Spanish Wells Road.

**Additional Response:** During the design process a design exception and appropriate approvals for the two 11' inside lanes within the Stoney Community will need to be pursued.

#### ***2. Eliminate raised curbs in medians wherever possible to encourage existing vegetation and natural drainage in these areas***

**Preliminary Response:** Agreement on elimination of raised curbs on the interior portion of Jenkins Island where appropriate with the understanding this will increase the clear zone needed in the median. Raised curb and gutter will be installed on the exterior edge of the roadway to reduce ROW requirements and handle the drainage needs.

**Additional Response:** Additional investigation and review of safety and drainage needs within the area will be required as project development continues. In project areas with a proposed 15' raised median, curbing will be provided on both the inside and outside of the roadway.

#### ***3. Vary median widths and meander roadway alignments where possible for traffic calming and aesthetics***

**Preliminary Response:** Agreement on varying median through Jenkins Island, holding eastbound lanes in the existing alignment and moving westbound travel lanes North on Jenkins Island between Crosstree Drive and the causeway. The costs are to be estimated and if project overrun will need to be funded locally (not SCDOT or SIB funding).

**Additional Response:** The meandering of the roadway is estimated to increase project cost by approximately \$1.5M and was designed to avoid all critical area and freshwater wetlands. Additionally, the meandering of the roadway would not be permitted to result in wetland impacts greater than the Recommended Preferred Alternative 4A, as presented at the Public Hearing. Appendix 1 shows the proposed layout of the meandering on Jenkins Island that avoids critical area

wetlands and freshwater wetlands. The additional cost does not include any costs for the additional Town-owned ROW required to meander the roadway and the ROW is assumed to be donated. The County does not have extra funds for an additional cost, and additional local funds would need to be identified early in the design process by the Town.

**4. Take advantage of Town-owned property for sake of Parkway improvements**

**Preliminary Response:** Agreement on this item and was part of the SIB application.

**Additional Response:** Project is taking advantage of Town-owned property through Jenkins Island with westbound lanes alignment. Other uses of Town-owned property will be considered during design if needed to facilitate project needs.

**5. Utilize ITS smart signal technology throughout**

**Preliminary Response:** Agreement on this item. It is already part of the current project scope.

**Additional Response:** Please be advised that signals will continue to be maintained locally, by either the County or Town, as currently prescribed in each of our Signal Maintenance Agreements (SMA) with SCOOT.

**6. Reduce curb cuts and provide for alternative/safer property access throughout**

**Preliminary Response:** Agreement on this item. Change in access drives within Stoney as proposed by MKSK is separate from the project.

**Additional Response:** Reduction in curb cuts is a priority for safety and access management. Before reducing curb cuts, it will need to be verified that the improvements do not cause additional impacts within the TCP and are agreeable by all property owners.

**7. Provide trails on both sides of Parkway where possible with sufficient separation from the road and instead of sidewalks**

**Preliminary Response:** No trail to be installed on the southern side of William Hilton Parkway. The existing sidewalk on the southern side is to be removed except to connect Windmill Harbor to the shared use path underpass west of the Windmill Harbor entrance.

**Additional Response:** No additional comments.

**8. Create a comprehensive system of safe, comfortable, and attractive shared use paths for cyclists and pedestrians**

**Preliminary Response:** Agreement on a trail on the northern side of US 278 only, with separation from the roadway. The trail will not be located in the marsh area and must tighten up alignment through the causeway section connecting Hilton Head and Jenkins Island. The trail is okay to move north for more separation from Parkway through Jenkins Island.

**Additional Response:** The meandering of the trail through Jenkins Island must avoid the wetlands and environmental features. The corridor will also be evaluated for other opportunities to utilize town-



owned land to meander the shared use path away from the roadway and to protect tree canopies when practical. Additional expenses to meander the trail will need to be covered by local funds (Not SCOOT or SIB funding)

**9. Open/encourage views to the water wherever possible, as part of the Island's "signature"**

**Preliminary Response:** Agreement that this is a local element with selective treatment rather than any clearing and grubbing along the water edge.

**Additional Response:** This will not be included as part of the project as it has the potential to increase environmental impacts outside of the proposed construction limits.

**10. Ensure integration of unique, Hilton Head-specific signage, landscape schemes, public art program, architectural vocabulary, iconic features, and accent lighting that distinguish this parkway from all others**

**Preliminary Response:** Agreement that this element should be Town driven through its CIP Program.

**Additional Response:** The EA document includes signage within the Stoney Community as part of the environmental commitments. This is to include two signs, banner signage on SUP lighting, and landscaping. The final details of each of these features will be coordinated with the Stoney Community and local governments. (Eligible for project funding within the Stoney Community)

**11. Reduce design & posted speeds throughout the corridor.**

**Preliminary Response:** The entire project will include a 45mph design speed and consideration given for 40mph posted speed for the William Hilton Parkway from the causeway connecting Hilton Head to Jenkins Island to Sea Pines Circle (which includes the Stoney segment)

**Additional Response:** The posted speed will need to be discussed with the SCOOT District Traffic Engineer and a formal request will need to be submitted by the Town requesting a Speed Study through the District office for the areas of concern between Stoney and Sea Pines Circle. The project team will assist in any communication and coordination with the SCOOT District office.

**12. Evaluate the island-wide transportation system.**

**Preliminary Response:** Agreement this is an effort that will be handled locally

**Additional Response:** No additional comments.



**Zone specific recommendations**

***13. Encourage/support Moss Creek area improvements (commercial redevelopment, access/roadway improvements, trail connections)***

**Preliminary Response:** Agreement for long-term but not included in this project scope and is not eligible for State Infrastructure Bank Funding.

**Additional Response:** County to support private commercial redevelopment in Moss Creek area. Any driveways and curb-cuts within project limits will be improved as part of the project. The trail along US 278 will connect to the trails along Bluffton Parkway via pedestrian improvements along Buckingham Plantation Drive.

***14. Establish "Gateway Experience" threshold at the west end of Mackay Creek bridges (landscape, island "icon", art, lighting)***

**Preliminary Response:** Okay through coordination of County & Town

**Additional Response:** Not eligible for SCOOT or SIB Funding

***15. Reduce bridge mass with two separate bridges and a Shared-Use path on side of the eastbound bridge***

**Preliminary Response:** SCDOT is neutral on this item. The county administrator does not think benefits will justify additional costs. SCDOT states it's likely a 10-15% increase in the cost of the bridge component resulting in a \$30M to \$40M dollar increase. These additional costs are to be funded with local funds, not SCDOT or SIB. This item is to be evaluated by KCI (County) and HDR (Town) to determine the differential in costs between 1, six-lane bridge versus 2, 3 lane bridges. Additional impacts to the environment and Pinckney Island to be considered.

**Additional Response:** The construction of two separate bridge structures will increase the actual bridge width and increase the impacts to Pinckney Island due to the need for a separation distance between the two structures. The dual bridge option increases the estimated project cost by \$27.3 million. Additionally, two separate bridge structures will significantly increase the construction time potentially extending the completion date and jeopardizing SIB funding. The County does not support this request.

***16. Reduce bridge lane width to 11', verify the need for two breakdown lanes per bridge***

**Preliminary Response:** The bridge will have 12' lanes and no reduction of shoulder/breakdown widths. Each direction to include 2-10' shoulders as agreed to by all parties.

**Additional Response:** The 12' lanes and 10' shoulders are FHWA controlling criteria and provide a safety benefit to the project. These criteria are based on the roadway classification. Additionally, the shoulders provide improved access for Emergency Response on the bridges and to Jenkins Island.

***17. Provide 14' minimum width non-motorized lane on the bridge with multiple viewing areas and protection/screening of vehicles***



**Preliminary Response:** Agreement on the 12' shared-use pathway along the southern side of the bridge with 2 bulb-outs, one over each creek. Each bulb is out to be approximately 50' long. The bulb out elements are to be funded with local money as they are considered non-essential for SIB funding

**Additional Response:** The final configuration of the bulb-outs will be determined during the bridge design phase but are currently estimated to be 20'x50' with an additional cost of \$125k to \$150k per bulb out. However, the cost estimate does not include the additional cost for protection/screening. The County supports the concept of the viewing areas/screening if additional local funds can be identified early in the design process by the Town, but the County does not have the extra funds to support the addition.

**18. Attention to bridge design/details as viewed from afar and on-deck (parapet, railings, structural forms)**

**Preliminary Response:** Agreement on this item with continued coordination through project design. Attention to be focused on the above deck treatment of the bridge.

**Additional Response:** This has potential schedule implications, but a decision would need to be made early in the design development to ensure timely completion of the bridge design. The County does not have extra funds but supports additional aesthetic details but is good with the concept if additional local funds or grants can be identified and made available.

**19. Consolidate Jenkins Island access to one location at C. Heinrichs Circle/Windmill Harbor Entrance**

**Preliminary Response:** Agreement to consolidate all turning movements on Jenkins Island to this single intersection has already been implemented as part of the refinements after the public hearing.

**Additional Response:** No additional response.

**20. Provide traditional turn lanes and intuitive intersection configurations throughout Stoney**

**21. Eliminate confusing SCDOT U-turns**

**22. Eliminate left turns and traffic introduction onto Old Wild Horse Road**

**Preliminary Response:** This response applies to 20-22. There is an internal agreement to provide lefts at the Stoney intersections and not to proceed with the U-turn at the Old Wild horse Road intersection. SCOOT, Beaufort County, and the Town of Hilton Head agree to evaluate options to understand the performance and impacts resulting from the preferred alternative and the local alternatives. A balance of performance, impact of land disruption, and local desires and input will drive the final request to FHWA.

**Additional Response:** Additional survey work and engineering design was required to address this request. A traffic technical memo was created for the section of US 278 between Squire Pope Road and Spanish Wells Road to evaluate additional intersection configurations (Appendix 2). Two additional intersections were evaluated that eliminated the signal and U-turns at Old Wild Horse Road and reintroduced the left turns at Squire Pope Road & Spanish Wells Road. Both options introduced dual left-hand turn lanes from eastbound US 278 onto northbound Squire Pope Road, dual lefts from Spanish Wells Road northbound onto US 278 westbound, and the combination of the Squire Pope Road southbound through movement and left-turn movement to protect the tree canopy on Squire Pope Road. Option 1 includes dual rights from SB



Squire Pope Road onto WB US 278 operating under a stop condition while Option 2 includes one free flow right from SB Squire Pope Road to WB US 278 with an acceleration lane on 278. While the traffic performance of each of the options causes decreased level of service at the intersections, additional travel time and delays in the peak direction, and additional delays on the side streets, the performance does meet the minimum standard of a level of service D. There is minimal discernment obtained between the performance of Option 1 and Option 2. The next step was to compare the options to original TCP impacted areas of 4.77 acres as shown in Appendix 3. Each of the alternatives, including the preferred alternative through refinements, shows a reduction in the TCP impacts. Once all factors are considered including TCP impacts, local governmental input, and public comments from the Public Hearing Option 1 balances the need for traffic performance for the mainline and side roads, and the TCP impacts throughout Stoney. Option 1 reduces the frontage impacts along US 278 within Stoney from the causeway to Squire Pope Road. The selection of Option 1 will require the trail to meander within the Town of Hilton Tract on the northeast corner of Squire Pope Road and US 278 to protect the tree canopy along Squire Pope Road as requested by the State Historical Preservation Office (SHPO).

***23. Create a new park south of Parkway in Stoney to authentically showcase Gullah Geechee culture/heritage***

***24. Consider a new Visitor Center as part of this park that intentionally showcases this heritage while introducing visitors to the Island's offerings***

**Preliminary Response:** This applies to 23 and 24. This must take place (at least initially) on Town/County-owned property within Stoney. NO additional property impacts, takes, or displacements should be represented as part of this element. TCP elements identified in the EA should be integrated and enhanced at this location.

**Additional Response:** The new park and pavilion are part of the environmental commitments for the project. The location of the improvements and details will need to be coordinated with the Stoney Community and the local entities. Should the Town desire to design and construct a visitor center, it could be constructed separately but concurrent with the project. The improvements outlined in the EA document as commitments for the Stoney Community are funded however any additional design elements or expansion would need to be funded locally and not utilize SCDOT or SIB funding.

***25. Create a Stoney-authored vision plan for the next generation of that neighborhood***

**Preliminary Response:** Agreement that this should be a locally handled effort.

**Additional Response:** As part of the environmental commitments, the County will develop and host an online, interactive map of the history of the Stoney community to share important historical information about the community.

***26. Create and professional staff a Development Corporation as a vehicle for Stoney Advancement.***

**Preliminary Response:** Agreement that this should be a locally handled effort.

**Additional Response:** The County supports the advancement of citizens within the Stoney Community and other Gullah communities throughout the county and is open to further discussions to determine the most appropriate vehicle to support this mission.

**BOARD OF DIRECTORS****John B. White, Jr., Chairman****Ernest Duncan, Vice Chairman****Representative Chris Murphy****Senator C. Ross Turner, III****Pamela L. Christopher****David B. Shehan****André Bauer****South Carolina  
Transportation Infrastructure Bank**

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

June 14, 2024

**Via email**

Mr. Jared Fralix, P.E.

Assistant County Administrator – Infrastructure

Beaufort County Government

100 Ribaut Road

Beaufort, SC 29902

Re: Beaufort County US 278 Improvement Project

Dear Mr. Fralix,

Thank you for meeting with the Bank and the SCDOT. We appreciate the attendance of the local officials and understand the importance of the Project.

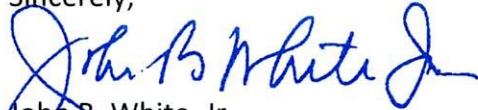
Please let us know the outcome of the Hilton Head Town Council vote on the consent agreement. It is my understanding that vote is to occur in the next two weeks.

At our meeting, we discussed our concern about the significant increase in the total cost of the Project. My understanding is that the County and the SCDOT were going to reexamine the scope of the Project and thus, the total costs of the Project. Please keep us up to date on these discussions as well as the County's plans and efforts on the proposed Transportation Sales Tax.

As we discussed, once the Project's updated increased total cost is determined and how the County and Town intend to fund the shortfall is determined, the IGA must be amended to the satisfaction of the Bank to update these terms and other relevant terms such as the Project's completion date. All possible sources of local funding must be committed to address the shortfall. I also hope that the General Assembly may be inclined to provide the Bank additional resources to allow it to assist to some extent each of the counties we discussed impacted by the significant cost increases.

If you have any questions, please contact Charles Cannon at [CannonCM@scdot.org](mailto:CannonCM@scdot.org) or (803) 737-0996.

Sincerely,

A handwritten signature in blue ink, reading "John B. White, Jr.", with a stylized flourish at the end.

John B. White, Jr.  
SCTIB Chairman

Cc: SCDOT Secretary Powell  
SCDOT Deputy Secretary Perry  
Bank Board Members  
The Honorable Tom Davis  
The Honorable Weston Newton  
The Honorable Bill Herbkersman



**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA FOR THE WILLIAM HILTON PARKWAY GATEWAY CORRIDOR PROJECT.**

**WHEREAS**, Beaufort County, South Carolina is the sponsor of a Project proposed to include the replacement of all four bridges crossing Mackay Creek and Skull Creek and the U. S. Highway 278 corridor on Jenkins Island, the causeway from Jenkins Island to Hilton Head Island, and on Hilton Head Island to the intersection of U. S. Highway 278 and Spanish Wells and Wild Horse Roads (the “Project”); and,

**WHEREAS**, while the Town and Beaufort County have worked diligently to reduce and/or eliminate impacts arising from the Project, the Project will have impacts on the citizens, residents, property owners and visitors of and to the Town; and

**WHEREAS**, in order to alleviate or reduce the impacts, the Town and Beaufort County desire to undertake actions related to the Project that are outlined in the proposed Memorandum of Agreement that is attached hereto as Exhibit “A”; and

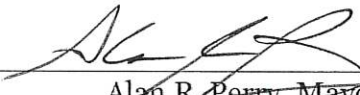
**WHEREAS**, the Town Council hereby finds that the execution of the proposed Memorandum of Agreement with Beaufort County is in the best interests of the Town of Hilton Head Island and its citizens, residents, property owners and visitors.

**NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA:**

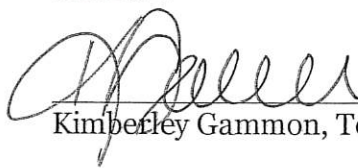
1. The Town Manager to execute and deliver the Memorandum of Agreement with Beaufort County that is in the form and substance of Exhibit “A” to this Resolution.
2. The Town Manager is authorized to take all actions necessary to comply with the Town’s obligations set out in the Memorandum of Agreement.

PASSED AND APPROVED BY THE TOWN COUNCIL FOR THE TOWN  
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS 19th DAY OF  
JUNE, 2024.

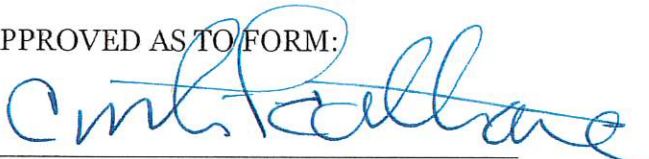
THE TOWN OF HILTON HEAD  
ISLAND, SOUTH CAROLINA

By:   
Alan R. Perry, Mayor

ATTEST:

  
Kimberley Gammon, Town Clerk

APPROVED AS TO FORM:

  
Curtis L. Coltrane, Town Attorney

**STATE OF SOUTH CAROLINA ) MEMORANDUM OF AGREEMENT**  
**) WILLIAM HILTON PARKWAY GATEWAY**  
**) CORRIDOR PROJECT**  
**COUNTY OF BEAUFORT )**

**THIS MEMORANDUM OF AGREEMENT (the “Agreement”)** is made and entered into this \_\_\_\_ day of June 2024 by and between the Town of Hilton Head Island, South Carolina (the “Town”), and Beaufort County, South Carolina (the “County”).

**WHEREAS**, access to Hilton Head Island by vehicles is currently via U.S. Highway 278, which includes four bridges, being east and west bound bridges connecting the mainland with Pinckney Island over Mackay Creek, and east and westbound bridges connecting Pinckney Island to Jenkins Island over Skull Creek; and

**WHEREAS**, from Jenkins Island, U.S. Highway 278 crosses a causeway to Hilton Head Island whereby U.S. Highway 278 is also known as William Hilton Parkway; and

**WHEREAS**, the South Carolina Department of Transportation has inspected the Karl S. Bowers eastbound bridge that spans Mackay Creek and has found this structure to be structurally deficient and subject to continuing deterioration; and

**WHEREAS**, traffic entering and leaving Hilton Head Island on a daily basis has increased over time, and the existing corridor does not efficiently handle the traffic in the corridor extending from the intersection of U.S. Highway 278 and Spanish Wells Road to the intersection of U.S. Highway 278 and Moss Creek Drive; and

**WHEREAS**, to address concerns posed by the deteriorating condition of the eastbound Mackay Creek bridge, and the need reduce congestion and provide safety improvements for the entrance to Hilton Head Island the County conducted a Transportation Sales Tax Referendum that included a proposed project for the repair and/or replacement of all four bridges and additional improvements to the U.S. Highway 278 corridor from the intersection of U.S. Highway 278 and Squire Pope Road to the intersection of U.S. Highway 278 and Moss Creek Drive, among other things; and

**WHEREAS**, following the adoption of the Transportation Sales Tax Referendum by the voters in Beaufort County the William Hilton Parkway Gateway Corridor Project, referred to herein as the “Project,” was created as a County project for those improvements within the SCDOT owned right of way; and

**WHEREAS**, the Project will begin at the intersection of U.S. Highway 278 and Moss Creek Drive and run to the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads as shown on Exhibit 1 which is attached to this Memorandum of Agreement, and which is attached hereto and incorporated herein by reference; and

**WHEREAS**, in 2019, the Town Council for the Town of Hilton Head Island, South Carolina (the "Town Council"), created the U.S. 278 Gateway Corridor Committee which developed a series of "Guiding Principles" to be utilized in developing the Project which were formally adopted by Town Council on February 18, 2020; and

**WHEREAS**, the Project is now proposed to include the replacement of all four bridges crossing Mackay Creek and Skull Creek to meet current design and safety code specifications, improved transportation performance throughout the corridor and within all major intersections, improved access to the Pinckney Island National Wildlife Refuge and the C.C. Haigh, Jr., boat ramp; improvements to address pedestrian and bicyclist needs, and improvements to address existing conditions within the corridor that are negatively affecting property owners and residents of the Big and Little Stoney Historic Neighborhoods (herein, collectively, the "Stoney Historic Community"), all of which are generally reflected in the revised project design plans shown in Exhibit 2 to this Memorandum of Agreement which are attached hereto and are incorporated herein by reference; and

**WHEREAS**, the part of the Project beginning at the point where the Skull Creek bridges meet Jenkins Island and ending at the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads is located within the Town's municipal limits; and

**WHEREAS**, the Project as a whole including the part within the municipal limits of the Town, will substantially impact the property owners and citizens of and visitors of the Town of Hilton Head Island; and

**WHEREAS**, the properties located the Stoney Historic Community were designated as a Traditional Cultural Property as a part of the National Environmental Policy Act ("NEPA") process in developing the Environmental Assessment and are reflected on a map attached hereto as Exhibit 3 to this Memorandum of Agreement and incorporated herein by reference; and,

**WHEREAS**, the U.S. Highway 278 corridor, extending from I-95 to Sea Pines Circle, is of regional importance to the Town, the County, and the State of South Carolina in facilitating trade, commerce, transportation of the local workforce, and the transportation of Hilton Head Island residents, visitors, and workers throughout the entire region; and

**WHEREAS**, the Project is currently in the preliminary design stage and is working through the NEPA process; and

**WHEREAS**, as part of the NEPA process, a Preferred Alternative for the Project was identified by the SCDOT and presented at a public hearing held on July 22, 2021; and

**WHEREAS**, following the development of the Preferred Alternative, on October 12, 2021, the Town Council approved suggested revisions to be formally incorporated into the Modified Preferred Alternative; and

**WHEREAS**, based upon public feedback and suggested revisions from the Town, SCDOT presented a Modified Preferred Alternative at a public hearing held on March 3, 2022; and

**WHEREAS**, the County, as project sponsor, approved many of these recommendations and they were formally incorporated into a Memorandum of Agreement that was approved on October 4, 2022; and

**WHEREAS**, in response to a substantial number of additional comments made by the residents of the Town and/or the County concerning the Project, the County and the Town determined that, as a necessary condition precedent to making an informed decision on what options for the Project are in the best interests of their citizens, property owners and residents, an independent review (the "Independent Review") should be performed by a qualified consultant; and

**WHEREAS**, the County and the Town coordinated on the procurement, awarding, and execution of an Independent Review with consultant CBB Transportation Engineers and Planners, which presented its findings on October 17, 2023; and

**WHEREAS**, the Town subsequently procured an additional transportation engineering firm, The Lochmueller Group, to conduct a Town managed Independent Study; and,

**WHEREAS**, the Lochmueller Group presented its findings and recommendations to the Town on June 17, 2024; and,

**WHEREAS**, to offset the impacts to the Stoney Historic Community, an innovative program of renewal and economic opportunity commensurate with the existing impacts to the Stoney Historic Community's social and economic vitality that have come about through decades of right-of-way expansion, will established and implemented; and

**WHEREAS**, the Town and County find that the completion of things set out in this Memorandum of Agreement are in the best interest of the Town and County, and their citizens, residents, property owners and visitors; and,

**WHEREAS**, in order to successfully incorporate these actions and the recommendations from the Independent Study, the Town and County are combining into this Memorandum of Agreement those elements that have previously been agreed to by the Town and the County in addition to all other requirements that the Town and County have now determined are integral to the Town's municipal consent for the Project; and

**WHEREAS**, as a condition precedent for the Town to grant its municipal consent for the Project, the County and Town hereby agree and enter into this Memorandum of Agreement with the express knowledge and understanding that the incorporation and completion of these terms will be a condition of Town's municipal consent for the Project.



**NOW, THEREFORE,** for and in consideration of the sum of One (\$1.00) Dollar, each paid to the other, and the performance of the mutual covenants exchanged herein, the receipt and sufficiency of which is acknowledged, the County and the Town do hereby agree as follows regarding the Project's design, the pursuit of neighborhood improvements, and the overall economic sustainability of the corridor:

**PROJECT DESIGN:**

1. The Project will advance through a joint and equal partnership, for the entirety of the Project. All decisions and approvals concerning the Project shall be made in writing and signed by both the Town Council and County Council respectively.
2. The Project's design will be modified to reflect those elements that are shown in Exhibit 2, which will serve to achieve the Project's goals while further reducing and/or eliminating the impacts to private property owners.
3. To the greatest extent feasible, the improvements proposed as part of the Project will be accomplished within the existing right-of-way with the exception of a multi-use pathway to be included on the northern side of the Project from the intersection of Spanish Wells Road to the new bridge and which will connect to the bridge via a connection which will run underneath the bridge coming onto Jenkins Island, and on the southern side of the Project from the intersection of the Windmill Harbour Traffic Signal to the end of the Mackay Creek bridge span.
4. The Project design will provide a separation of pathways from roadways to the greatest extent feasible and a pedestrian and bicycle safety plan which consists of the following:
  - a. Safe pedestrian refuges in median areas; and
  - b. Removal of pavement and landscaping necessary to protect pedestrians and bicyclists; and
  - c. The installation of up to two (2) pedestrian overpasses within the Stoney Historic Community and intersection protections that will facilitate the safe movement of pedestrians and bicyclists across the proposed roadway area.
  - d. The integration of strategies to create a pedestrian-friendly Stoney Historic Community corridor that honors and enhances the cultural fabric of the Stoney Historic Community. The Project must balance infrastructure improvement with respect for the Stoney Historic Community's cultural values, traditions, and social dynamics. Strategies to accommodate this include but are not limited to the following:
    - i. Respect for Cultural Landmarks: Ensure that pedestrian pathways respect and preserve cultural landmarks, and historical areas.
    - ii. Lighting and Security: Install adequate lighting and ensure pathways are safe, well-maintained, and patrolled if necessary.
    - iii. Universal Design: Ensure pathways are accessible to people of all ages and abilities, including those with disabilities.

- iv. Link Key Destinations: Design pedestrian pathways to connect important community destinations including schools, markets, parks, places of worship, and community centers.
- v. Multi-Modal Integration: Integrate pedestrian pathways with other modes of transportation, such as public transit stops and enhance overall connectivity.
- vi. Green Spaces: Incorporate green spaces, trees, and vegetation along pedestrian routes to provide shade, improve air quality, and enhance the aesthetic appeal.
- vii. Health Initiatives: Promote walking and cycling as healthy lifestyle choices through community programs and infrastructure that encourage physical activity.
- viii. Cultural Education: Raise awareness within the community about the benefits of improved pedestrian connectivity.
- ix. Wayfinding and Signage: Use relevant symbols and signage to help residents navigate the neighborhood easily.
- x. Road Safety Audit and Bike and Pedestrian Plan.

5. The elements shown on Exhibit 2, will be incorporated in the Project's design elements as follows:

- a. One (1) bridge with a width not greater than 123 feet, 7 inches extending from the mainland to Jenkins Island consisting of three (3) twelve-foot (12') wide travel lanes in each direction, one (1) ten-foot (10') wide outside shoulder in each direction, one (1) six-foot (6') wide inside shoulder in each direction, a twelve-foot (12') wide multi-use pathway along the southern side of the bridge, and physical barriers protecting the edges of the bridge and separating vehicular and pedestrian traffic which will include one (1) bulb-out refuge of fifty-feet (50') in length and twenty-feet (20') in width over the Mackay Creek, and one (1) bulb-out refuge of fifty-feet (50') in length and twenty-feet (20') in width over the Skull Creek; provided however, that these design elements will continue to be evaluated with the specific goal of reducing, to the maximum extent that is possible, the width of these various elements thereby reducing the overall width of the bridge which will serve to reduce the visual impacts of the bridge and in reducing the funding gap that is currently present for the Project; and
- b. Three (3) travel lanes in each direction through the Jenkins Island section of the Project which are each twelve-feet (12') in width; and
- c. Three travel lanes in each direction through the Stoney Historic Community consisting of two (2) travel lanes which are eleven-feet (11') in width and one (1) travel lane which is twelve-feet (12') in width; and
- d. All Jenkins Island traffic will be routed to the Windmill Harbour Intersection and the Jenkins Road intersection with William Hilton Parkway will be removed; and
- e. Access to Hog Island, Mariners Cove, Blue Heron Point, Jenkins Island Cemetery, Hilton Head RV Resort, and Hilton Head Harbor Marina will be from a new frontage road to be located on Jenkins Island; and

- f. There will not be a U.S. Highway 278 pedestrian crossing at the Windmill Harbour intersection; and
  - g. Vehicle access to Hog Island, Blue Heron Point, and Mariners Cove will be moved from southern side to northern side of U.S. Highway 278 with a new under bridge connection; and
  - h. Landscaped medians of varying widths will be installed to balance safety, property impacts, and aesthetics; and
  - i. The curb cut at Memory Matters, 117 William Hilton Parkway, will be removed; and
  - j. The median cut left turn movement for access to the Crazy Crab restaurant property, 104 William Hilton Parkway, will be relocated further westward towards the adjacent Town-owned property; and
  - k. One (1) elongated left turn lane from eastbound William Hilton Parkway onto Squire Pope Road; and
  - l. One (1) right turn lane from southbound Squire Pope Road onto westbound William Hilton Parkway; and
  - m. A new right turn lane will be provided from eastbound William Hilton Parkway onto Chamberlin Drive; and
  - n. The intersection of William Hilton Parkway and Spanish Wells Road and Wild Horse Road will be modified to include the following elements:
    - i. Two (2) left turn lanes from northbound Spanish Wells Road to westbound William Hilton Parkway; and
    - ii. One (1) through lane from northbound Spanish Wells Road to Wildhorse Road; and
    - iii. One (1) right hand turn lane from northbound Spanish Wells Road to eastbound William Hilton Parkway; and
    - iv. One (1) left hand turn lane from southbound Wild Horse Road to eastbound William Hilton Parkway; and
    - v. One (1) through lane from southbound Wild Horse Road to Spanish Wells Road; and
    - vi. One (1) right turn lane from southbound Wild Horse Road to westbound William Hilton Parkway; and
    - vii. Improvements to the right turn lane from eastbound William Hilton Parkway to southbound Spanish Wells Road; and
  - o. No at grade intersection on Pinckney Island; and
  - p. The bridge height clearance will remain at 65 feet over Skull Creek, same as the current bridge; and
  - q. The bridge height clearance over Pinckney Island will be a minimum of 17.19 feet, currently there is no bridge over Pinckney Island; and
  - r. The bridge length is 1.376 miles of the 4.218 mile project; and
  - s. The bridge will be designed to Safety Evaluation Earthquake (SEE) standards; and
  - t. The bridge will be designed to withstand a Category 5 hurricane.
6. In addition to the design modifications in Item 5 above, the following items will also be pursued as part of continued Project design efforts:
- a. Left turns during rush hour (peak hour) traffic will be minimized; and

- b. An additional merge lane from the Cross Island Parkway westbound to William Hilton Parkway will be evaluated; and
- c. The Project's design speed limits will be reduced to 45 miles per hour and will have a posted speed limit of 40 miles per hour; and
- d. Aesthetic elements proposed for the bridge and gateway corridor entrance elements will meet Hilton Head Island Design Review guidelines and will be approved by both Town Council and County Council.

7. The Windmill Harbour Traffic Signal will be incorporated within thirty (30) days upon execution of this Agreement into the Town's adaptive traffic management system and funded by the County. Additionally, the County will design and fund the installation of any corresponding infrastructure and associated improvements including traffic signal mast arms as part of the Project.

8. The Project will be designed sufficiently to address concerns resulting from storm surge impacts to the causeway connecting Jenkins Island to Hilton Head Island will include other similar resilience related matters into the Project design elements to ensure safe and reliable access for citizens, property owners, residents, visitors, and emergency services. Methods to address these concerns may include any of the following, but are not necessarily limited to these methods:

- a. Elevating the roadbed; and
- b. Installing surge barriers; and
- c. Installing armoring or other materials to withstand storm surge impacts; and
- d. Installing vegetation along the causeway to reduce wave energy and minimize erosion; and
- e. Installing sufficient drainage systems to prevent water accumulation on the causeway; and
- f. Installing real-time monitoring systems to provide early warning of rising waters and potential breaches as quickly as possible; and
- g. Performing regular interval inspections and evaluations of the causeway to ensure its long-term structural integrity in conjunction with the Town and appropriate emergency management agencies.

9. Where feasible, the Project will include and utilize landscaped medians within the part of the corridor beginning where the bridge meets Jenkins Island and extending through the Stoney Historic Community to the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads, in-lieu-of using concrete medians and will include landscaping along the right of way and on Town-owned property to reinforce the gateway entrance to Hilton Head Island through the Stoney Historic Community and Jenkins Island.

10. Where appropriate to protect the interests of adjacent landowners or for protection of natural resources, raised curbs and gutters will be installed on the exterior edge of the roadway to reduce right-of-way requirements and to handle stormwater runoff and discharge.

11. Further design modifications determined to be appropriate and feasible will be pursued if such will serve to further improve the quality of life within the Stoney Historic Community.

12. All parties will make available all project data, including but not limited to Project cost estimates with supporting details, traffic data, including modeling and simulation materials, other technical documents, and related design files.

13. Value engineering of the Project will be performed to identify and eliminate unwarranted infrastructure and subsequent costs with the goal to improve functional quality as well as optimizing initial and long-term investment thereby seeking the best possible value for the lowest cost.

14. The Town will work cooperatively with the County and/or SCDOT regarding the conveyance of any Town-owned land that may be necessary to accomplish the Project through the adoption of an Ordinance by the Town Council identifying all such properties or portions thereof to be transferred.

#### **STONEY HISTORIC COMMUNITY IMPROVEMENT:**

1. It is acknowledged that there are significant impacts to the Stoney Historic Community (Exhibit 3) and the Traditional Cultural Properties that are located within the Project's scope and for which, proactive improvement measures must be undertaken, including the elements set forth in this Agreement.

2. A Stoney Historic Community Economic Sustainability and Cultural Preservation Plan will be created and implemented in conjunction with the Gullah Geechee Historic Neighborhoods Community Development Corporation and serve as a vision and action plan. The 2003 Stoney Initiative Area Plan will serve as a guiding document for this effort.

3. A secure escrow account, reserve fund, contingency, or other mutually agreed form of funding of at least Ten Million (\$10,000,000.00) Dollars for the Stoney Historic Community shall be established within the Project budget for elements that include: landscaping, lighting, community sensitive signage, park improvements, and other community infrastructure improvements.

4. Through the Gullah Geechee Historic Neighborhoods Community Development Corporation, all parties will work directly with private property owners in the Stoney Historic Community to alleviate roadway impacts and improve quality of life measures including property access and property improvements.

5. It is agreed that some portions of Town-owned land may be needed to reduce the impacts to the private property owners that are located within the Stoney Historic Community and to adequately address other Project elements. This use of Town-owned land may be for purposes of right-of-way acquisition, project and wayfinding signage, landscaping, stormwater, or other similar Project purposes. Additionally, the Town Council will evaluate the use of Town properties within the Project corridor to support the efforts of the Gullah Geechee Historic Neighborhoods



Community Development Corporation in restoring economic opportunities within the Stoney Historic Community and the overall stabilization of this neighborhood.

6. A new park will be created south of U.S. Highway 278 in the Stoney Historic Community to showcase the Gullah Geechee culture/heritage.

7. Drainage improvements will be constructed within the part of the corridor beginning where the bridge meets Jenkins Island and extending through the Stoney Historic Community to the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads to improve stormwater conveyance both as part of the Project and as a part of the mitigation of any corresponding impacts to adjoining private properties.

8. Landscaping, lighting, and community sensitive signage will be installed throughout the Stoney Historic Community in order to provide this area with a clear sense of place to elevate this portion of the Project. This will also include a review of existing highway signage to determine if more appropriate alternatives can be utilized that are sensitive to the neighborhood context of the corridor.

9. Increased traffic and speed enforcement will be pursued within the area beginning at U.S. Highway 278 and Moss Creek Drive and continuing to the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads, including the bridges, Jenkins Island, and the Stoney Historic Community areas.

#### **ECONOMIC SUSTAINABILITY:**

1. Evaluation of multi-modal transportation opportunities, including ferry options, park and ride facilities, and other various modes of mass transit will be pursued to reduce travel demand for vehicles through the corridor.

2. The acceleration of the evaluation of a second bridge to Hilton Head Island through the Lowcountry Area Transportation Study (LATS) as outlined in the Long-Range Transportation Study for the region is supported and will be pursued.

3. Any additional recommendations from the Independent Review and Study will be considered, including those elements that may be outside of the defined Project area.

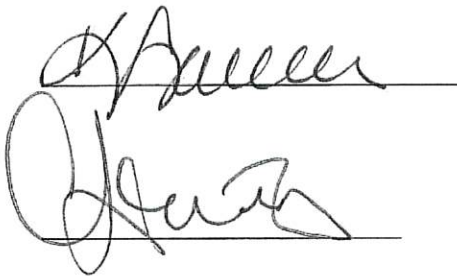
4. All parties will work cooperatively to seek the funding that will be necessary to implement the proposed Project improvements and any additional elements that are identified outside of the Project area.

5. It is acknowledged that a Tax Increment Financing ("TIF") District is a beneficial financial tool to facilitate the investment in community infrastructure for the Skull Creek Planning District (Exhibit 4), which includes the Stoney Historic Community. All parties will work cooperatively to


assess and consider establishing a TIF District within twelve (12) months following the adoption of this Agreement.

**IN WITNESS WHEREOF**, the Town of Hilton Head Island, South Carolina, and Beaufort County, South Carolina, by and through their duly authorized officers, have executed this Memorandum of Understanding on this \_\_\_\_ day of June, 2024.

WITNESSES:



TOWN OF HILTON HEAD ISLAND

By: 

Name: Marc Orlando

Title: Town Manager

WITNESSES:

\_\_\_\_\_  
  
\_\_\_\_\_

BEAUFORT COUNTY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: County Administrator

EXHIBIT "1" TO MEMORANDUM OF  
AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA

# William Hilton Parkway Gateway Corridor Project

## FULL PROJECT EXTENT

EXHIBIT 1

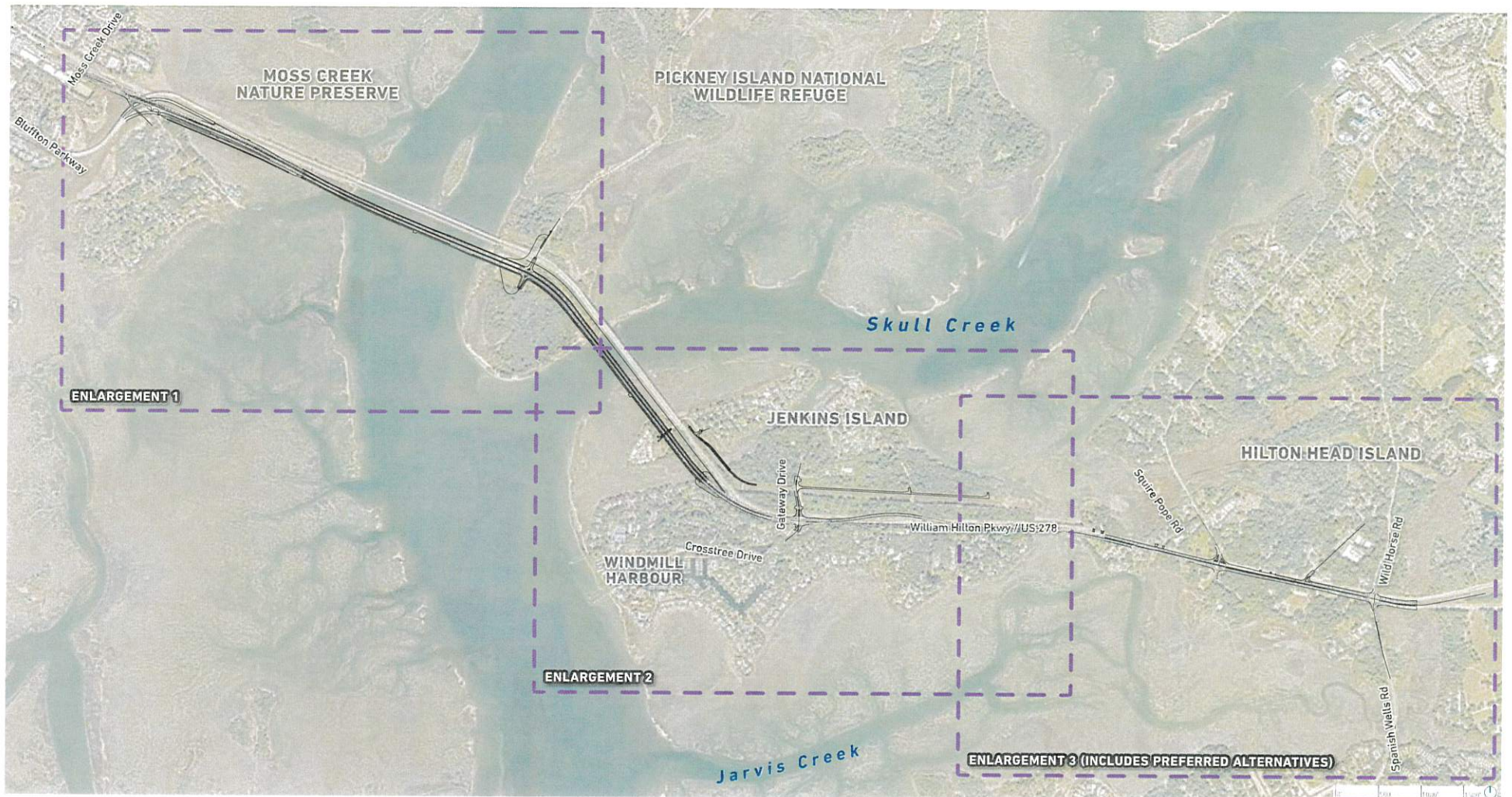


EXHIBIT "2" TO MEMORANDUM OF  
AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA



EXHIBT 2

*William Hilton Parkway Gateway Corridor Project*  
**BRIDGE SECTION ENLARGEMENT**





## EXHIBIT 2

*William Hilton Parkway Gateway Corridor Project*  
**STONEY AREA SECTION ENLARGEMENT**





## EXHIBIT 2

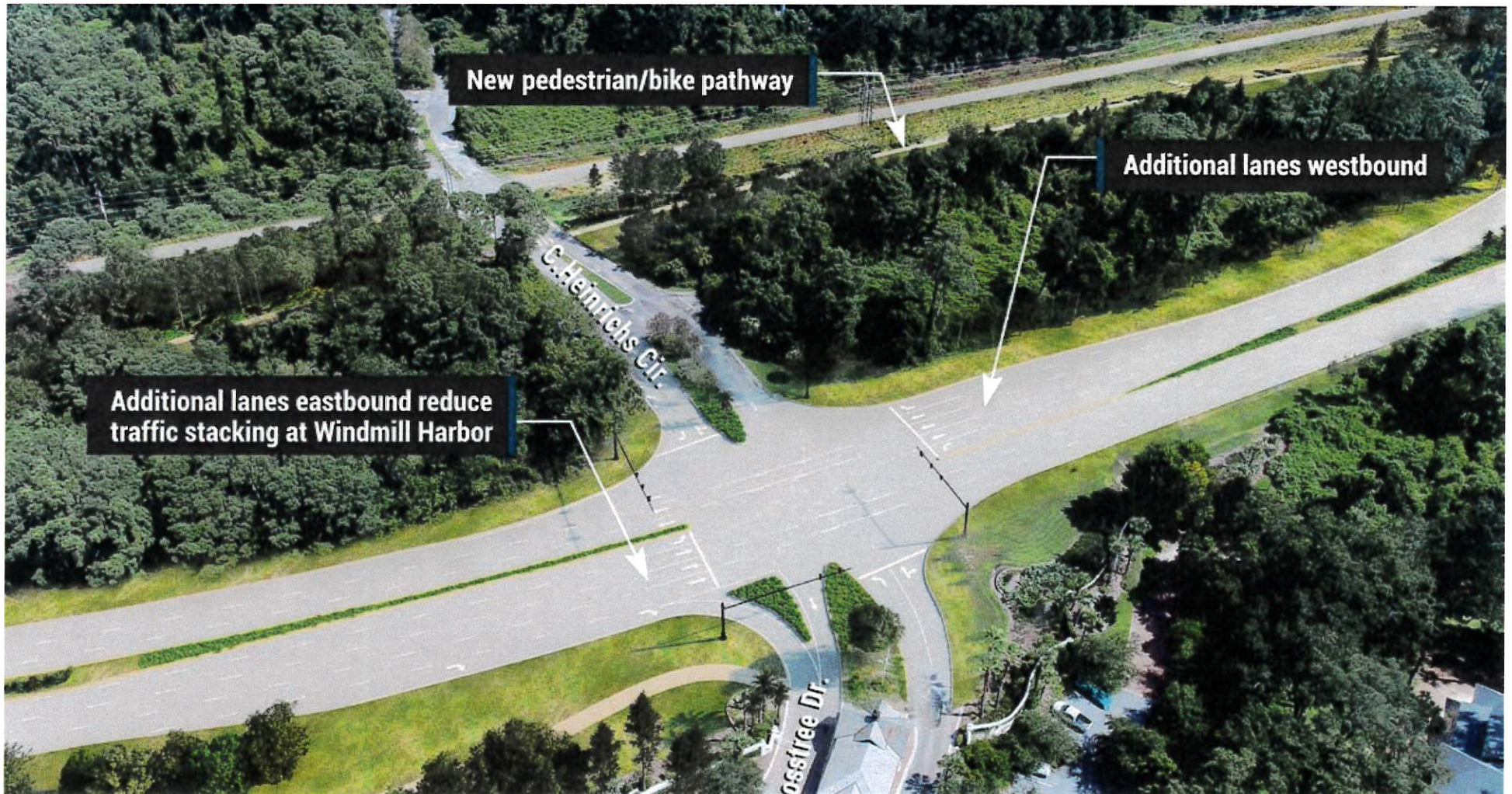
*William Hilton Parkway Gateway Corridor Project*  
**JENKINS ISLAND SECTION ENLARGEMENT**





## EXHIBIT 2

# *Current Proposal* WINDHILL HARBOR INTERSECTION ENLARGEMENT



WHP GATEWAY CORRIDOR PROJECT | COUNCIL PRESENTATION

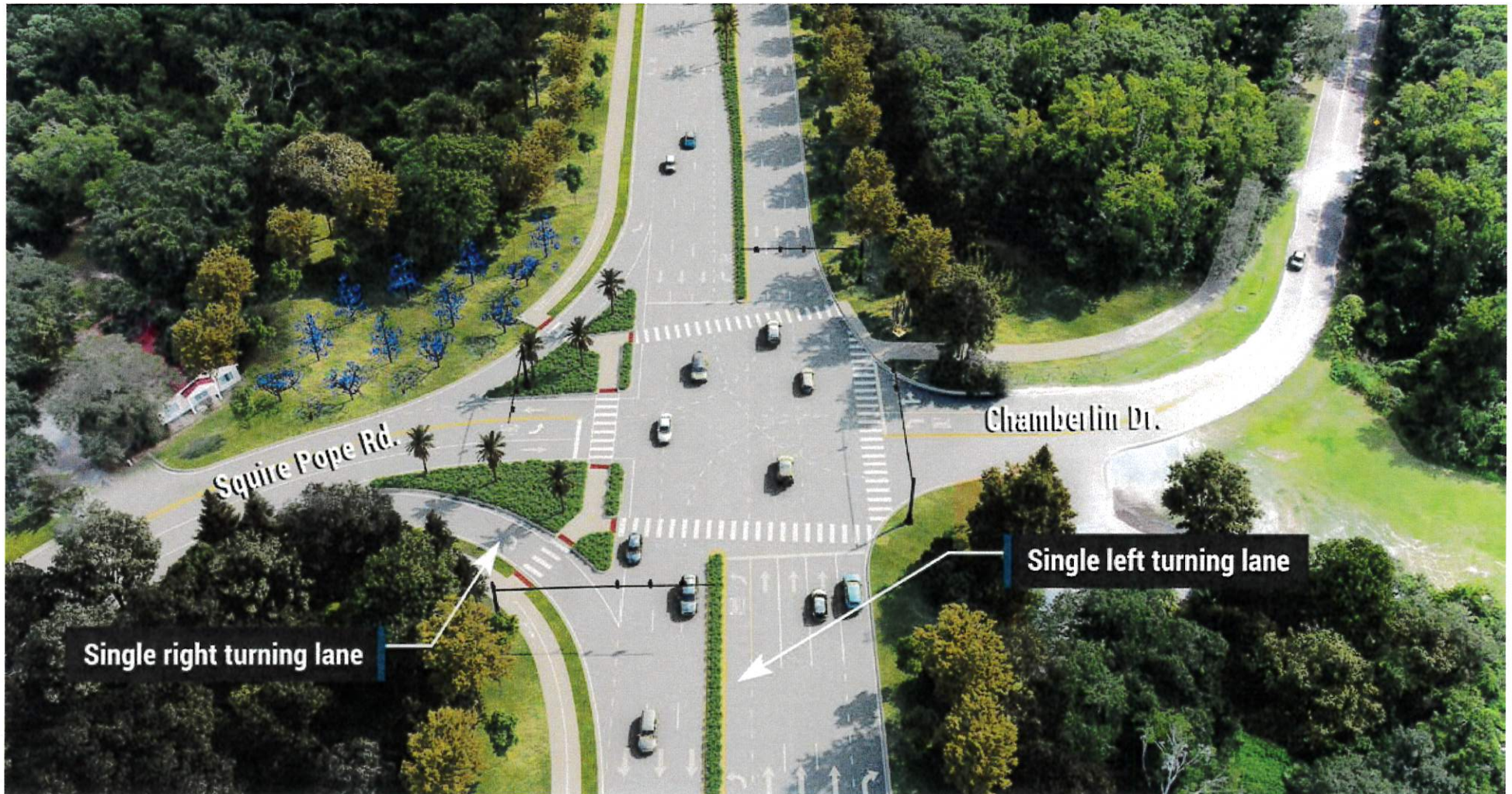
TOWN OF HILTON HEAD ISLAND, SC | JUNE 2024  
53



## EXHIBIT 2

*William Hilton Parkway Gateway Corridor Project*

## SQUIRE POPE ROAD / CHAMBERLIN DRIVE INTERSECTION ENLARGEMENT





## EXHIBIT 2

*William Hilton Parkway Gateway Corridor Project*

**WILD HORSE ROAD / SPANISH WELLS ROAD INTERSECTION ENLARGEMENT**

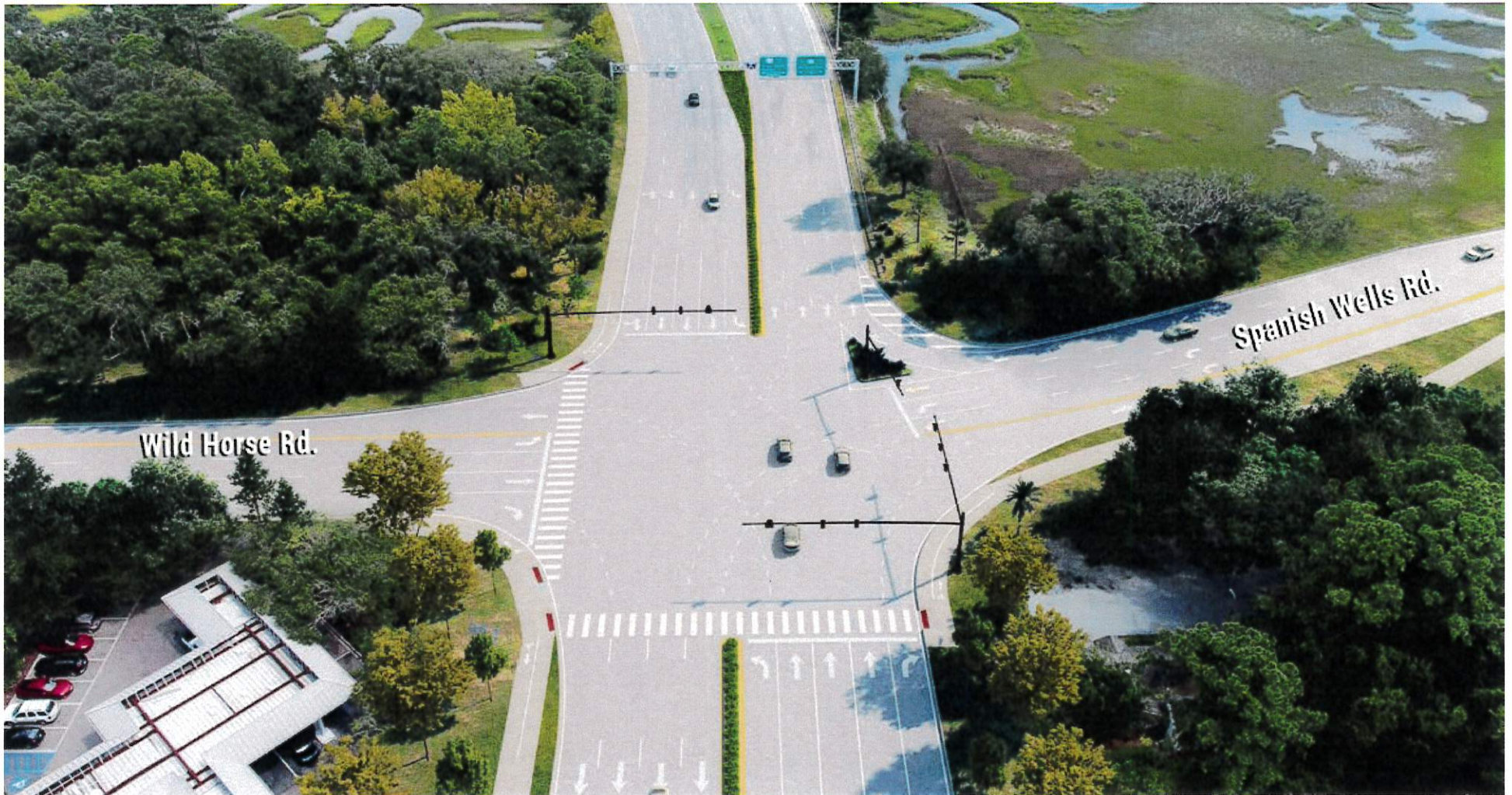


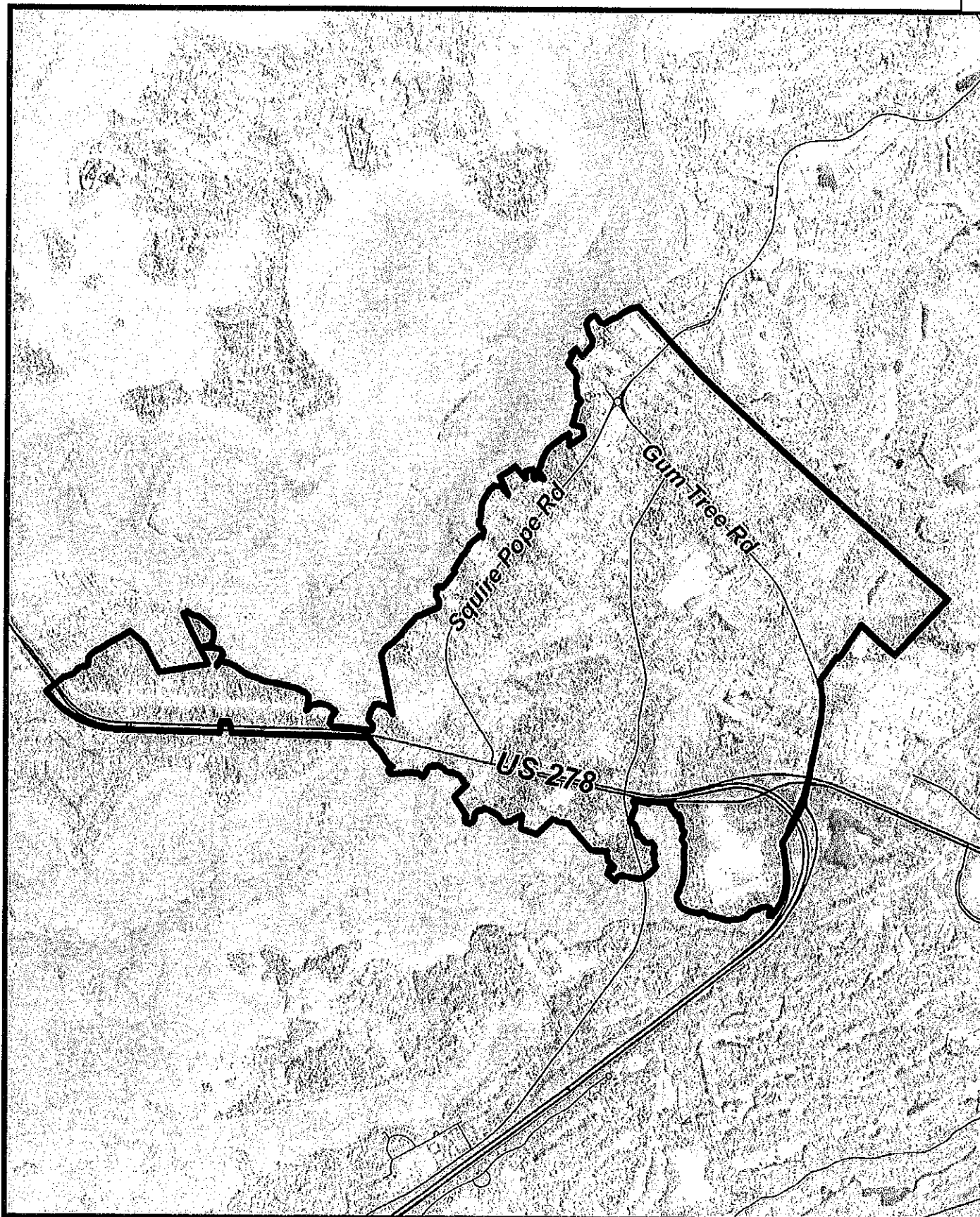
EXHIBIT "3" TO MEMORANDUM OF  
AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA



Traditional Cultural Property Boundary



EXHIBIT "4" TO MEMORANDUM OF  
AGREEMENT WITH BEAUFORT COUNTY, SOUTH CAROLINA



TOWN OF HILTON HEAD ISLAND  
ONE TOWN CENTER COURT  
HILTON HEAD ISLAND, S C 29926  
PHONE 843/661-4000  
FAX 843/661-4000

**Town of Hilton Head Island**  
Skull Creek District Area  
June, 2024



The following table lists the number of people who have been convicted of a crime in the United States since 1970, by race and sex. The numbers are in thousands.



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 MOORE  
COUNTY ADMINISTRATOR

July 3, 2024

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

RE: US 278 Corridor Improvement Project Update

Dear Chairman White:

Thank you for continued patience and support for Beaufort County's ("County") US 278 Corridor Improvement Project ("Project"). As County administrative staff previously discussed with you, there were two important milestones that the County has been working on that would help determine the course of the project: (1) municipal consent for the project from the Town of Hilton Head Island ("Town"); and (2) addressing the funding shortfall per the most recent updated cost estimate.

In order to adhere to the June 28, 2024 expiration date for the Project's environmental documents, the County and Town have spent the last six months working closely to address the Town's concerns regarding the Project. The Town previously obtained consultants to conduct an independent review, which was not finalized until early June 2024. The independent review was performed to ensure that the Project is the best alternative not only for visitors and commuters, but also for the community residents. Throughout June 2024, the Town held several public meetings to discuss the recommendations from the Town's consultants. The Town voted to provide its municipal consent on June 28, 2024. This approval allows SCDOT to submit the final environmental documents to FHWA for its review, aiming for a Finding of No Significant Impact (FONSI).

Concurrent with the collaborative efforts to obtain municipal consent, the County has independently been developing a future Transportation Sales Tax Program ("Program") for the referendum question to be placed on the November 2024 ballot. After a series of public information meetings held throughout the County, the proposed Program was discussed at the County's Public Facilities and Safety Committee. Due to the Project's current estimated \$190 million funding shortfall, significant discussion was dedicated to determining how much funding from the Program should be allocated to the Project. Specifically, there were concerns about overweighting the Program to one particular project or geographical area, thereby potentially jeopardizing the success of the entire Program. The Committee recommended to County Council a Program restricted to a period of 10 years or collection of funds not to exceed \$950 million, and to include an allocation of \$90 million for the Project to assist in resolving the funding shortfall. On June 24, 2024, County Council approved the Program, as recommended by the Committee, to be included on the November 2024 ballot.

## OFFICE OF THE COUNTY ADMINISTRATOR

The Honorable James B. White, Jr.  
 July 3, 2024  
 Page 2

It is the County's desire for the three funding partners for the Project—Beaufort County, SCDOT, and SCTIB—to utilize the funding ratio identified in the original grant application to equitably share the Project cost increase. Beaufort County Council has taken the necessary actions to source additional local funds for the Project, and *we respectfully request that the SCTIB provide an additional \$90 million contribution to help cover the Project's funding shortfall.*

We understand that our Project is one of many SCTIB-funded projects experiencing similar funding shortfalls due to external circumstances, and that action by the General Assembly will be required to facilitate this request. In the interim, we will continue to seek other local, state, and federal resources to obtain additional funding for the Project. With the Town's municipal consent now provided, the project schedule has a clearer path to completion, and we stand ready to update and amend the relevant terms of the IGA, notwithstanding the final financial considerations. The SCTIB funds are intended for construction purposes, and to date, no awarded funds have been expended. As we finalize the engineering plans and permits, we are confident that we will work through the financial considerations before being ready to commence construction.

We appreciate the SCTIB's understanding and willingness to allow us to work through our local hurdles on the Project in an effort to deliver a generational and impactful project for both the local community and all citizens of South Carolina.

Kindest Regards,



Michael Moore  
 Beaufort County Administrator

MM:bw

cc: Justin Powell, Secretary of Transportation, SCDOT  
 Rob Perry, PE, Deputy Secretary of Engineering, SCDOT  
 Craig Winn, PE, Lowcountry Program Manager, SCDOT  
 Charles Cannon, Executive Director, SCTIB  
 The Honorable Senator Tom Davis  
 The Honorable Weston Newton  
 The Honorable Bill Herbkersman  
 Jared Fralix, PE, Assistant County Administrator – Infrastructure

## ATTACHMENT 10

Item 6.

COUNTY COUNCIL OF BEAUFORT COUNTY  
OFFICE OF THE COUNTY ADMINISTRATOR  
ADMINISTRATION BUILDING  
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX  
100 RIBAUT ROAD  
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[www.beaufortcountysc.gov](http://www.beaufortcountysc.gov)

CHERYL H. HARRIS  
EXECUTIVE ASSISTANT

MIKE MOORE  
COUNTY ADMINISTRATOR

November 26, 2024

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

RE: US 278 Corridor Project MOA

I am writing in response to the Town's letter dated June 28, 2024, regarding the memorandum of agreement (MOA) for the US 278 Corridor Project. We appreciate the Town's efforts to address and work through the various elements necessary to advance this important initiative.

After reviewing the MOA, we have provided comments which are included in the attachments to this letter. We look forward to continuing our collaboration to discuss and resolve the details of the agreement.

Thank you for your ongoing partnership on this project.

Kindest regards,



Mike Moore  
County Administrator

CC: County Council  
Alan Perry, Town of HHI Mayor  
Jared Fralix, PE – Beaufort County Assistant Administrator – Infrastructure  
Bryan Bauer, PE – Engineering Director  
Shawn Colin - Assistant Town Manager – Community Development

Attachments:

1. Memorandum of Agreement for the William Hilton Parkway Gateway Corridor Project
2. Memorandum of Agreement for the Stoney Historic Community Projects

STATE OF SOUTH CAROLINA ) \_\_\_\_\_ MEMORANDUM OF AGREEMENT **FOR**  
 ) \_\_\_\_\_ WILLIAM HILTON PARKWAY GATEWAY  
 COUNTY OF BEAUFORT ) \_\_\_\_\_ CORRIDOR PROJECT

**THIS MEMORANDUM OF AGREEMENT FOR WILLIAM HILTON PARKWAY GATEWAY CORRIDOR PROJECT** (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ December, 2024 (“Effective Date”), by and between the Town of Hilton Head Island, South Carolina (“Town”), and Beaufort County, South Carolina (“County”); collectively hereinafter the “Parties”.

WHEREAS, the U.S. Highway 278 (“Hwy 278”) corridor, extending from I-95 to Sea Pines Circle, is of regional importance to the Town, the County, and the State of South Carolina in facilitating trade, commerce, transportation of the local workforce, and the transportation of Town residents, visitors, and workers throughout the entire region; and

**WHEREAS,** access to Hilton Head Island by vehicles is currently via U.S. Highway 278 Hwy 278, which includes four bridges, being east and west bound bridges connecting the mainland with Pinckney Island over Mackay Creek, and east and westbound bridges connecting Pinckney Island to Jenkins Island over Skull Creek; and

**WHEREAS,** from Jenkins Island, U.S. Highway Hwy 278 crosses a causeway to Hilton Head Island whereby U.S. Highway Hwy 278 is also known as William Hilton Parkway; and

**WHEREAS,** the South Carolina Department of Transportation (“SCDOT”) has inspected the Karl S. Bowers eastbound bridge that spans Mackay Creek and has found this structure to be structurally deficient and subject to continuing deterioration; and

**WHEREAS,** traffic entering and leaving Hilton Head Island on a daily basis has increased over time, and the existing corridor does not efficiently handle the traffic in the corridor extending from the intersection of U.S. Highway Hwy 278 and Spanish Wells Road to the intersection of U.S. Highway Hwy 278 and Moss Creek Drive; and

**WHEREAS,** to address concerns posed by the deteriorating condition of the eastbound Mackay Creek bridge, and the need to reduce congestion and provide safety improvements for the entrance to Hilton Head Island, the County conducted a Transportation Sales Tax Referendum (“Referendum”) that included a proposed project for the repair ~~and~~/or replacement of all four bridges and additional improvements to the U.S. Highway Hwy 278 corridor from the intersection of U.S. Highway Hwy 278 and Squire Pope Road to the intersection of U.S. Highway Hwy 278 and Moss Creek Drive, among other things; and

**WHEREAS,** following the adoption of the ~~Transportation Sales Tax RR~~ Referendum, ~~by the voters in Beaufort County~~ the William Hilton Parkway Gateway Corridor Project, collectively

referred to herein as the “Project,” was created as a County project for those improvements within the SCDOT owned right-of-way; and

**WHEREAS**, the Project will begin at the intersection of U.S. Highway Hwy 278 and Moss Creek Drive and run to the intersection of U.S. Highway Hwy 278 and Spanish Wells and Wild Horse Roads as shown in Exhibit 1 ~~which is attached to this Agreement, and which is attached~~ hereto and incorporated herein by reference; and

**WHEREAS**, the portion of the Project beginning at the point where the Skull Creek bridges meet Jenkins Island and ending at the intersection of Hwy 278 and Spanish Wells and Wild Horse Roads is located within the Town’s municipal limits. The portion of the Project within the municipal limits of the Town, will impact the property owners and citizens of and visitors of the Town; and

~~**WHEREAS**, in 2019, the Town Council for the Town of Hilton Head Island, South Carolina (the “Town Council”), created the U.S. 278 Gateway Corridor Committee which developed a series of “Guiding Principles” to be utilized in developing the Project which were formally adopted by Town Council on February 18, 2020; and~~

**WHEREAS**, the Project ~~is now proposed to include the~~ consists of the replacement of all four bridges crossing Mackay Creek and Skull Creek to meet current design and safety code specifications, improved transportation performance throughout the corridor and within all major intersections, improved access to the Pinckney Island National Wildlife Refuge and the C.C. Haigh, Jr., boat ramp; improvements to address pedestrian and bicyclist needs, and improvements to address existing conditions within the corridor that are negatively affecting property owners and residents of the Big and Little Stoney Historic Neighborhoods (herein, collectively, the “Stoney Historic Community”), all of which are generally reflected in the Selected Alternative plans revised project design plans shown in Exhibit 2 attached hereto and incorporated herein by reference; and ~~to this Agreement which are attached hereto and are incorporated herein by reference; and~~

**WHEREAS**, in 2019, the Hilton Head Island Town Council, hereinafter the “Town Council”, created the U.S. 278 Gateway Corridor Committee which developed a series of “Guiding Principles” to be utilized in developing the Project which were formally adopted by Town Council on February 18, 2020; and

~~**WHEREAS**, the part of the Project beginning at the point where the Skull Creek bridges meet Jenkins Island and ending at the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads is located within the Town’s municipal limits; and~~



~~WHEREAS, the Project as a whole including the part within the municipal limits of the Town, will impact the property owners and citizens of and visitors of the Town; and~~

~~WHEREAS, the U.S. Highway 278 corridor, extending from I-95 to Sea Pines Circle, is of regional importance to the Town, the County, and the State of South Carolina in facilitating trade, commerce, transportation of the local workforce, and the transportation of Town residents, visitors, and workers throughout the entire region; and~~

~~WHEREAS, the Project is currently in the preliminary design stage and is working through the NEPA process.~~ As a part of the NEPA process, a Preferred Alternative for the Project was identified by the SCDOT and presented at a public hearing held on July 22, 2021; and

WHEREAS, following the development of the Preferred Alternative, on October 12, 2021, the Town Council approved suggested revisions to be formally incorporated into the Modified Preferred Alternative; and

WHEREAS, based upon public feedback and suggested revisions from the Town, SCDOT presented a Modified Preferred Alternative at a public hearing held on March 3, 2022; and

WHEREAS, the County, as project sponsor, approved many of these recommendations and they were formally incorporated into an aAgreement that was approved on October 4, 2022; and

WHEREAS, in response to a substantial number of additional comments made by the residents of the Town and the County concerning the Project, and to determine the merits of the Modified Preferred Alternative; the Parties agreed ~~determined that, as a necessary condition precedent to making an informed decision on what options for the Project are in the best interests of their citizens, property owners and residents,~~ an independent review (the “Independent Review”) should be performed by a qualified consultant (“Independent Review”); and

WHEREAS, the Parties coordinated on the procurement, awarding, and execution of an Independent Review with consultant CBB Transportation Engineers and Planners, which presented its findings on October 17, 2023; and

WHEREAS, the Town subsequently procured an additional transportation engineering firm, the Lochmueller Group, to conduct a Town managed Independent Study. The Lochmueller Group presented its findings and recommendations to the Town on June 17, 2024; and

WHEREAS, the Selected Alternative, as described in the environmental assessment 2024 revaluation, considers the changes to the Preferred Alternative from July 2021 through 2024; and

**WHEREAS**, the Parties find that the completion of things set out in this Agreement are in the best interest of the Town and County, and their citizens, residents, property owners and visitors; and<sub>5</sub>

**WHEREAS**, in order to successfully incorporate these actions and the recommendations from the Independent Study, the Parties are combining into this Agreement those elements that have previously been agreed to by the Town and the County in addition to all other requirements that the Town and County have now determined are integral to the Town's municipal consent for the Project; and

**WHEREAS**, as an additional condition ~~precedent~~ for the Town to grant its municipal consent for the Project, the Parties hereby agree and enter into this Agreement with the express knowledge and understanding that the incorporation and completion of these terms will be a condition of Town's municipal consent for the Project.

**NOW, THEREFORE**, the Parties do hereby agree as follows regarding the overall Project's design and construction:

## **PROJECT DESIGN.**

1. The Project will advance as shown in the Selected Alternative (Exhibit 2) with the County as the sponsor and SCDOT managing and overseeing the Project, but in partnership with the Town through a joint and equal partnership, for the entirety of the Project. ~~DAI~~ decisions and approvals concerning significant changes or aesthetics of the Project shall be made in writing and ~~signed by both the Town Council and County Council~~ agreed upon by the Town Manager and County Administrator when appropriate. ~~respectively.~~
2. The Project's design will be ~~modified to reflect those elements that are shown in the elements shown in the Selected Alternative -~~ (Exhibit 2), which will serve to achieve the Project's goals while further reducing ~~and~~/or eliminating the impacts to private property owners.
3. To the greatest extent feasible, the improvements proposed as part of the Project will be accomplished within the existing right-of-way with the exception of a multi-use pathway ~~to be included on the northern side of the Project from the intersection of Spanish Wells Road to the new bridge and which will connect to the bridge via a connection which will run underneath the bridge coming onto Jenkins Island, and on the southern side of the Project from the intersection of the Windmill Harbour Traffic Signal to the end of the Mackay Creek bridge span.~~ as shown in the Selected Alternative (Exhibit 2).
4. The Project design will provide a separation of pathways from roadways to the greatest extent feasible and a pedestrian and bicycle safety plan shown in Exhibit 2, which consists of the following:
  - a. Safe pedestrian refuges in median areas; and

- b. Removal of pavement and landscaping necessary to protect pedestrians and bicyclists; and

~~e. The installation of up to two (2) pedestrian overpasses and intersection protections that will facilitate the safe movement of pedestrians and bicyclists across the proposed roadway area.~~

~~d.c.~~ The integration of strategies to create a pedestrian-friendly Stoney Historic Community corridor that honors and enhances the cultural fabric of the Stoney Historic Community. The Project must balance infrastructure improvement with respect for the Stoney Historic Community's cultural values, traditions, and social dynamics. Strategies to accommodate this include but are not limited to the following:

- i. Respect for Cultural Landmarks: Ensure that pedestrian pathways respect and preserve cultural landmarks, and historical areas.
- ii. Lighting and Security: Install adequate lighting and ensure pathways are safe, well-maintained, and patrolled if necessary.
- iii. Universal Design: Ensure pathways are accessible to people of all ages and abilities, including those with disabilities.
- iv. Link Key Destinations: Design pedestrian pathways to connect important community destinations including schools, markets, parks, places of worship, and community centers.
- v. Multi-Modal Integration: Integrate pedestrian pathways with other modes of transportation, such as public transit stops and enhance overall connectivity.
- vi. Green Spaces: Incorporate green spaces, trees, and vegetation along pedestrian routes to provide shade, improve air quality, and enhance the aesthetic appeal.
- vii. Health Initiatives: Promote walking and cycling as healthy lifestyle choices through community programs and infrastructure that encourage physical activity.
- viii. Cultural Education: Raise awareness within the community about the benefits of improved pedestrian connectivity.
- ix. Wayfinding and Signage: Use relevant symbols and signage to help residents navigate the neighborhood easily.
- x. Road Safety Audit and Bike and Pedestrian Plan.

5. ~~To the greatest extent possible and as further described in the elements shown on Exhibit 2~~ Selected Alternative (Exhibit 2), the will be incorporated in the Project's design ~~elements should include the following easements follows:~~

- a. ~~The County intends to maintain the smallest footprint possible. The County supports a Project design with One~~ (1) bridge with ~~an approximate~~ width not greater than ~~123 feet, 7 inches~~ 125 feet extending from the mainland to Jenkins Island consisting of three (3) twelve-foot (12') wide travel lanes in each direction, one (1) ten-foot (10') wide outside shoulder in each direction, one (1) six-foot (6') wide inside shoulder in each direction, a twelve-foot (12') wide multi-use pathway along the southern side of the bridge, and physical barriers protecting the edges of

the bridge and separating vehicular and pedestrian traffic which will include one (1) bulb-out refuge of fifty-feet (50') in length and twenty-feet (20') in width over the Mackay Creek, and one (1) bulb-out refuge of fifty-feet (50') in length and twenty-feet (20') in width over the Skull Creek; provided however, that these design elements will continue to be evaluated with the specific goal of reducing, to the maximum extent that is possible, the width of these various elements thereby reducing the overall width of the bridge which will serve to reduce the visual impacts of the bridge and in reducing the funding gap that is currently present for the Project; and

- b. Three (3) travel lanes in each direction through the Jenkins Island section of the Project which are each twelve-feet (12') in width; and
- c. Three travel lanes in each direction through the Stoney Historic Community consisting of two (2) travel lanes which are eleven-feet (11') in width and one (1) travel lane which is twelve-feet (12') in width; and
- d. All Jenkins Island traffic will be routed to the Windmill Harbour Intersection and the Jenkins Road intersection with William Hilton Parkway will be removed; and
- e. Access to Hog Island, Mariners Cove, Blue Heron Point, Jenkins Island Cemetery, Hilton Head RV Resort, and Hilton Head Harbor Marina will be from a new frontage road to be located on Jenkins Island; and
- f. There will not be a U.S. Highway 278 pedestrian crossing at the Windmill Harbour intersection; and
- g. Vehicle access to Hog Island, Blue Heron Point, and Mariners Cove will be moved from southern side to northern side of U.S. Highway 278 with a new under bridge connection; and
- h. Landscaped medians of varying widths will be installed to balance safety, property impacts, and aesthetics; and
- i. The curb cut at Memory Matters, 117 William Hilton Parkway, will be removed; and
- j. The median cut left turn movement for access to the Crazy Crab restaurant property, 104 William Hilton Parkway, will be relocated further westward towards the adjacent Town-owned property; and
- k. One (1) elongated left turn lane from eastbound William Hilton Parkway onto Squire Pope Road; and
- l. One (1) right turn lane from southbound Squire Pope Road onto westbound William Hilton Parkway; and
- m. A new right turn lane will be provided from eastbound William Hilton Parkway onto Chamberlin Drive; and
- n. The intersection of William Hilton Parkway and Spanish Wells Road and Wild Horse Road will be modified to include the following elements:
  - i. Two (2) left turn lanes from northbound Spanish Wells Road to westbound William Hilton Parkway; and
  - ii. One (1) through lane from northbound Spanish Wells Road to Wildhorse Road; and
  - iii. One (1) right hand turn lane from northbound Spanish Wells Road to eastbound William Hilton Parkway; and

- iv. One (1) left hand turn lane from southbound Wild Horse Road to eastbound William Hilton Parkway; and
- v. One (1) through lane from southbound Wild Horse Road to Spanish Wells Road; and
- vi. One (1) right turn lane from southbound Wild Horse Road to eastbound William Hilton Parkway; and
- vii. Improvements to the right turn lane from eastbound William Hilton Parkway to northbound Spanish Wells Road; and
- o. No at grade intersection on Pinckney Island; and
- p. The bridge height clearance will ~~remain at 65 feet~~remain at the lowest extent possible over Skull Creek, same as the current bridge; and
- q. ~~Currently there is no bridge over Pinckney Island, the new~~ The bbridge height clearance ~~over Pinckney Island will be a~~will be the lowest extent possible minimum of 17.19 feet, currently there is no bridge over Pinckney Island; and
- r. The bridge length is approximately 1.376 miles of the 4.218 mile project; and
- ~~s. The bridge will be designed to Safety Evaluation Earthquake (SEE) standards; and~~  
~~t.s. The bridge will be designed to withstand a Category 5 hurricane. Federal and State standards for natural disasters.~~

6. — In addition to the design modifications in ~~Section~~Item 5 above, the following items will also be pursued as part of continued Project design efforts:

- 6. ~~Left turns during rush hour (peak hour) traffic will be minimized; and~~  
~~b. An additional merge lane from the Cross Island Parkway westbound to William Hilton Parkway will be evaluated; and~~  
~~e.a. The Project's design speed limits will be reduced to 45 miles per hour and will have a posted speed limit of 45~~0 miles per hour; and
- ~~d.b. The County will discuss and coordinate with the Town regarding the A~~aesthetic elements proposed for the bridge and gateway corridor entrance elements and incorporated to the fullest extent possible the will meet Hilton Head Island Design Review guidelines ~~and will be approved by both Town Council and County Council.~~

~~7. — The Windmill Harbour Traffic Signal will be incorporated within thirty (30) days upon execution of this Agreement into the Town's adaptive traffic management system and funded by the County. Additionally, the County will design and fund the installation of any corresponding infrastructure and associated improvements including traffic signal mast arms as part of the Project.~~

~~8.7. —~~ The Project will be designed ~~d~~d to Federal and State standards. The County will coordinate ~~with SCDOT to ensure the Town's sufficiently to address concerns resulting from~~regarding storm surge impacts to the causeway connecting Jenkins Island to Hilton Head Island are addressed in accordance to Federal and State standards ~~will include other similar resilience related matters into the Project design elements~~ to ensure safe and reliable access for citizens, property owners, residents, visitors, and emergency services. Methods to address these concerns may include any of the following, but are not necessarily limited to these methods:



- a. Elevating the roadbed; and
- b. Installing surge barriers; and
- c. Installing armoring or other materials to withstand storm surge impacts; and
- d. Installing vegetation along the causeway to reduce wave energy and minimize erosion; and
- e. Installing sufficient drainage systems to prevent water accumulation on the causeway; and
- f. Installing real-time monitoring systems to provide early warning of rising waters and potential breaches as quickly as possible; and
- g. Performing regular interval inspections and evaluations of the causeway to ensure its long-term structural integrity in conjunction with the Town and appropriate emergency management agencies.

9.8. Where feasible, the Project will include and utilize landscaped medians within the part of the corridor beginning where the bridge meets Jenkins Island and extending through the Stoney Historic Community to the intersection of ~~U.S. Highway~~Hwy 278 and Spanish Wells and Wild Horse Roads, in-lieu-of using concrete medians and will include landscaping along the right of way and on Town-owned property to reinforce the gateway entrance to Hilton Head Island through the Stoney Historic Community and Jenkins Island as reflected in Exhibit 2.-

10.9. Where appropriate to protect the interests of adjacent landowners or for protection of natural resources, raised curbs and gutters will be installed on the exterior edge of the roadway to reduce right-of-way requirements and to handle stormwater runoff and discharge.

~~11. — Further design modifications determined to be appropriate and feasible will be pursued if such will serve to further improve the quality of life within the Stoney Historic Community.~~

12.10. ~~The PAH~~ parties will make available all project data, including but not limited to, ~~Project cost estimates with supporting details, traffic~~traffic data, including modeling and simulation materials, other technical documents, and related design files. Release of requested documents related to the Project may be withheld by any party due to procurement procedures, copyright law, or confidentiality agreements. Parties agree requested documents are not be used for purposes of conducting additional studies or analysis of the Project.

13.11. Value engineering of the Project will be performed to identify and eliminate unwarranted infrastructure and subsequent costs with the goal to improve functional quality as well as optimizing initial and long-term investment thereby seeking the best possible value for the lowest cost.

14.12. The Town will work cooperatively with the County and ~~or~~ SCDOT regarding the conveyance of any Town-owned land that may be necessary to accomplish the Project through the adoption of an Ordinance by the Town Council identifying all such properties or portions thereof to be transferred.

(Signature Page to Follow)

**IN WITNESS WHEREOF**, the ~~Town of Hilton Head Island, South Carolina, and Beaufort County, South Carolina, Parties~~ by and through their duly authorized officers, have executed this ~~Memorandum of Understanding Agreement~~ on this \_\_\_\_ day of June, 2024the Effective Date.

WITNESSES: TOWN OF HILTON HEAD ISLAND

\_\_\_\_\_  
By: \_\_\_\_\_  
\_\_\_\_\_  
Marc Orlando, *Town Manager*

WITNESSES: BEAUFORT COUNTY

\_\_\_\_\_  
By: \_\_\_\_\_  
\_\_\_\_\_  
Michael R. Moore , *County Administrator*

WITNESSES: TOWN OF HILTON HEAD ISLAND

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name: Marc Orlando

\_\_\_\_\_  
Title: Town Manager

WITNESSES: \_\_\_\_\_ BEAUFORT COUNTY

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Title: County Administrator

STATE OF SOUTH CAROLINA ) MEMORANDUM OF AGREEMENT  
 ) WILLIAM HILTON PARKWAY  
GATEWAY FOR STONEY HISTORIC  
 COUNTY OF BEAUFORT ) CORRIDOR COMMUNITY PROJECTS

**THIS MEMORANDUM OF AGREEMENT FOR STONEY HISTORIC COMMUNITY PROJECTS** (“Agreement”) is made and entered into this \_\_\_\_ day of ~~June~~ December 2024 (“Effective Date”) by and between the Town of Hilton Head Island, South Carolina (~~the~~ (“Town”), and Beaufort County, South Carolina (~~the~~ “County”); collectively hereinafter the “Parties”.

WHEREAS, the U.S. Highway 278 (“Hwy 278”) corridor, extending from I-95 to Sea Pines Circle, is of regional importance to the Town, the County, and the State of South Carolina in facilitating trade, commerce, transportation of the local workforce, and the transportation of Town residents, visitors, and workers throughout the entire region; and

WHEREAS, access to Hilton Head Island by vehicles is currently via Hwy 278, which includes four bridges, being east and west bound bridges connecting the mainland with Pinckney Island over Mackay Creek, and east and westbound bridges connecting Pinckney Island to Jenkins Island over Skull Creek; and

WHEREAS, from Jenkins Island, Hwy 278 crosses a causeway to Hilton Head Island whereby Hwy 278 is also known as William Hilton Parkway; and

WHEREAS, the South Carolina Department of Transportation (“SCDOT”) has inspected the Karl S. Bowers eastbound bridge that spans Mackay Creek and has found this structure to be structurally deficient and subject to continuing deterioration; and

WHEREAS, traffic entering and leaving Hilton Head Island on a daily basis has increased over time, and the existing corridor does not efficiently handle the traffic in the corridor extending from the intersection of Hwy 278 and Spanish Wells Road to the intersection of Hwy 278 and Moss Creek Drive; and

WHEREAS, to address concerns posed by the deteriorating condition of the eastbound Mackay Creek bridge, and the need to reduce congestion and provide safety improvements for the entrance to Hilton Head Island, the County conducted a Transportation Sales Tax Referendum (“Referendum”) that included a proposed project for the repair or replacement of all four bridges and additional improvements to the Hwy 278 corridor from the intersection of Hwy 278 and Squire Pope Road to the intersection of Hwy 278 and Moss Creek Drive, among other things; and

WHEREAS, following the adoption of the Referendum, the William Hilton Parkway Gateway Corridor Project, collectively referred to herein as the “Project”, was created as a County project for those improvements within the SCDOT owned right-of-way; and

WHEREAS, the Project will begin at the intersection of Hwy 278 and Moss Creek Drive and run to the intersection of Hwy 278 and Spanish Wells and Wild Horse Roads as shown in Exhibit 1 attached hereto and incorporated herein by reference; and

WHEREAS, the portion of the Project beginning at the point where the Skull Creek bridges meet Jenkins Island and ending at the intersection of Hwy 278 and Spanish Wells and Wild Horse Roads is located within the Town's municipal limits. The portion of the Project within the municipal limits of the Town, will impact the property owners and citizens of and visitors of the Town; and

~~WHEREAS, access to Hilton Head Island by vehicles is currently via U.S. Highway 278, which includes four bridges, being east and west bound bridges connecting the mainland with Pinckney Island over Mackay Creek, and east and westbound bridges connecting Pinckney Island to Jenkins Island over Skull Creek; and~~

~~WHEREAS, from Jenkins Island, U.S. Highway 278 crosses a causeway to Hilton Head Island whereby U.S. Highway 278 is also known as William Hilton Parkway; and~~

~~WHEREAS, the South Carolina Department of Transportation has inspected the Karl S. Bowers eastbound bridge that spans Mackay Creek and has found this structure to be structurally deficient and subject to continuing deterioration; and~~

~~WHEREAS, traffic entering and leaving Hilton Head Island on a daily basis has increased over time, and the existing corridor does not efficiently handle the traffic in the corridor extending from the intersection of U.S. Highway 278 and Spanish Wells Road to the intersection of U.S. Highway 278 and Moss Creek Drive; and~~

~~WHEREAS, to address concerns posed by the deteriorating condition of the eastbound Mackay Creek bridge, and the need reduce congestion and provide safety improvements for the entrance to Hilton Head Island the County conducted a Transportation Sales Tax Referendum that included a proposed project for the repair and/or replacement of all four bridges and additional improvements to the U.S. Highway 278 corridor from the intersection of U.S. Highway 278 and Squire Pope Road to the intersection of U.S. Highway 278 and Moss Creek Drive, among other things; and~~

~~WHEREAS, following the adoption of the Transportation Sales Tax Referendum by the voters in Beaufort County the William Hilton Parkway Gateway Corridor Project, referred to herein as the "Project," was created as a County project for those improvements within the SCDOT owned right of way; and~~

~~WHEREAS, the Project will begin at the intersection of U.S. Highway 278 and Moss Creek Drive and run to the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads as shown on Exhibit 1 which is attached to this Memorandum of Agreement, and which is attached hereto and incorporated herein by reference; and~~



**WHEREAS**, in 2019, the Town Council for the Town of Hilton Head Island, South Carolina (the “Town Council”), created the U.S. 278 Gateway Corridor Committee which developed a series of “Guiding Principles” to be utilized in developing the Project which were formally adopted by Town Council on February 18, 2020; and

~~**WHEREAS**, the Project is now proposed to include the replacement of all four bridges crossing Mackay Creek and Skull Creek to meet current design and safety code specifications; improved transportation performance throughout the corridor and within all major intersections; improved access to the Pinckney Island National Wildlife Refuge and the C.C. Haigh, Jr., boat ramp; improvements to address pedestrian and bicyclist needs, and improvements to address existing conditions within the corridor that are negatively affecting property owners and residents of the Big and Little Stoney Historic Neighborhoods (herein, collectively, the “Stoney Historic Community”), all of which are generally reflected in the revised project design plans shown in Exhibit 2 to this Memorandum of Agreement which are attached hereto and are incorporated herein by reference; and~~

~~**WHEREAS**, the part of the Project beginning at the point where the Skull Creek bridges meet Jenkins Island and ending at the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads is located within the Town’s municipal limits; and~~

~~**WHEREAS**, the Project as a whole including the part within the municipal limits of the Town, will substantially impact the property owners and citizens of and visitors of the Town of Hilton Head Island; and~~

**WHEREAS**, the properties located the Stoney Historic Community were designated as a Traditional Cultural Property as a part of the National Environmental Policy Act (“NEPA”) process in developing the Environmental Assessment and are reflected on a map attached hereto as Exhibit 3 to this ~~Memorandum of Agreement~~Agreement and incorporated herein by reference; and,

**WHEREAS**, the ~~U.S. Highway 278~~Hwy 278 corridor, extending from I-95 to Sea Pines Circle, is of regional importance to the Town, the County, and the State of South Carolina in facilitating trade, commerce, transportation of the local workforce, and the transportation of Hilton Head Island residents, visitors, and workers throughout the entire region; and

~~**WHEREAS**, the Project is currently in the preliminary design stage and is working through the NEPA process; and~~

**WHEREAS**, as part of the NEPA process, a Preferred Alternative for the Project was identified by the SCDOT and presented at a public hearing held on July 22, 2021; and

**WHEREAS**, following the development of the Preferred Alternative, on October 12, 2021, the Town Council approved suggested revisions to be formally incorporated into the Modified Preferred Alternative; and

~~WHEREAS, based upon public feedback and suggested revisions from the Town, SCDOT presented a Modified Preferred Alternative at a public hearing held on March 3, 2022; and~~

~~WHEREAS, the County, as project sponsor, approved many of these recommendations and they were formally incorporated into a Memorandum of Agreement that was approved on October 4, 2022; and~~

WHEREAS, in response to a substantial number of additional comments made by the residents of the Town and/or the County concerning the Project, the ~~County and the Town~~ Parties determined that, as a necessary condition precedent to making an informed decision on what options for the Project are in the best interests of their citizens, property owners and residents, an independent review (the “Independent Review”) should be performed by a qualified consultant; and

~~WHEREAS, the Parties coordinated on the procurement, awarding, and execution of an Independent Review with consultant CBB Transportation Engineers and Planners, which presented its findings on October 17, 2023; and~~

~~WHEREAS, the County and the Town coordinated on the procurement, awarding, and execution of an Independent Review with consultant CBB Transportation Engineers and Planners, which presented its findings on October 17, 2023; and~~

~~WHEREAS, the Town subsequently procured an additional transportation engineering firm, The Lochmueller Group, to conduct a Town managed Independent Study; and,~~

~~WHEREAS, the Town conducted an additional transportation engineering review. This review was completed by the Lochmueller Group who presented its findings and recommendations to the Town on June 17, 2024; and,~~

WHEREAS, Following completion and presentation of the aforementioned studies and reviews, the Parties agree that final design is generally included in the Selected Alternative as shown in Exhibit 2 attached hereto and incorporated herein by reference. The Selected Alternative shows the Project consists of the replacement of all four bridges crossing Mackay Creek and Skull Creek to meet current design and safety code specifications, improved transportation performance throughout the corridor and within all major intersections, improved access to the Pinckney Island National Wildlife Refuge and the C.C. Haigh, Jr., boat ramp, improvements to address pedestrian and bicyclist needs, and improvements to address existing conditions within the corridor that are negatively affecting property owners and residents of the Big and Little Stoney Historic Neighborhoods (herein, collectively, the “Stoney Historic Community”); and

WHEREAS, to offset the impacts to the Stoney Historic Community, an innovative program of renewal and economic opportunity commensurate with the existing impacts

to the Stoney Historic Community's social and economic vitality that have come about through decades of right-of-way expansion, will established and implemented; and

**WHEREAS**, the ~~Town and County Parties~~ find that the completion of things set out in this ~~Memorandum of Agreement Agreement~~ are in the best interest of the ~~Town and County Parties~~, and their citizens, residents, property owners and visitors; and,

**WHEREAS**, in order to successfully incorporate these actions and the recommendations from the Independent Study, the ~~Town and County Parties~~ are combining into this ~~Memorandum of Agreement Agreement~~ those elements that have previously been agreed to by the ~~Town and the County Parties~~ in addition to all other requirements that the ~~Town and County Parties~~ have now determined are integral to the Town's municipal consent for the Project; and

**WHEREAS**, as an additional condition for the Town to grant its municipal consent for the Project, the Parties hereby agree and enter into this Agreement with the express knowledge and understanding that the incorporation and completion of these terms will be a condition of Town's municipal consent for the Project.

~~**WHEREAS**, as a condition precedent for the Town to grant its municipal consent for the Project, the County and Town hereby agree and enter into this Memorandum of Agreement with the express knowledge and understanding that the incorporation and completion of these terms will be a condition of Town's municipal consent for the Project.~~

~~**NOW, THEREFORE**, the Parties do hereby agree as follows regarding the overall the Stoney Historic Community improvements and economic stability: **NOW, THEREFORE**, for and in consideration of the sum of One (\$1.00) Dollar, each paid to the other, and the performance of the mutual covenants exchanged herein, the receipt and sufficiency of which is acknowledged, the County and the Town do hereby agree as follows regarding the Project's design, the pursuit of neighborhood improvements, and the overall economic sustainability of the corridor:~~

#### 1. STONEY HISTORIC COMMUNITY IMPROVEMENT.

- a. It is acknowledged that there are ~~significant~~ impacts to the Stoney Historic Community (Exhibit ~~32~~) and the Traditional Cultural Properties that are located within the Project's scope and for which, proactive improvement measures must be undertaken, including the elements set forth in this Agreement.
- b. A Stoney Historic Community Economic Sustainability and Cultural Preservation Plan will be created by the Town and implemented in conjunction with the Gullah Geechee Historic Neighborhoods Community Development Corporation ("~~GGHN~~") and serve as a vision and action plan. The 2003 Stoney Initiative Area Plan will serve as a guiding document for this effort.
- ~~c. A secure escrow account, reserve fund, contingency, or other mutually agreed form of funding of at least Ten Million (\$10,000,000.00) Dollars~~ The Project will meet the environmental commitments as defined in the NEPA documents. Parties agree that if Project funding is no longer available the Parties will work jointly to provide necessary funding for completion of the projects as described in this Agreement. Landscaping, lighting, and community sensitive signage will be

~~installed throughout the Stoney Historic Community in order to provide this area with a clear sense of place to elevate this portion of the Project. This will also include a review of existing highway signage to determine if more appropriate alternatives can be utilized that are sensitive to the neighborhood context of the corridor.~~

~~for the Stoney Historic Community shall be established within the Project budget for elements that include: landscaping, lighting, community sensitive signage, park improvements, and other community infrastructure improvements.~~

- d. Through the ~~Gullah Geechee Historic Neighborhoods Community Development Corporation~~GGHN, all parties will work directly with private property owners in the Stoney Historic Community to alleviate roadway impacts and improve quality of life measures including property access and property improvements.
- e. As identified in the Selected Alternative (Exhibit 2), the Town ~~It is has~~ agreed that some portions of Town-owned land ~~may beare~~ needed to reduce the impacts to the private property owners that are located within the Stoney Historic Community and to adequately address other Project elements. This use of Town-owned land may be for purposes of right-of-way acquisition, project and wayfinding signage, landscaping, stormwater, or other similar Project purposes. Additionally, the Town Council will evaluate the use of Town properties within the Project corridor to support the efforts of the ~~Gullah Geechee Historic Neighborhoods Community Development Corporation~~GGHN in restoring economic opportunities within the Stoney Historic Community and the overall stabilization of this neighborhood.
- f. Parties agree to pursue Aa new park ~~will be created~~ south of U.S. Highway 278~~Hwy 278~~ in the Stoney Historic Community to showcase the Gullah Geechee culture/heritage.
- g. Drainage improvements will be constructed within the part of the corridor as shown in the Selected Alternative (Exhibit 2) beginning where the bridge meets Jenkins Island and extending through the Stoney Historic Community to the intersection of U.S. Highway 278 and Spanish Wells and Wild Horse Roads to improve stormwater conveyance both as part of the Project and as a part of the mitigation of any corresponding impacts to adjoining private properties.
- h. ~~Landscaping, lighting, and community sensitive signage will be installed throughout the Stoney Historic Community in order to provide this area with a clear sense of place to elevate this portion of the Project. This will also include a review of existing highway signage to determine if more appropriate alternatives can be utilized that are sensitive to the neighborhood context of the corridor.~~
- h. Increased traffic and speed enforcement will be pursued within the area beginning at U.S. Highway 278~~Hwy 278~~ and Moss Creek Drive and continuing to the intersection of U.S. Highway 278~~Hwy 278~~ and Spanish Wells and Wild Horse Roads, including the bridges, Jenkins Island, and the Stoney Historic Community areas.

## 2. ECONOMIC STABILITY.

- a. Evaluation of multi-modal transportation opportunities, including ferry options, park and ride facilities, and other various modes of mass transit will be pursued to reduce travel demand for vehicles through the corridor.
- b. The acceleration of the evaluation of a second bridge to Hilton Head Island through the Lowcountry Area Transportation Study (LATS) as outlined in the Long-Range Transportation Study for the region is supported and will be pursued.
- c. Any additional recommendations from the Independent Review and Study will be considered, including those elements that may be outside of the defined Project area.
- d. ~~P~~All parties will work cooperatively to seek the funding that will be necessary to implement the proposed ~~Project~~ improvements and ~~any additional~~ elements ~~that are identified outside of the Project area as described in this Agreement.~~
- e. It is acknowledged that a Tax Increment Financing (“TIF”) District is a beneficial financial tool to facilitate the investment in community infrastructure for the Skull Creek Planning District (Exhibit 4), which includes the Stoney Historic Community. All parties will work cooperatively to assess and consider establishing a TIF District within twelve (12) months ~~following the adoption of this Agreement of the Effective Date.~~

IN WITNESS WHEREOF, the Parties by and through their duly authorized officers, have executed this Agreement on the Effective Date.

~~IN WITNESS WHEREOF, the Town of Hilton Head Island, South Carolina, and Beaufort County, South Carolina, by and through their duly authorized officers, have executed this Memorandum of Understanding on this \_\_\_\_ day of June, 2024.~~

WITNESSES:

TOWN OF HILTON HEAD ISLAND

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Manager

\_\_\_\_\_~~Name:~~ Marc Orlando, Town

\_\_\_\_\_

~~Title: Town Manager~~

WITNESSES:

BEAUFORT COUNTY

\_\_\_\_\_

By: \_\_\_\_\_



Michael R. Moore , *County Administrator*

---

COLTRANE & WILKINS, LLC  
ATTORNEYS AT LAW

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Curtis L. Coltrane  
E-Mail:  
Certified Circuit Court Mediator  
Certified Circuit Court Arbitrator  
Certified Federal Court Mediator

Curtis L. Coltrane\*  
John W. Wilkins  
LaQuin J. Andrus  
\*Also Member Virginia Bar

December 6, 2024

Mr. Marc A. Orlando  
TOWN OF HILTON HEAD ISLAND  
One Town Center Court  
Hilton Head Island, SC 29928

PRIVILEGED / CONFIDENTIAL / NOT FOR RELEASE  
Via E-Mail: [ma](#)

RE: U. S. 278 Project  
Our File THH-24-012

Dear Marc:

I have now had an opportunity to review the two proposed agreements from Beaufort County. These documents are the County's response to the proposed agreement authorized by the Town on June 28, 2024. The County has broken the agreement into two separate contracts. One deals with the bridges and roadway, and the other deals with the work to be done in the Stoney community. This separates the two, and allows the County to treat them differently. Because there is no connection between the two agreements, failing to honor one does not have any effect on the other. Town Council's intent was and is for both to be treated with equal dignity. It well may be the County's intent to do just that, but having the two subjects in separate agreements allows for a different outcome.

It is a chore to track both of the documents back to the Town's June 28, 2024, document, but I will do my best to uncomplicate the analysis. Copies of the two County documents and the Town's June 28, 2024, document are attached for reference.

I will begin with the County's proposal for the "Gateway and Corridor Project."

The recitals are, for the most part, the same as those that appear in the Town's document. There are inconsequential text change throughout, such as referring to U. S. 278 as "Hwy 278," and referring to the Town and County a "the Parties," and the like. I will refer to these as "Minor Text Changes" in the places where they appear. In a few cases, the order of the recitals has been changed.

The recitals on Page 1 of the County's document all appear in the Town's document, and the only changes are the order of the recitals and the Minor Text Changes.

The recitals on Page 2 of the County's document, all appear in the Town's document, and the only changes are the order of the recitals and the Minor Text Changes. There is one other issue that appears for the first time on Page 2, and it is this in the third recital, there is a mention of "Exhibit 2." The County's documents did not have the exhibits attached, so we will need to make sure that the County and Town are referring to the same "Exhibit 2."

The language following the words "Now, Therefore," has been revised to remove any mention of the consideration for the Agreement. In my view this affects the enforceability of the agreement because there is no stated consideration for it. I do not know the County's reasoning for this change.<sup>1</sup>

In the text that follows, the references to section numbers in the Town's document mean the section numbers appearing under the heading "Project Design."

1. The Section 1 from the Town's document has been deleted.
2. Section 1 in the County's document makes reference to the "Selected Alternative 2" which is Exhibit 2. The County did not include the exhibits that it refers to. We need to see the County's Exhibits. The Town's document required that Town Council and County Council approve all decisions related to the Project. The County's document deletes that language, and substitutes language that decisions regarding approvals regarding "significant changes and aesthetics" shall be made by the Town Manager and County Administrator.
3. Section 2 in the County's document appears as Section 3 in the Town's document. Again, the County's document makes reference to the "Selected Alternative 2" which is Exhibit 2. The County did not attach the exhibits, and we need to see the County's Exhibits.
4. The text of Section 4 in the County's document is the same text as Section 4 in the Town's documents, other than the County refers to "Exhibit 2" which was not provided by the County. We need to see the County's Exhibits.

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<sup>1</sup> The County did not make this change on the other document regarding the Stoney project. I cannot explain the different treatment.

5. The text in Section 5 of the County's document is a departure from the text in the Town's document. The first sentence of Section 5 in the Town's document is stated as an imperative, and the County has changed that to "greatest extent possible" language. It also refers to Exhibit 2 that was not provided by the County.
  - (a) Subsection 5 (a) of the County's agreement changes the opening sentence of Subsection 5(a) from the Town's agreement by adding language stating that the "intent" is to maintain the smallest footprint possible. It also changes the width of one bridge from 123.7 feet to 125 feet. The balance of the text appears to track Subsection 5(a) from the Town's document.
  - (b) The text of subsections 5(b) through 5(o) appear to track Subsections 5(b) through 5(o) from the Town's document.
  - (c) The text of Subsection 5(p) has been altered by replacing the reference to "65 feet over Skull Creek," with "at the lowest extent possible over Skull Creek."
  - (d) The text of Subsection 5(q) has been altered to remove the language "bridge height clearance will be a minimum of 17.19 feet." It is replaced by language reading "the new bridge height clearance will be the lowest extent possible."
  - (e) The text of Subsection 5(r) tracks the Town document.
  - (f) The text of Subsection 5(s) has been altered to remove the language "Safety Evaluation Earthquake (SEE)." It has been replaced with language reading "'Federal and State Standards for natural disasters."
  - (g) Subsection 5(t) from the Town document has been deleted.
6. The text of Section 6 in the Town's document has been altered as follows:
  - (a) The Text of Subsections 6(a) and 6(b) from the Town's document has been deleted.
  - (b) Subsection 6(a) in the County's document is a change from the text of Subsection 6(c) of the Town's document. The language of Subsection 6(c) in the Town's document reading "The Project's design speed limits will be reduced to 45 miles per hour and will have a posted speed limit of 40 miles per hour" has been deleted and changed to "The Project's design speed limits will have a posted speed limit of 45 miles per hour."
  - (c) Subsection 6(b) of the County's document is a revision to Subsection 6(d) of the Town's document. The Town's document required compliance with the Town's Design Review Board guidelines, and the County's document replaces that with text stating the compliance will be to the "fullest extent possible."
7. Section 7 from the Town's document has been deleted in the County's document. Section 7 from the Town's document deals with the traffic signal at the entrance to Windmill Harbour. The text required the County to pay for integration into the Town's adaptive signal management system and for the County to pay for mast arms and associated improvements as part of the project.

8. Section 8 from the Town's document is Section 7 in the County's document. There is a change to the text. The first sentence of Section 8 from the Town's document has been re-written as the first two sentences of Section 7 of the County's document. I do not think there is a material difference between the two. Other than that, the text in Section 8 of the Town's document and Section 7 of the County's document is the same.
9. The text of Section 8 in the County's document is the same as the text of Section 9 of the Town's document, with the Minor Text Changes.
10. The text of Section 9 of the County's document is the same as the text of Section 10 of the Town's document.
11. Section 11 of the Town's document has been deleted and does not appear in the County's document.
12. The first sentence of Section 10 of the County's document is the same as the first sentence of Section 12 of the Town's document, with the Minor Text Changes. The County's document adds two additional sentences, one regarding documents subject to confidentiality agreements, procurement procedures or copyright laws, and one stating that project documents cannot be used for "additional studies or analysis of the Project."
13. Section 11 of the County's document is the same as Section 13 of the Town's document.
14. Section 12 of the County's document is the same as Section 14 of the Town's document, other than Minor Text Changes.

The following relates to the County's proposal for an agreement for the "Stoney Historic Community Projects."

As before, The recitals are, for the most part, the same as those that appear in the Town's document, but with changes to the order of the recitals and the Minor Text Changes. In one case text from two of the recitals in the Town's document have been combined, but the text was not changed in a material way. In the recitals, there are references to "Exhibit 1" which the County did not include with the documents. We will need to see the exhibits the County is referring to.

In the text that follows, the references to section numbers mean the section numbers appearing under the heading "Stoney Historic Community Improvement."

1. Section 1(a) from the County's document is similar to Section 1 in the Town's document however the language has been altered. I do not think the revisions change the substance, though.
2. Section 1(b) in the County's document is largely the same as Section 2 in the Town's document. The only changes are Minor Text Changes.



3. Section 3 from the Town's document has been deleted in the County's document.<sup>2</sup> The first sentence in the text of Section 1(c) of the County's document addresses the possibility that funding for the Stoney improvements are not part of the NEPA documents may not be funded. The text states that the Town and County will work jointly to provide funding. There is no commitment from the County to cover any shortfall in funding for the Stoney improvements. The second sentence in Section 1(c) in the County's document comes from Section 8 in the Town's document.
4. Section 1(d) in the County's document is the same as Section 4 from the Town's document, with Minor Text Changes.
5. Section 1(e) is the same as Section 5 in the Town's document, with Minor Text Changes. There is also a reference to Exhibit 2. The County did not attach the exhibits, and we need to see the County's Exhibits.
6. Section 1(f) of the County's documents alters the text of Section 6 of the Town's document. The difference is that the text in the County's document is not a commitment to build the park. It states only that the Town and County will "pursue" a park.
7. Section 1(g) in the County's document alters the text of Section 7 of the Town's document. The text in the County's document removes the detail that is in the Town's document and replaces it with a reference to Exhibit 2. The County did not attach the exhibits, and we need to see the County's Exhibits.
8. Section 1(h) in the County's document is the same as Section 9 in the Town's document.

In the text that follows, the references to section numbers in the mean the section numbers appearing under the heading "Economic Sustainability."

1. Section 2(a) of the County's document is the same as Section 1 in the Town's document.
2. Section 2(b) of the County's document is the same as Section 2 in the Town's document.
3. Section 2(c) in the County's document is the same as Section 3 in the Town's document.
4. Section 2(d) in the County's document is the same as Section 4 in the Town's document.
5. Section 2(e) in the County's document is the same as Section 5 in the Town's document.

---

<sup>2</sup> This text required the County to establish an escrow account of at least Ten Million Dollars to cover the cost of the Stoney improvements.

Mr. Marc A. Orlando  
December 6, 2024  
Page 6 of 6

Item 6.

That concludes the comparison of the Town and County documents. Once you have had a chance to review this correspondence, please let me know if you have any questions concerning it. I am,

Sincerely,

COLTRANE & WILKINS, LLC



Curtis L. Coltrane

CLC/tdr

cc: Hon. Alan R. Perry  
Mr. Shawn Colin

Enc.: As Stated

**BOARD OF DIRECTORS****John B. White, Jr., Chairman****Ernest Duncan, Vice Chairman****Representative Chris Murphy****Senator C. Ross Turner, III****Pamela L. Christopher****David B. Shehan****André Bauer****South Carolina  
Transportation Infrastructure Bank**

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

November 7, 2024

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

Re: Beaufort County US 278 Project

Dear Mr. Moore:

In your July 3, 2024, letter to me, you informed the Bank the estimated funding shortfall for the US 278 Project was approximately \$190 million. You indicated the County intended to fund approximately \$90 million from a transportation sales tax referendum to be placed on the November general election ballot. On November 5, 2024, this bond referendum failed by a substantial margin of 55% to 45%.

As you know, the Intergovernmental Agreement between Beaufort County and the Bank provides that Beaufort County is responsible for any overages over the total cost of the Project. The total project cost referenced in the IGA is \$292,350,000. The Bank's commitment is a grant of \$120 million. An updated total project cost now ranges between \$425 million and \$480 million depending on the design of the project. Your letter indicated Beaufort County would allocate \$90 million toward the overage with funding coming from the transportation sales tax. Now that the transportation sales tax has been soundly rejected, please provide a detailed and complete explanation how Beaufort County intends to fund its approximately \$200 million requirement. Your letter requested the Bank provide an additional grant of \$90 million to go toward the funding shortfall. As you can imagine, the Bank Board must obtain better information from Beaufort County how it intends to fund the shortfall before the Bank can contemplate whether to provide additional grant dollars to the project.

Please respond within 15 days so the Bank Board can make a decision on how best to proceed with this Project.

If you should have any questions, please do not hesitate to contact me or Charles Cannon at (803) 737-1225.

Sincerely,

John B. White, Jr.  
Chairman

Cc: Board Members

November 18, 2024

Mr. Michael Moore  
County Administrator, Beaufort County  
PO Drawer 1228  
Beaufort, SC 29901

Dear Mr. Moore:

I appreciate the ongoing partnership between Beaufort County and the South Carolina Department of Transportation (SCDOT) on the development of the US-278 project between Bluffton and Hilton Head Island.

SCDOT has had the US-278 eastbound bridge over Mackay Creek on its priority lists for several years. This structure was built in 1956 and is reaching the end of its design life. Recent bridge inspections have rated the bridge as a 4 (out of 10), or poor. Due to the advanced age and current condition of the structure, SCDOT inspects the bridge annually rather than biannually like most other bridges in the state's inventory.

The present US-278 project initiated out of a desire from Beaufort County to replace all of the bridges and improve traffic operations between Bluffton and Hilton Head Island. In lieu of a separate project for the Mackay Creek bridge only, SCDOT entered into an intergovernmental agreement with Beaufort County to serve as project manager of the US-278 bridge and improvement project.

Through this partnership, this project has progressed through many steps up to this point, including obtaining municipal consent from the Town of Hilton Head Island. SCDOT anticipates a Federal Decision (Finding of No Significant Impact) from the Federal Highway Administration (FHWA) in the first half of 2025 and is prepared to move into right of way acquisition in late 2025. This would put the project on track to go to construction in 2027.

As was communicated by former Secretary Hall earlier this year, the project's current estimated budget is \$488 million, which is approximately \$190M short of the amount presently committed to the project from Beaufort County, the South Carolina Transportation Infrastructure Bank (SCTIB), and SCDOT. I am aware that there is a pending request to the SCTIB to cover \$90 million of the shortfall that will be discussed at the SCTIB's meeting on November 20. I am also aware that the referendum to fund Beaufort County's portion of the shortfall did not pass on November 5.

The condition of the US-278 eastbound bridge concerns me, especially in the harsh environment affected by saltwater and tides. The bridge is at risk in the future of being load posted which could limit the ability of emergency vehicles, commercial trucks, and school buses to access the island. Rehabilitation is an undesirable option with a current estimate of \$50 million being needed to add just 10 years to the bridge's lifespan.

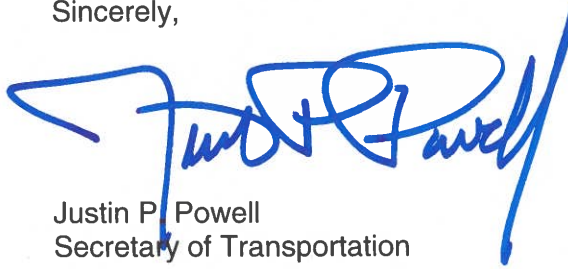
While a comprehensive solution of replacing all structures and improving traffic operations is the



most ideal path forward, we are approaching a point where time is of the essence on the US-278 eastbound bridge over Mackay Creek. In the professional opinion of SCDOT's Engineering team, a decision must be made by March 31, 2025 if the US-278 project is to continue with funding identified for construction. If not, SCDOT will be prepared to move forward with terminating existing agreements between SCDOT and Beaufort County so that there is sufficient time to design and permit a new bridge solely to replace the existing US-278 eastbound bridge over Mackay Creek.

As always, my team is available to assist as you consider options. Please do not hesitate to reach out to me as both Beaufort County and SCDOT consider next steps on this project.

Sincerely,



Justin P. Powell  
Secretary of Transportation

CC: John B. White, Jr., Chairman of the South Carolina Transportation Infrastructure Bank  
SCDOT Commission





# ATTACHMENT 16

Item 6.

SENATOR TOM DAVIS  
SENATE DISTRICT 46  
BEAUFORT AND JASPER COUNTIES

COMMITTEES:  
AGRICULTURE AND NATURAL RESOURCES  
BANKING AND INSURANCE  
FINANCE  
LABOR, COMMERCE, AND INDUSTRY  
LEGISLATIVE OVERSIGHT  
MEDICAL AFFAIRS



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TOMDAVIS@SCSENATE.GOV

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BEAUFORT, SOUTH CAROLINA 29901-1107  
PHONE: (843) 252-8583  
FAX: (843) 524-6401  
EMAIL: TOM@SENATORTOMDAVIS.COM

January 9, 2025

Mr. Michael Moore  
Administrator, Beaufort County  
100 Ribaut Road  
Beaufort, South Carolina 29902

**VIA HAND-DELIVERY**

Mr. Marc Orlando, Manager  
Manager, Town of Hilton Head Island  
1 Town Center Court  
Hilton Head Island, South Carolina 29928

Re: 278 Corridor Improvements from Moss Creek Drive to Spanish Wells Road (the "Project")

Mr. Moore and Mr. Orlando:

I have discussed the status of the Project with the three other members of the Beaufort County Legislative Delegation who represent areas directly impacted by the Project – Representatives Jeff Bradley, Bill Herbkersman, and Weston Newton – and we respectfully submit the following recommendations for consideration by your respective councils.

Following the failure of the Local Sales Tax Referendum on November 5, 2024, the South Carolina Department of Transportation ("SCDOT") and the South Carolina Transportation Infrastructure Bank ("SIB") asked Beaufort County (the "County") to explain (see SIB Chairman John White's letter to Mr. Moore dated November 7, 2024, copy enclosed) how it intended to fund the approximately \$190 million difference between the current \$488 million estimated cost of the Project (see SCDOT Chairman Justin Powell's letter to Mr. Moore dated November 18, 2024, copy enclosed) and the \$298.85 million in committed funds, a breakdown of these committed funds being set forth in a summary provided on July 22, 2022, by then-SCDOT Chairwoman Christy Hall, copy enclosed.

[Note: For our analysis we need to know the amount of cash available, so the \$3.335MM shown on the funding summary provided by former SCDOT Chairwoman Hall as coming from the Town of Hilton Head Island (the "Town"), which is a monetized land contribution, must be subtracted, as does the \$4.18 million spent by the SCDOT, the \$6.89 million spent by the County, and the \$2 million spent by LATS. However, Secretary Powell advised us yesterday that the SCDOT is willing to commit an additional \$16.1 million to the Project, so this sum must be added, thus making the current total of (cash) committed funds \$298.53 million – \$204.42 MM in state funds and \$94.1MM in local funds (figures rounded to the hundredth decimal). The revised funding summary provided to us yesterday by SCDOT Secretary Powell is enclosed.]

Messrs. Moore and Orlando

January 9, 2025

Page 2

Initially, the deadline for providing that explanation was November 22, 2024, but it was extended until March 31, 2025. This explanation was requested because officials for the County had proposed to the SCDOT and the SIB on May 29, 2024, that: 1) the County pay \$90 million of the \$190 million Project shortfall using funds from a sales tax to be approved by the voters via the Referendum; and 2) the state agencies cover the remaining \$100 million. The state agencies didn't refuse that proposal, but SIB Chairman White has stressed that SIB funds are limited and that demand for those funds far outstrips supply. We must therefore caution you that, even with a substantial local contribution, the ability to secure additional state funding to help defray the \$190 million shortfall is not certain. Once the Referendum failed, of course, the County's proposal became moot, leading to the state agencies' pending request for a backup plan.

At a public meeting held on November 12, 2024, Beaufort County Council discussed ways to fund this shortfall. (SIB Chairman White correctly notes in his letter to Mr. Moore that the Intergovernmental Agreement makes the County responsible for the entire \$190 million) At that council meeting there seemed to be no political will by members to either generate new revenue through higher taxes or to postpone other planned projects to free up existing revenue, and from this we have inferred that the County was (and still is) either unwilling or unable to make a significant contribution to the shortfall.

If a plan acceptable to the state agencies to fund the \$190 million shortfall is not in place by March 31, 2025, the SCDOT will proceed to replace the existing eastbound bridge over Mackay Creek, no other aspect of the Project will be pursued, and the \$120 million SIB grant will be revoked. We think that is a suboptimal outcome and that it would be better for the County and the Town to propose to the SCDOT and the SIB a way to spend the \$298.53 million in committed funds that best satisfies the objectives of all the stakeholders: the County, the Town, the SCDOT, the SIB, the Federal Highway Administration (the "FHWA"), and our constituents. In other words, to propose to do the best we can with the money we have. Here are our thoughts on what that might look like:

1. Propose that the SCDOT and the SIB allocate the \$204.42 million in committed state funds to build a new three-lane eastbound span from Moss Creek Drive to Windmill Harbor to the south of and parallel to the existing two-lane eastbound span, with the latter to be removed once the new span is completed. SCDOT Secretary Powell advised us yesterday that the estimated cost this new three-lane span is \$257.7 million; therefore, \$53.28 million of the \$94.1 million in existing committed local funds would also need also to be allocated to building this new three-lane eastbound span. In this proposal, the existing two-lane westbound spans from Windmill Harbor to Moss Creek, which includes bridges that are structurally sound with a useful life of at least another 20-plus years, would be left in place. Importantly, Secretary Powell believes this scaling down of the Project would qualify as a Categorical Exclusion in compliance with the National Environmental Policy Act.

We think this first proposal would accomplish several important objectives: 1) the structurally impaired eastbound bridge over Mackay Creek would be replaced; 2) access to the island would be increased; and 3) safety would be improved. Importantly, too, it would result in physically separated eastbound and westbound spans; the combination of these two spans into one single large span is widely resisted by many of our constituents.

TCG  
2 1 3



Messrs. Moore and Orlando  
January 9, 2025  
Page 3

2. Propose that the SCDOT and the SIB allow the remaining \$40.82 million in existing committed local funds to implement a master plan for improvements extending from Windmill Harbor to the Cross Island Parkway, the specifics to be provided by the County and the Town by March 31, 2025. This would involve an extension of the Project's scope beyond the current eastern terminus of Spanish Wells Road.

This second proposal would require the County and the Town to come up with an on-island master plan. SCDOT believes a reasonable argument can be made to have the FHWA treat this on-island component as a separate project distinct from the building of a new three-lane eastbound span from Moss Creek Drive to Windmill Harbor. However, even if it is, we urge the County and the Town to finalize the master plan by March 31, 2025, since what that plan ends up looking like may impact the design of the new three-lane eastbound span as it approaches Windmill Harbor and may also necessitate modifications to the existing two-lane westbound span as it leaves the island. A binding agreement as to how the remaining \$40.82 million in local funds will be spent may also be necessary to discharge the SIB's "local match" obligation.

In the development of an on-island master plan, we respectfully suggest that deference be provided to the Town and the residents of Hilton Head Island, in that they are the most directly impacted parties. There are several important island-specific quality-of-life issues to be sorted out in the master plan: mitigating impacts on the Stoney Community, facilitating the free flow of traffic, reducing the number of accidents that occur at the signalized intersections, and providing for an aesthetically pleasing entrance to the island.

The approach we suggest would require that approvals be obtained from the SCDOT, the SIB, and the FHWA. Complications in addition to the ones we have identified may also arise. That said, given the financial constraints, we believe this is a reasonable path forward. Thanks for your consideration.

Sincerely,

Tom Davis

Representative Jeff Bradley

Representative Bill Herbkersman

Representative Weston Newton

## BOARD OF DIRECTORS

John B. White, Jr., *Chairman*Ernest Duncan, *Vice Chairman*

Representative Chris Murphy

Senator C. Ross Turner, III

Pamela L. Christopher

David B. Shehan

André Bauer

# South Carolina Transportation Infrastructure Bank



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

November 7, 2024

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

Re: Beaufort County US 278 Project

Dear Mr. Moore:

In your July 3, 2024, letter to me, you informed the Bank the estimated funding shortfall for the US 278 Project was approximately \$190 million. You indicated the County intended to fund approximately \$90 million from a transportation sales tax referendum to be placed on the November general election ballot. On November 5, 2024, this bond referendum failed by a substantial margin of 55% to 45%.

As you know, the Intergovernmental Agreement between Beaufort County and the Bank provides that Beaufort County is responsible for any overages over the total cost of the Project. The total project cost referenced in the IGA is \$292,350,000. The Bank's commitment is a grant of \$120 million. An updated total project cost now ranges between \$425 million and \$480 million depending on the design of the project. Your letter indicated Beaufort County would allocate \$90 million toward the overage with funding coming from the transportation sales tax. Now that the transportation sales tax has been soundly rejected, please provide a detailed and complete explanation how Beaufort County intends to fund its approximately \$200 million requirement. Your letter requested the Bank provide an additional grant of \$90 million to go toward the funding shortfall. As you can imagine, the Bank Board must obtain better information from Beaufort County how it intends to fund the shortfall before the Bank can contemplate whether to provide additional grant dollars to the project.

Please respond within 15 days so the Bank Board can make a decision on how best to proceed with this Project.

If you should have any questions, please do not hesitate to contact me or Charles Cannon at (803) 737-1225.

Sincerely,



John B. White, Jr.  
Chairman

Cc: Board Members



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

November 18, 2024

Mr. Michael Moore  
County Administrator, Beaufort County  
PO Drawer 1228  
Beaufort, SC 29901

Dear Mr. Moore:

I appreciate the ongoing partnership between Beaufort County and the South Carolina Department of Transportation (SCDOT) on the development of the US-278 project between Bluffton and Hilton Head Island.

SCDOT has had the US-278 eastbound bridge over Mackay Creek on its priority lists for several years. This structure was built in 1956 and is reaching the end of its design life. Recent bridge inspections have rated the bridge as a 4 (out of 10), or poor. Due to the advanced age and current condition of the structure, SCDOT inspects the bridge annually rather than biannually like most other bridges in the state's inventory.

The present US-278 project initiated out of a desire from Beaufort County to replace all of the bridges and improve traffic operations between Bluffton and Hilton Head Island. In lieu of a separate project for the Mackay Creek bridge only, SCDOT entered into an intergovernmental agreement with Beaufort County to serve as project manager of the US-278 bridge and improvement project.

Through this partnership, this project has progressed through many steps up to this point, including obtaining municipal consent from the Town of Hilton Head Island. SCDOT anticipates a Federal Decision (Finding of No Significant Impact) from the Federal Highway Administration (FHWA) in the first half of 2025 and is prepared to move into right of way acquisition in late 2025. This would put the project on track to go to construction in 2027.

As was communicated by former Secretary Hall earlier this year, the project's current estimated budget is \$488 million, which is approximately \$190M short of the amount presently committed to the project from Beaufort County, the South Carolina Transportation Infrastructure Bank (SCTIB), and SCDOT. I am aware that there is a pending request to the SCTIB to cover \$90 million of the shortfall that will be discussed at the SCTIB's meeting on November 20. I am also aware that the referendum to fund Beaufort County's portion of the shortfall did not pass on November 5.

The condition of the US-278 eastbound bridge concerns me, especially in the harsh environment affected by saltwater and tides. The bridge is at risk in the future of being load posted which could limit the ability of emergency vehicles, commercial trucks, and school buses to access the island. Rehabilitation is an undesirable option with a current estimate of \$50 million being needed to add just 10 years to the bridge's lifespan.

While a comprehensive solution of replacing all structures and improving traffic operations is the

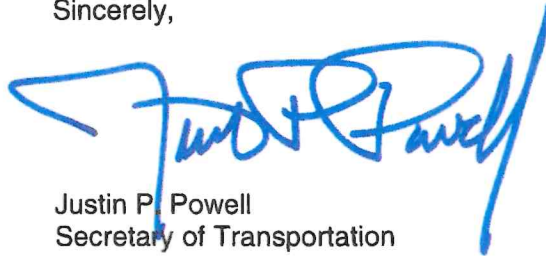




most ideal path forward, we are approaching a point where time is of the essence on the US-278 eastbound bridge over Mackay Creek. In the professional opinion of SCDOT's Engineering team, a decision must be made by March 31, 2025 if the US-278 project is to continue with funding identified for construction. If not, SCDOT will be prepared to move forward with terminating existing agreements between SCDOT and Beaufort County so that there is sufficient time to design and permit a new bridge solely to replace the existing US-278 eastbound bridge over Mackay Creek.

As always, my team is available to assist as you consider options. Please do not hesitate to reach out to me as both Beaufort County and SCDOT consider next steps on this project.

Sincerely,



Justin P. Powell  
Secretary of Transportation

CC: John B. White, Jr., Chairman of the South Carolina Transportation Infrastructure Bank  
SCDOT Commission



Available Funding				
	PE	ROW	Construction	Total
Beaufort County	\$13,000,000	\$1,490,000	\$86,510,000	\$101,000,000
LATS (SCDOT)	\$2,000,000			\$2,000,000
SCDOT Bridge Funding	\$7,000,000	\$500,000	\$65,000,000	\$72,500,000
State Infrastructure Bank	\$0	\$0	\$120,000,000	\$120,000,000
Town of Hilton Head		\$3,350,000		\$3,350,000
<b>Total</b>	<b>\$22,000,000</b>	<b>\$5,340,000</b>	<b>\$271,510,000</b>	<b>\$298,850,000</b>

*Summary of committed  
funding provided by  
SCDOT Secretary Chisley  
Hall on July 22, 2022*

	<b>Budget</b>	<b>Expense</b>	<b>Remaining</b>	<b>Proposed Additional</b>	<b>TOTAL AVAILABLE</b>
SCDOT Bridge	\$ 72,500,000	\$ 4,180,718	\$ 68,319,282	\$ 16,100,000	\$ 84,419,282
SCTIB	\$ 120,000,000	\$ -	\$ 120,000,000	\$ -	\$ 120,000,000
Beaufort County	\$ 101,000,000	\$ 6,892,780	\$ 94,107,220	\$ -	\$ 94,107,220
LATS	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -
	\$ 295,500,000	\$ 13,073,498	\$ 282,426,502	\$ 16,100,000	\$ 298,526,502

*Revised Summary  
of committed funding  
provided by SCDOT  
Secretary Justin Powell  
on January 8, 2025*