

May 19, 2025



Beaufort County  
SOUTH CAROLINA



*US 278 Corridor Project Update*





# Plans from SCDOT at 2/12/25 Joint Council Meeting

## US 278 Corridor Improvements

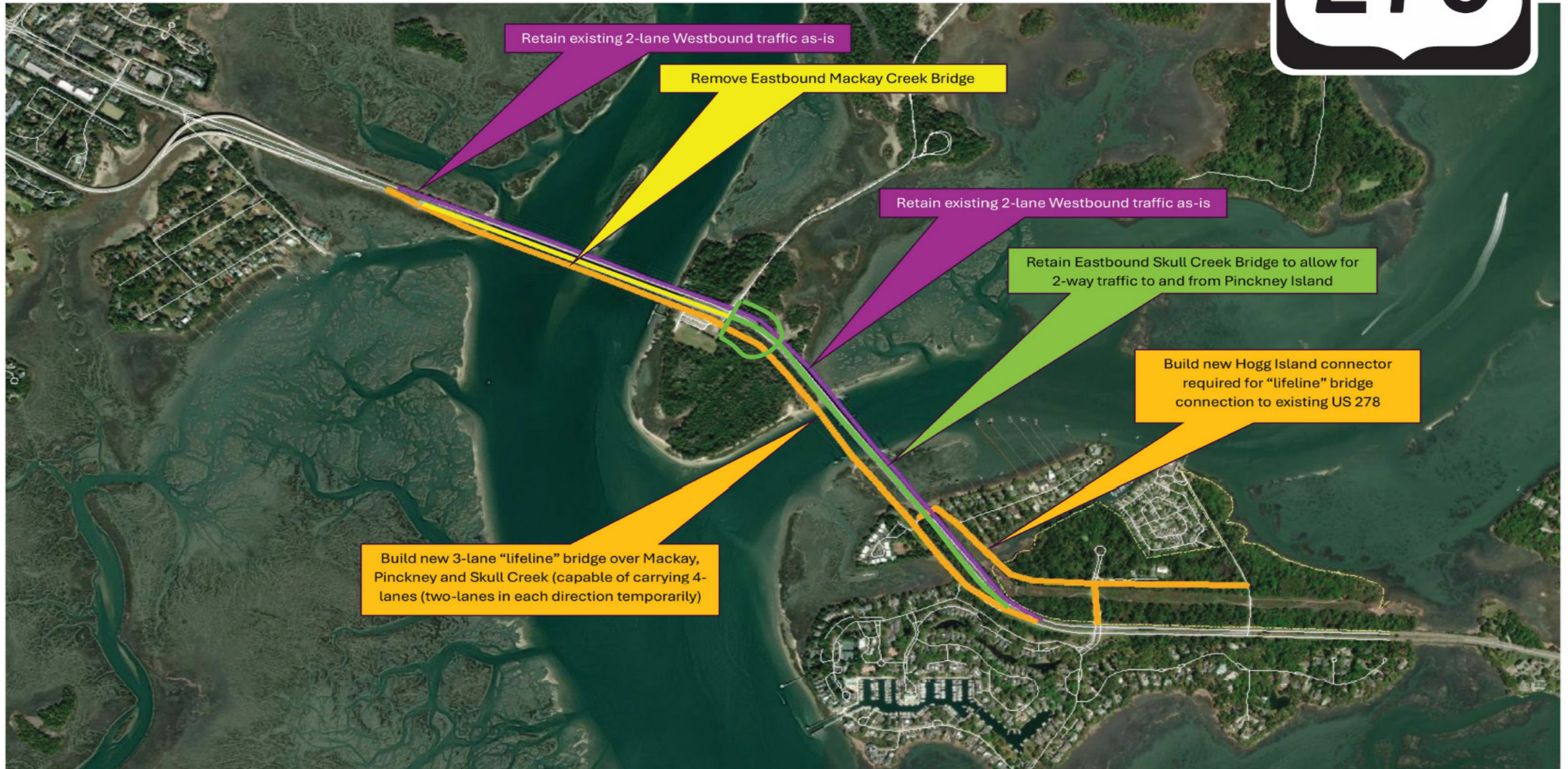
OPTIONS	BRIDGE	ROADWAY	RIGHT OF WAY	ENVIRONMENTAL MITIGATION	UTILITY RELOCATIONS	SUBTOTAL	CONSTRUCTION ENGINEERING INSPECTION	TOTAL
Lifeline Bridge without Multiuse Path (roadway only to tie in) <b>Option 1</b>	185.0	14.7	1.5	9.8	23.3	234.3	23.4	257.7
Lifeline Bridge with Multiuse Path (roadway only to tie in)	240.0	15.7	1.5	9.8	23.3	290.3	29.0	319.3
Lifeline Bridge without Multiuse Path (roadway with 3-lanes from Moss Creek to Spanish Wells)	185.0	22.8	2.9	11.2	26.9	248.8	24.9	273.7
Lifeline Bridge with Multiuse Path (roadway with 3-lanes from Moss Creek to Spanish Wells)	240.0	24.4	4.0	12.6	28.8	309.8	31.0	340.8
2024 Anticipated costs for full project	331.3	43.8	5.8	14.0	29.5	424.4	42.4	466.8
Replace only the Mackay Creek Eastbound Bridge <b>Option 6</b>	45.0	14.7	0.8	7.5	12.5	80.5	8.1	88.6

\*Costs shown are in millions

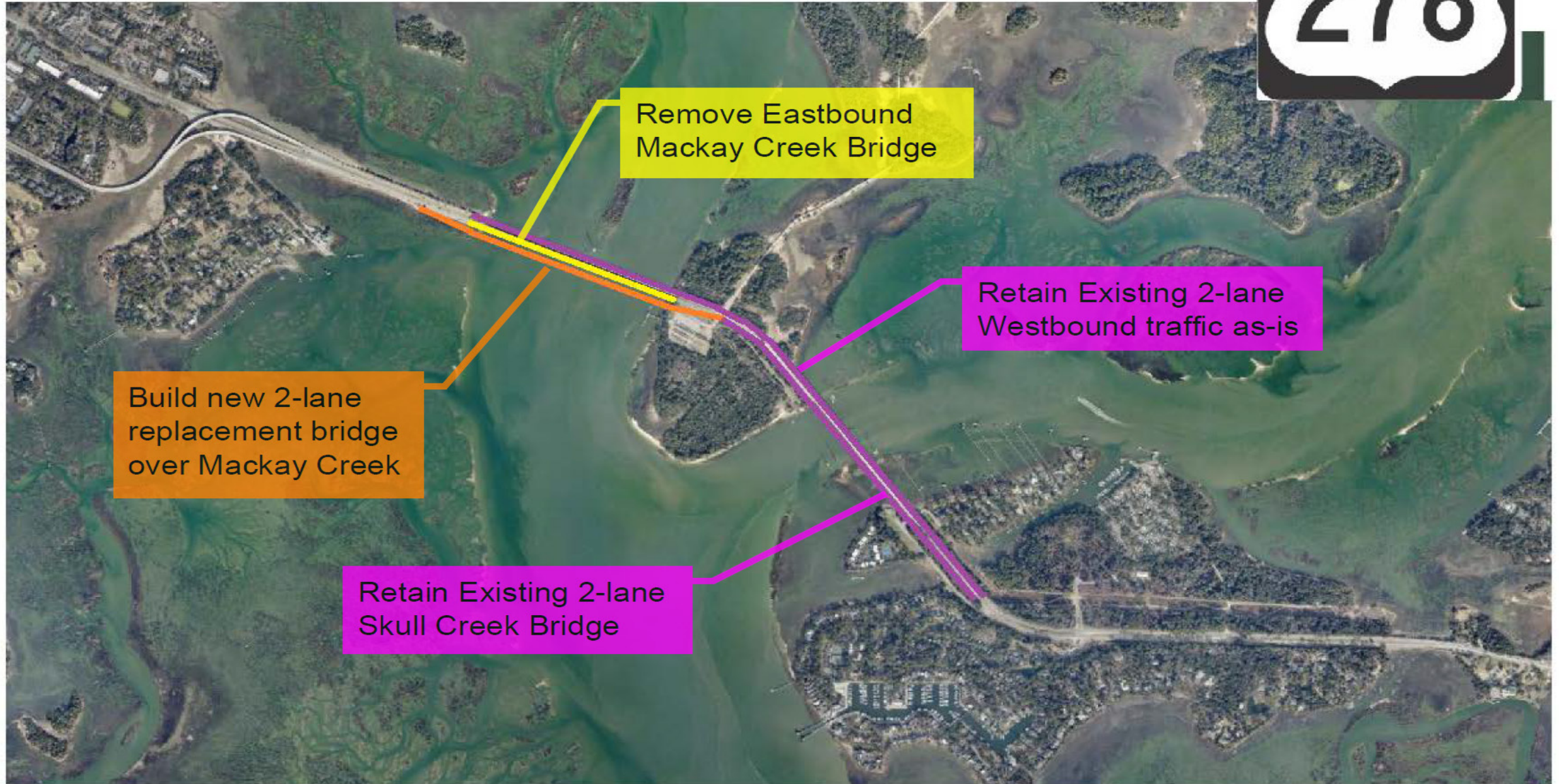




3-lane Bridge (capable of accommodating 4<sup>th</sup> lane) with using portion of Westbound bridge for off island and one of the old Skull Creek for access to Pinckney Island







Remove Eastbound  
Mackay Creek Bridge

Build new 2-lane  
replacement bridge  
over Mackay Creek

Retain Existing 2-lane  
Westbound traffic as-is

Retain Existing 2-lane  
Skull Creek Bridge

# Available Funding

**Presented by SCDOT at 2/12/25 Joint Council Meeting**

<b>County</b> <i>(Sales Tax &amp; Impact Fees)</i>	<b>\$101.00M</b>
<b>SCDOT</b>	<b>\$ 90.60M</b>
<b>HHI</b> <i>(R/W Dedication)</i>	<b>\$ 3.35M</b>
<b><u>State Infrastructure Bank</u></b>	<b><u>\$120.00M</u></b>
<b>Total =</b>	<b>\$314.95M</b>

**Available Cash for Remaining Project = \$298.53M**

*(Less \$13.07M already expended and \$3.35M HHI R/W donations)*





# Where Are We Now?



# SIB Board Decision

May 12, 2025

**Rejection of County's Revised Proposal** *The SIB Board voted to reject the County's revised proposal based on the following concerns:*

- **Funding Sequence Conflict:** The revised funding plan contradicted the Intergovernmental Agreement (IGA), which required SIB funds to be used last, not first.
- **Town Contribution Misalignment:** Hilton Head Island's contribution was in the form of land (right-of-way), not cash
- **Reduced Bridge Scope:** The scaled-back design reduced the number of lanes from the original agreement. The SIB did not believe it should still contribute the full **\$120 million**.
- **Unclear Cost Overrun Strategy:** The County did not provide a clear plan to cover potential cost overruns. The SIB suggested pledging County bonding capacity (up to **\$87 million**)—**not recommended by staff**.
- **Missing Timeline:** A detailed construction and completion schedule was not included.
- **Expected Local Commitment:** The SIB expected increased financial participation from both **SCDOT and the County** to lessen reliance on SIB funds.
- **IGA Violation:** The agreement was violated as construction did not commence in **2024**.



# *Post Rejection Follow-up Actions*

**May 15, 2025:** County representatives held a conference call with members of the legislative delegation and the Chair of the State Infrastructure Bank (SIB) to discuss the proposal's rejection and potential next steps.

**May 15, 2025:** County representatives held a conference call with SCDOT Secretary of Transportation to discuss the possible alternatives in response to the SIB discussion.

**May 19, 2025** A special called meeting of County Council was convened to evaluate and consider possible options for moving forward.





# *Staff Identified Options*

# Staff Identified Options

## Option #1 – 5/19/25

**Terminate** the Intergovernmental Agreement (IGA) with the State Infrastructure Bank (SIB)

**Collaborate** with SCDOT to proceed with the replacement of the Mackay Creek Bridge

**Construct a 3-lane bridge**, as recommended by SCDOT and staff, to accommodate future corridor capacity needs

**Fund the third lane's incremental cost** using a portion of the \$80M from the 2018 Sales Tax Referendum

**Utilize remaining sales tax funds** and consider utilizing \$21M in impact fees for additional improvements along the US 278 Corridor, from Moss Creek Rd to Squire Pope Rd.



# Option 1 – Available Funding

County ( <i>Sales Tax &amp; Impact Fees</i> )	\$101.00M
SCDOT	\$ 90.60M
<del>HHH (<i>R/W Dedication</i>)</del>	<del>\$ 3.35M</del>
<u>State Infrastructure Bank</u>	<u>\$120.00M</u>
Total =	\$191.60M

Total Project Cost = \$101,670,000M (*\$13,070,000M already expended*)

# Staff identified Options

## Option #2 – 5/19/25

**Pursue an amended Intergovernmental Agreement (IGA)** with the State Infrastructure Bank (SIB), restructuring the funding sequence to prioritize:

1. County funds
2. SCDOT contributions
3. Remaining SIB funding

**Beaufort County would assume responsibility** for any project cost overruns under the amended agreement. The SIB's full \$120M commitment to the project is critical

**Maintaining the SIB's full \$120 million commitment** is essential to the project's viability.

**Without the SIB's full support**, the project cannot proceed unless an alternative, clearly identified funding source is secured.