

December 2, 2022

Mr. Bill Tuten
Administrator, Charleston County
4045 Bridge View Drive
North Charleston, SC 29405

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

Dear Administrator Tuten and Chairman White:

Several months ago I provided you an updated estimate of \$2.352 Billion for the proposed Mark Clark Extension project. SCDOT's \$2.352 Billion estimate for the project included nearly \$800 Million in potential risks and inflation, which may or may not materialize at the end of the day. Following the release of that estimate, Charleston County Council requested that we seek an independent review of the estimate.

The independent consultant has completed its review and they estimate a potential total cost of approximately \$2.2 Billion for the project, including just over \$600 Million in potential risks and inflation. While the consultant's independent estimate closely aligns to SCDOT's estimate, it still remains just that...an estimate. As I have stated previously, until the preliminary work is completed and the project goes to bid, the estimate will remain a highly speculative figure. We also strongly recommend that the project be phased during construction and that priority be placed on implementing Phase 1 at an estimated cost range of \$1 Billion (baseline cost) - \$1.5 Billion (factoring in potential risks and inflation).

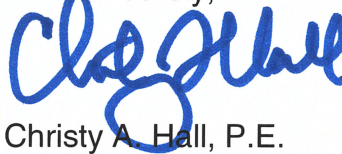
Therefore, I am renewing my request for the following from Charleston County and the SC Transportation Infrastructure Bank:

1. Authorization to proceed with expending approximately \$150 Million for the remaining preparatory work necessary to continue to advance the project. Based on previous agreements, these costs would be split 50-50 between the SC Transportation Infrastructure Bank and the County.

2. Development of a reasonable financial approach to the entire project by the project sponsors. This is required as part of the documentation needed for the Final Environmental Impact Statement and other Federal approvals. Based on previous discussions, the SC Transportation Infrastructure Bank is capped at no more than \$420 Million for the project, with the County of Charleston committing to funding the balance of the entire project. For our purposes, "reasonable" means a financial plan that is rational and realistic. Two important considerations in determining whether an assumption is "reasonable" are (a) evidence of review and support of the new revenue assumption to fund the project and (b) documentation of the rationale and procedural steps to be taken with milestone dates for securing the funds.

We look forward to hearing back from you and we stand ready to appear before your respective council/board members at your convenience in order to answer any remaining questions that you may have.

Sincerely,



Christy A. Hall, P.E.
Secretary of Transportation

cc: Joint Bond Review Committee