

April 25, 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:

I am writing to provide you updated information on the proposed Mark Clark Extension project. As you may recall, we received authorization from the County, SC Transportation Infrastructure Bank Board and the SC Joint Bond Review Committee of the SC Legislature to proceed with preliminary planning activities for the project up to a ceiling of approximately \$24 Million in additional expenditures. Following that authorization, SCDOT's project team has been working steadily on revisiting the traffic and environmental studies, design and footprint of the project as well as re-engaging the public regarding this regionally significant project. We have also updated the estimated cost of the project, including factoring-in current real estate and construction market conditions as well as expected inflation over the next several years.

Activity	Cost Forecast
Preliminary Engineering	\$23,000,000
Right of Way Acquisition	\$261,000,000
Construction Phase 1	\$1,350,000,000
Construction Phase 2	\$702,000,000
Mitigation	\$16,000,000
TOTAL	\$2,352,000,000

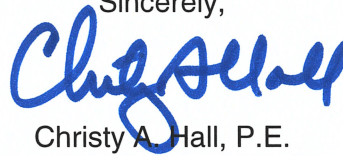
Attached please find some detailed information regarding our recommended phasing and projected cash flows for the entire corridor. The estimated cost for the project has increased significantly, however, it still remains just an estimate or a forecast. Until the preliminary work is completed and the project goes to bid, it will remain a highly speculative figure. It is also our experience that a project this large must be phased in order to ensure competitive bids and to enable in-state companies the opportunity to engage in the construction work.

Based on this information, we are requesting the following from the County of Charleston and the SC Transportation Infrastructure Bank Board:

1. Authorization to proceed with expending approximately \$150 Million for the remaining preparatory work necessary to ready the project for bid. Based on previous agreements, these costs would be split 50-50 between the SC Transportation Infrastructure Bank and the County.
2. Within the next six months, we must be able to demonstrate 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.

I expect that you will have questions regarding this updated information. Please do not hesitate to reach out to us. We stand ready to provide you additional information or clarification on any item you require related to the complex project.

Sincerely,



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

cc: Joint Bond Review Committee

Attachment