

Berkeley County

Application to the
South Carolina
Transportation Infrastructure Bank



Submitted by
Berkeley County South Carolina
October 2006

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**Application to the
South Carolina
Transportation Infrastructure Bank**

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Berkeley County Supervisor and
Chairman of Berkeley County Council

EXECUTIVE SUMMARY

Berkeley County is submitting an application for financial assistance to aid in the construction of transportation facilities in order to promote economic development, alleviate congestion, and to improve the safety of its citizens and visitors.

Project Description

Financial assistance is requested to enable construction of highway improvements on I-26 in Berkeley County between Exits 194 and 199, and on roads accessing this section of interstate. Exits 194 and 199 are located at Jedburg Road (S-16) and U.S. 17A, respectively. Exit 199 is 30 miles southeast of the I-26 / I-95 interchange in Orangeburg County. This section of I-26, while located entirely in Berkeley County, lies within one mile of the Berkeley / Dorchester county line.

The proposed project consists of the following components:

1. Widening of I-26 from four to six lanes from milepost 198.4 to Exit 194 at Jedburg Road (S-16);
2. Construction of a new I-26 interchange with the proposed Sheep Island Parkway;
3. Removal of the existing Sheep Island Road Bridge over I-26;
4. Frontage road improvements; and
5. Construction of the proposed Sheep Island Parkway from the proposed I-26 interchange to U.S. 176.

Project Need

The proposed I-26 interchange project is significant to the economic development of both the region and the state. New development is moving toward the intersection of I-26 and I-95, resulting in expansion of the industrial and distribution markets west of Charleston in Berkeley and Dorchester Counties.

New Jobs and Truck Traffic – Several companies are already operating in this area or have announced their intention to locate there. These companies represent almost 1,300 jobs. In addition, daily truck traffic required to support these businesses totals more than

Executive Summary

350 (one-way), with some new companies not yet in operation. These trucks currently rely on the existing Exits 194 and/or 199 to access their facilities.

Urgency of Project – The proposed project is planned to relieve existing and projected congestion near the I-26 / U.S. 17A interchange; to serve both existing and announced major commercial and industrial developments along the I-26 corridor; and to serve large scale, mixed-use communities, including over 25,000 residential units, being developed in close proximity to the proposed interchange on the east side of the interstate.

The proposed project is ranked as a priority project in the Charleston Area Transportation Study (CHATS) Long Range Transportation Plan, and has been identified as a suitable project for funding by innovative financing, such as a SIB Grant.

Project Cost Estimates

Based on preliminary estimates, the total cost of the proposed project is **\$138.7 million** as shown in **Exhibit ES-1**.

Local Contributions

Local contributions, totaling **\$53.5 million or 38.6 percent** of the project costs, have been secured, as shown in **Exhibit ES-2**.

**Exhibit ES-1
Project Cost Estimates**

Project Element	Cost ⁽¹⁾
1. I-26 Widening	\$11,800,000
2. New I-26 Interchange	\$24,553,000
3. Removal of Sheep Island Road Bridge	\$147,000
4. Frontage Road Improvements	\$21,461,000
5. Construction of Sheep Island Parkway	
5.1 Phase 1 of the Parkway - From Old Dairy Road to east of the proposed I-26 Interchange, including the Old Dairy Road Connector	\$21,300,000
5.2 Phase 2 of the Parkway - From east of the proposed I-26 Interchange to U.S. 176, as a 2-lane road	\$30,919,000
5.3 Phase 3 of the Parkway - Widening to 4 lanes	\$22,013,000
Debt Service Costs	\$6,536,000
Total Proposed Project Costs	\$138,729,000

Source: Wilbur Smith Associates

Note: (1) In 2006 dollars, assuming construction commences in 2010, except for Phase 3 of the Parkway, which will be constructed later.

**Exhibit ES-2
Local Funding Sources**

Local Funding Source	Funding Description	Amount
		(\$ Millions)
Impact Fees	Impact fees from "The Parks of Berkeley" development	\$25.00
The Parks of Berkeley, LLC and Crescent Resources, LLC	4 lanes of ROW (150 feet) and construction of 2-lane Sheep Island Parkway, within The Parks of Berkeley development	\$26.34
Hillwood Investment Properties	Right-of-Way donation	\$1.80
Piggly Wiggly	Right-of-Way donation	\$0.20
Salisbury / Smoak	Right-of-Way donation	\$0.15
Total		\$53.49

Assistance Requested

The amount of assistance requested is **\$85.2 million**. This amount, when combined with local contributions will fully cover the estimated costs of the proposed project, as shown in **Exhibit ES-3**.

**Exhibit ES-3
Proposed Project Funding**

Funding Source	Amount	Percent
	(Million)	
SIB Grant	\$85.2	61.4%
Local Contributions	\$53.5	38.6%
Total	\$138.7	

**BERKELEY COUNTY APPLICATION
FOR FINANCIAL ASSISTANCE**

Berkeley County is submitting an application for financial assistance to aid in the construction of transportation facilities in order to promote economic development, alleviate congestion, and to improve the safety of its citizens and visitors.

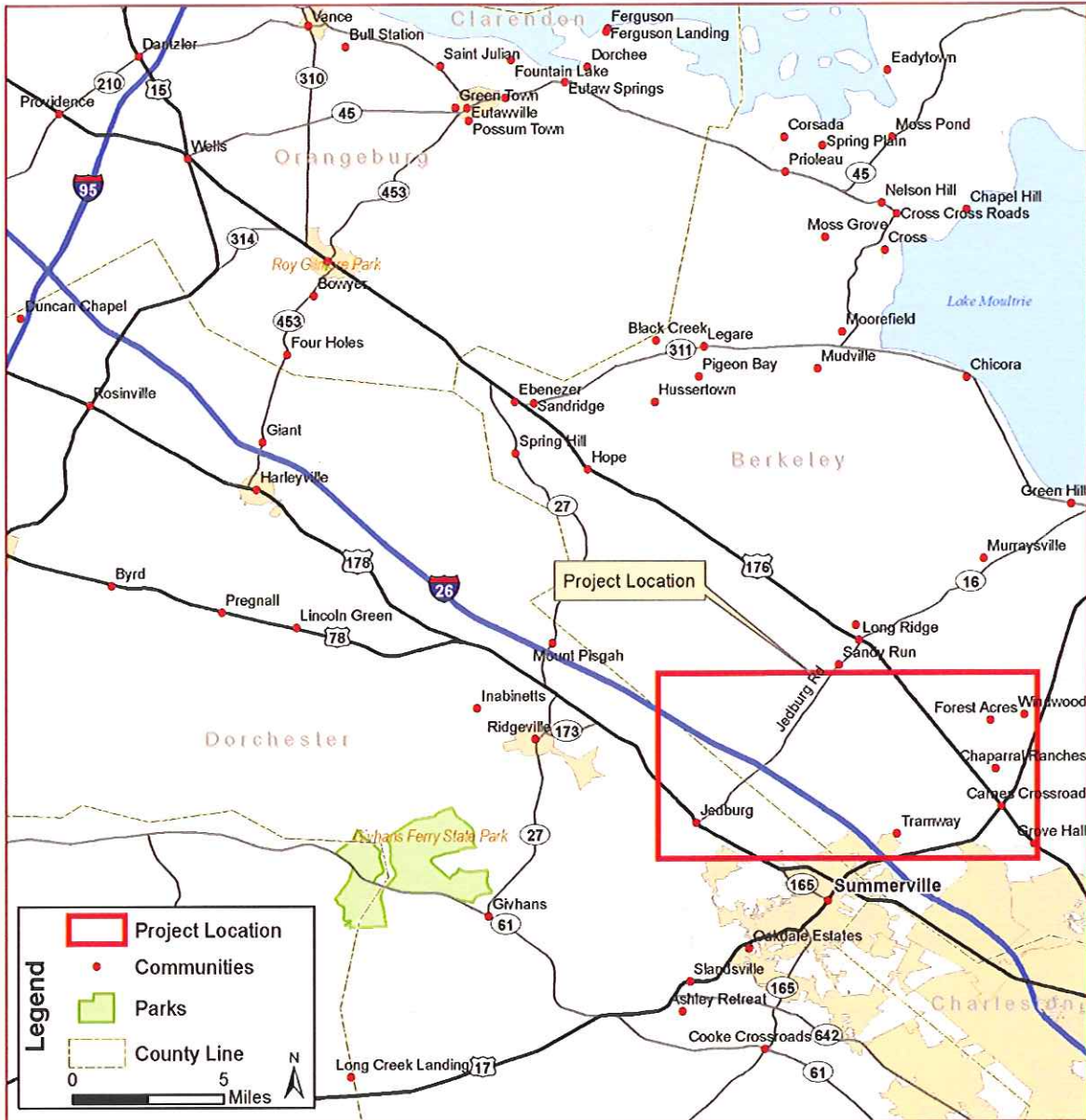
DESCRIPTION OF PROJECT

Financial assistance is requested to enable construction of highway improvements on I-26 in Berkeley County between Exits 194 and 199, and on roads accessing this section of interstate. Exits 194 and 199 are located at Jedburg Road (S-16) and U.S. 17A, respectively. The regional context of the proposed project is illustrated in **Exhibit 1**. Exit 199 is 30 miles southeast of the I-26 / I-95 interchange in Orangeburg County. This section of I-26, while located entirely in Berkeley County, lies within one mile of the Berkeley / Dorchester county line.

The proposed project consists of the following components:

1. Widening of I-26 from four to six lanes from milepost 198.4 to Exit 194 at Jedburg Road (S-16);
2. Construction of a new I-26 interchange with the proposed Sheep Island Parkway;
3. Removal of the existing Sheep Island Road Bridge over I-26;
4. Frontage road improvements; and
5. Construction of the proposed Sheep Island Parkway from the proposed I-26 interchange to U.S. 176.

Exhibit 1 Project Area



The proposed project is illustrated in **Exhibits 2 and 3**, and described in more detail below.

Element 1 – Widening of I-26

Heading northwest on I-26 toward Orangeburg, I-26 currently transitions from six lanes (three lanes in each direction) to four lanes at milepost 198.4, just after Exit 199 (U.S. 17A). The proposed widening would extend 6-lane operations a distance of 3.94 miles to the Jedburg Road Exit, and would be constructed in the median to remain consistent with the recently completed I-26 widening project through the U.S. 17A interchange. The existing Sheep Island Road Bridge, which will be removed as part of the proposed project, has been a constraint on widening I-26 in this area.

Element 2 – New I-26 Interchange

The proposed interchange with I-26 and Sheep Island Parkway would be located at milepost 197.7, which is 1.3 miles west of the I-26 / U.S. 17A Interchange and 3.3 miles east of the Jedburg Road Interchange. The type and configuration of the interchange will be determined once a more detailed traffic model, including all proposed developments, can be ascertained.

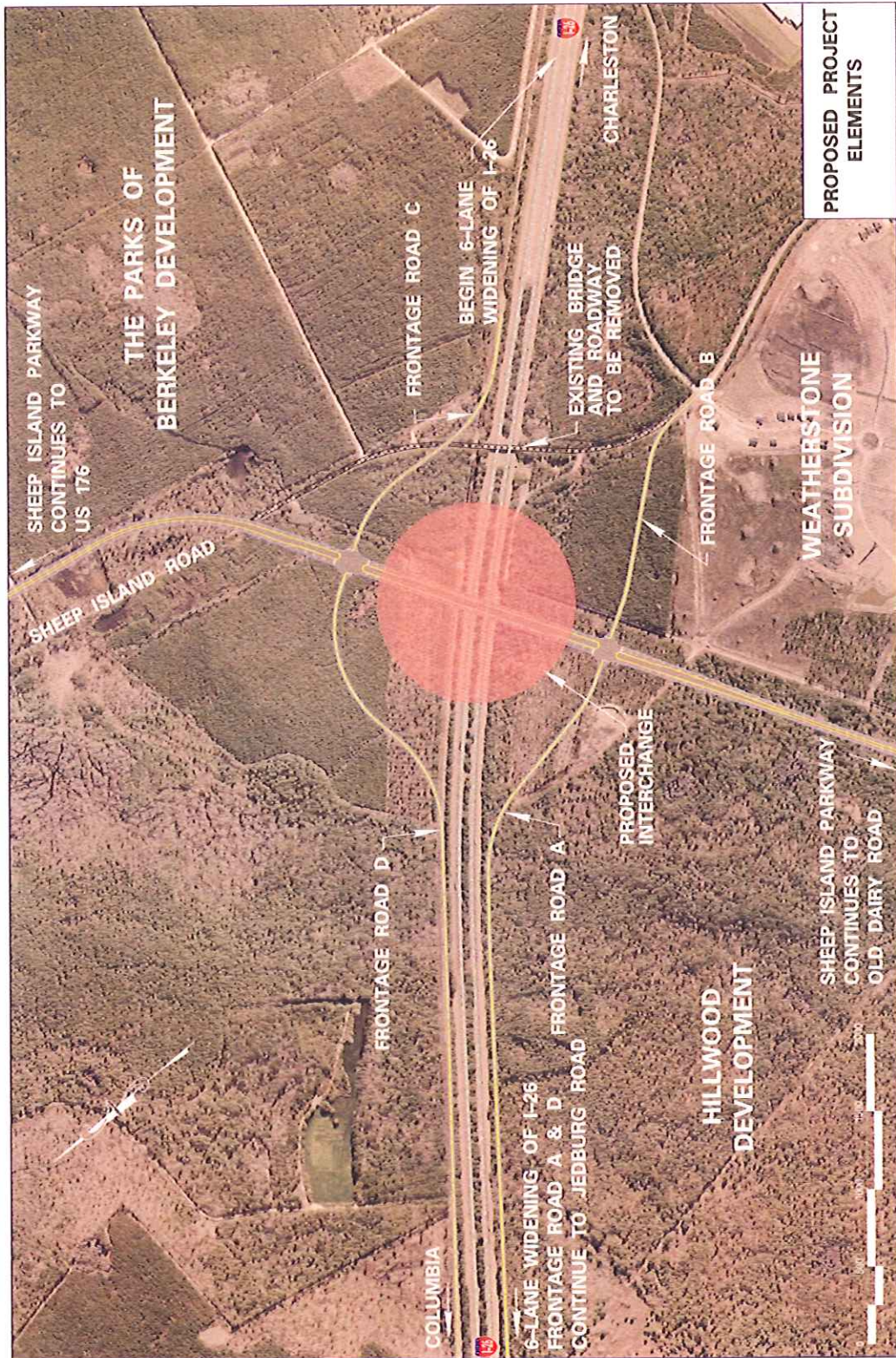
Element 3 – Sheep Island Road Bridge Removal

The existing 2-lane Sheep Island Road Bridge is classified as functionally obsolete by SCDOT and FHWA standards. Constructed in 1961, it currently has both horizontal and vertical clearance deficiencies and approach safety features that do not meet today's standards. It will be removed as part of the proposed project allowing the SCDOT to remove it from their maintenance program.

Element 4 – Frontage Road Improvements

The proposed project will include construction of four new 2-lane frontage roads along the interstate. Frontage roads A and B will be located on the eastbound side of I-26, while

**Exhibit 3
Project Elements**



frontage roads C and D will be located on the westbound side. Frontage Road A will begin at Jedburg Road. The present road, traveling east for 1.1 miles, will be upgraded as needed due to increased truck traffic, and then be extended 2.3 miles farther east to the proposed Sheep Island Parkway. Frontage Road B, 0.34 miles in length, will connect Sheep Island Road to the proposed Sheep Island Parkway, allowing current users of Sheep Island Road to maintain access across I-26. Frontage Road C will total 0.56 miles, and will serve to maintain the connectivity of the current frontage road (Holiday Drive) along the I-26 corridor. Frontage Road D will begin at Jedburg Road. The present road, traveling east for 0.80 miles, will be upgraded from its sub-standard condition, and then be extended 2.48 miles further east to the proposed Sheep Island Parkway.

Element 5 – Proposed Sheep Island Parkway

Sheep Island Parkway will be a 4-lane, divided roadway in some areas, and a 5-lane facility in others. The Parkway will be constructed in three phases:

- Phase 1 – 5-lane road from Old Dairy Road, 1.5 miles south of the proposed interchange to 1,000 feet east of the proposed interchange. This phase will be constructed in parallel with construction of the proposed interchange (Element 2).
- Phase 2 – 2-lane road on 4-lane right-of-way (ROW), from 1,000 feet east of the proposed interchange to an intersection with U.S. 176. The 22,300 feet of this road that lies within The Parks of Berkeley site will be constructed by its developer. The remaining 2,300 feet to U.S. 176 will be constructed by Berkeley County.
- Phase 3 – Widening of the 2-lane road constructed in Phase 2 to 4-lanes. The widening will be constructed by Berkeley County as traffic demand increases. For purposes of this application, the widening is assumed to occur within the 2017 to 2022 timeframe.

1. PUBLIC BENEFITS

The benefits provided by the proposed project are described in this section of the Application. The principal benefits are:

1. Promotion of Economic Development; and
2. Enhancement of Mobility and Safety.

1.1 Traffic Studies

Traffic volumes on I-26 in Berkeley County are increasing and are projected to increase further, as illustrated in **Exhibit 4**. These projections were estimated by the transportation planning model used by the Berkeley-Charleston-Dorchester Council of Governments (BCDCOG) in the development of its Long Range Transportation Plan (LRTP). The proposed I-26 interchange and the proposed Sheep Island Parkway between I-26 and U.S. 176 are included in the 2030 Transportation Plan (TP) network developed by BCDCOG, as is the future extension of Sheep Island Parkway from U.S. 176 to U.S. 52.

By 2030, traffic on I-26 in Berkeley County is projected to grow by 93 percent on the section between Exit 199 at U.S. 17A and the proposed interchange at Sheep Island Parkway.

Even greater growth is projected for east-west corridors that provide access to I-26. The proposed Sheep Island Parkway will provide a critically important alternative to existing east-west corridors, such as U.S. 17A and Jedburg Road. By 2030, Sheep Island Parkway is projected to carry 35,200 vehicles per day. According to the model, U.S. 17A traffic is projected to increase to 46,400, from 25,800 in 2005. This growth, while significant, is substantially lower than would be the case if Sheep Island Parkway is not constructed.

Exhibit 4
Berkeley County Average Daily Traffic Volumes

Location	2003	2005	2030 ⁽¹⁾	Growth by 3030
North-South Routes				
I-26 between SC 27 and S-16 (Jedburg Rd)	34,100	36,600	60,600	66%
I-26 between S-16 (Jedburg Road) and Proposed Spine Rd	41,500	43,000	60,700	41%
I-26 between Proposed Sheep Island Parkway and U.S. 17A	41,500	43,000	83,100	93%
I-26 between U.S. 17A and S-62 (College Park Rd)	55,000	58,100	95,800	65%
East-West Routes				
Jedburg Road (S-16) between I-26 U.S. 176		5,500	20,800	278%
Proposed Sheep Island Parkway between I-26 and U.S. 176	--	--	35,200	N.A.
U.S. 17A east of I-26	20,900	25,800	46,400	80%

Source: 2003 and 2005 - SCDOT. 2030 - BCDCOG

Note: (1) BCDCOG Regional Transportation Model for 2030 with LRTP projects, including proposed SIB Application Project.

1.2 Urgency of Projects

As discussed in Section 1.8, the proposed project is planned to relieve existing and projected congestion near the I-26 / U.S. 17A interchange, to serve both existing and announced major commercial and industrial developments along the I-26 corridor, and to serve large-scale mixed-use communities, including over 25,000 residential units, being developed in close proximity to the proposed interchange on the east side of the interstate. As confirmed in Section 1.7, the proposed project is ranked as a priority project in the Charleston Area Transportation Study (CHATS) Long Range Transportation Plan, and identified as a suitable project for funding by innovative financing, such as a SIB Grant.

1.3 Support for Economic Development

A letter from John D. Scarborough, Director of Berkeley County Economic Development is provided in **Appendix A** of this Application.

1.4 Department of Commerce Support

A letter from Mr. Alan D. Young, Executive Director of the SC Coordinating Council for Economic Development, is provided in **Appendix A** of this Application. This letter confirms that on September 21, 2006, the Council voted to support the proposed project and determined that it will have a positive impact on economic development in the State.

1.5 Unemployment Data

Berkeley and Dorchester counties are the two counties anticipated to benefit most from the economic development opportunities provided by the proposed project. Unemployment rates are shown in **Exhibit 5** for these counties, as well as for Orangeburg County. Orangeburg County, which lies just 30 miles from the project area, has the 7th highest rate of unemployment in South Carolina (August 2006). At 9.6 percent, the 2005 unemployment rate for Orangeburg County was 55 percent higher than the average rate of 6.8 percent for South Carolina.

**Exhibit 5
Unemployment Rates By County**

Year	Berkeley	Dorchester	Orangeburg	South Carolina
2006 (1)	5.8%	5.2%	10.3%	6.2%
2005	5.4%	5.2%	9.6%	6.8%
2004	5.5%	4.9%	9.4%	6.8%
2003	5.5%	4.9%	9.9%	6.7%
2002	4.5%	4.3%	8.8%	5.9%
2001	4.4%	4.1%	8.6%	5.2%

Source: SC Employment Security Commission

Note: (1) August 2006

1.6 Support of Residents

Letters of support for the proposed project written by James H. Rozier, Jr., the Berkeley County Supervisor and Chairman of Berkeley County Council and by Mr. W. Francis Carson, PE, Chairman of the Berkeley County Transportation Committee are included in **Appendix A** to this Application.

Local residents will have the opportunity to comment on the proposed project as the required approval processes move forward. Local support is anticipated based on previous and recent experience, as described in the following paragraph.

In October of 2002, 1,476 acres between the Jedburg Road Exit and the Sheep Island Road interchange were permitted by the USACE under a Section 404 permit. At the time the permit application included: improvements to Jedburg Road; refurbishment of the Sheep Island Road overpass; a new interchange at Sheep Island Road; a 5-lane frontage road between Jedburg Road and the newly-created Sheep Island Road extension; a 2.5 million square foot vehicle manufacturing plant; and the extension of railways to serve the site. In order to obtain a 404 Permit, all state and federal agencies that have jurisdiction over wetlands, stormwater, cultural resources, endangered species and water quality have the opportunity to comment on the permit application. Each agency concurred with the planned use and development of the site. Adjacent landowners and concerned citizens groups were afforded the opportunity to provide input during the 30-day public comment period. No negative comments were received regarding the highway improvements or the proposed interchange.

The roadway project proposed in this application is similar in nature to what was permitted in 2002. The County does not anticipate any negative comments from the adjacent property owners and has received preliminary support from conservation groups.

1.7 Priority within Local Project Lists

The proposed project, including the proposed I-26 interchange and the Sheep Island Parkway, is included in the CHATS Long Range Transportation Plan. The priority status

of the proposed project is confirmed in a letter from William Crosby, CHATS Chairman, which is included in **Appendix A** to this Application. The proposed Sheep Island Parkway is referred to in this letter as the Berkeley County Spine Road.

1.8 Regional Significance

The proposed I-26 interchange project is significant to the economic development of both the region and the state. New development is moving toward the intersection of I-26 and I-95, resulting in expansion of the industrial and distribution markets west of Charleston in Berkeley and Dorchester Counties.

New Industrial Distribution and Commercial Developments – Much of the developable land fronting I-26 between the existing Exits 194 and 199 is zoned for industrial use. The proposed interchange is located adjacent to several developments already in the implementation stage. These developments, in addition to others now in the planning stage, represent the addition of over 17 million square feet of new space for industrial, distribution, and commercial projects, as shown in **Exhibit 6**.

**Exhibit 6
New Developments**

Property Name	Proposed Development Size (in million sq. ft.)
Whitfield	1.0
Gibbs	2.4
Hillwood	9.5
Baucom	1.5
Jedburg	2.0
Unnamed	1.0
Total	17.4

Source: Berkeley-Charleston-Dorchester Council of Governments.

New Jobs and Truck Traffic – Several companies are already operating in this area or have announced their intention to locate there. These companies represent almost 1,300 jobs, as shown in **Exhibit 7**. In addition, daily truck traffic required to support these

businesses totals more than 350 (one-way), with two new companies not yet in operation. These trucks currently rely on the existing Exits 194 and/or 199 to access their facilities.

**Exhibit 7
New Jobs and Truck Traffic**

Companies	Jobs	Daily Trucks
Fruit of the Loom	250	100
American LaFrance	670	Unknown
Piggly Wiggly	230	152
Hanson Pipe	36	24
Southeastern Freight	90	75
Total	1,276	351+

Source: Berkeley-Charleston-Dorchester Council of Governments

Interstate and Port Access – This geographical area is becoming more central to end destinations and offers easy highway access for truck transportation. There is rapidly increasing demand for distribution capacity in the southeastern United States, and priority is placed on locations near Interstate highways within a one-hour truck drive of a major container port.

The Port of Charleston was the busiest container port along the Southeast and Gulf coasts in 2005, and the Port's five terminals handled 1.98 million TEUs (20-ft. equivalent units) in fiscal year 2006. Port authorities report that several significant events in the last few years will continue to increase the Port's volume, including:

- The completion of a harbor deepening project;
- The opening of the Arthur Ravenel Bridge with higher vertical clearance (and demolition of the old bridges); and
- The purchase of over \$60 million in new container handling equipment.

The Port is anticipating an 8 percent growth in fiscal year 2007, and the arrival of even larger ships carrying more cargo.

The Port's projected growth is an economic benefit for the entire state. Cargo arriving through the Port is distributed to all 46 counties, as well as other states. However, large tracts of developable land are not available adjacent to the Port. Overall, there is a lack

of existing product supply (appropriately located, sized, and configured distribution facilities) near the Port of Charleston. As a result, distribution companies have moved west of Charleston along I-26 in Berkeley and Dorchester Counties.

This central location affords the benefit of access to both the Port and I-95 (the main north-south link along the east coast) within 30 miles in either direction. In addition, national developers with large-scale speculative projects have found significant tracts of developable land already zoned for industrial use.

Trends in population growth outside the traditional Charleston metropolitan area, and existing commuting patterns and drive times support the location of new job opportunities in Berkeley County near the proposed I-26 interchange. Projected population growth in Berkeley and Dorchester counties is shown in **Exhibit 8**. As new residential developments take shape and industrial growth locates along this corridor, the proposed interchange project will be critical to the movement of people and goods in and through this region.

Exhibit 8
Projected Population Growth

Year	Berkeley County	Dorchester County
2004	149,668	107,004
2015 (projected)	173,010	126,280
Percent Growth	15.6%	18.0%

Source: Berkeley-Charleston-Dorchester Council of Governments

2. FINANCIAL PLAN

2.1 Cost of Project

Based on preliminary estimates, the total cost of the proposed project is **\$138.7 million** as shown in **Exhibit 9**.

Exhibit 9
Project Cost Estimate

Project Element	Cost ⁽¹⁾
1. I-26 Widening	\$11,800,000
2. New I-26 Interchange	\$24,553,000
3. Removal of Sheep Island Road Bridge	\$147,000
4. Frontage Road Improvements	\$21,461,000
5. Construction of Sheep Island Parkway	
5.1 Phase 1 of the Parkway - From Old Dairy Road to east of the proposed I-26 Interchange, including the Old Dairy Road Connector	\$21,300,000
5.2 Phase 2 of the Parkway - From east of the proposed I-26 Interchange to US 176, as a 2-lane road	\$30,919,000
5.3 Phase 3 of the Parkway - Widening to 4 lanes	\$22,013,000
Debt Service Costs	\$6,536,000
Total Proposed Project Costs	\$138,729,000

Source: Wilbur Smith Associates

Note: (1) In 2006 dollars, assuming construction commences in 2010, except for Phase 3 of the Parkway, which will be constructed later.

These cost estimates are based on the following sources and assumptions. The quantities for the project are preliminary and the costs for these quantities are based on SCDOT bid tabs for similar projects. A growth rate has been applied to costs from past years if a current one could not be confirmed. Engineering and Construction Management costs are estimated by a percentage of the construction cost. The inflation rate assumed was 6 percent per year. A 10 percent contingency has been applied to construction costs for any miscellaneous or incidental items not covered in the cost estimate.

These preliminary cost estimates are being reviewed by SCDOT at the present time. It is anticipated that SCDOT comments on the cost estimates will be available by the next meeting of the Transportation Infrastructure Bank on October 10, 2006.

Berkeley County will borrow approximately \$18.464 million to enable the proposed project to be implemented as soon as possible. The loan (or bonds) will be repaid from The Parks of Berkeley impact fees, which will total \$25.0 million over 30 years before allowing for inflation. The amount of impact fees per unit will be increased each year according to the Consumer Price Index (CPI). Based on an interest rate of 5.0 percent and the average value of the CPI over the last ten years of 2.4 percent, the effective cost of debt service is estimated at \$6.536 million.

2.2 Local Contributions

Local contributions to project costs have been secured totaling **\$53.5 million** or **38.6 percent** of total project costs.

2.3 Local Funding Sources

Berkeley County has sought Transportation Impact Fees from large-scale developments to address anticipated deficiencies in the roadway system. The Development Agreement between Berkeley County and the owner / developer of The Parks of Berkeley development will generate a total of approximately \$25 million in impact fees over the 30-year development period, as shown in **Exhibit 10**. The Development Agreement was signed by James H. Rozier, Supervisor, for Berkeley County and by John W. Roach for The Parks of Berkeley on April 6, 2006. The County will be pleased to provide a copy of the Development Agreement for Bank review, if required.

Transportation Impact Fees from The Parks of Berkeley will provide a major component of the local funding for the proposed project. Additional contributions, in the form of Right-of-Way donations and road construction, are identified in **Exhibit 11**.

Exhibit 10
Impact Fees from The Parks of Berkeley

Land Use	Acres	FAR	Units ⁽¹⁾	Unit Fee ⁽²⁾	Total Fee ⁽³⁾
Single Family	1,973.97	na	6,107	\$1,322	\$8,073,454
Village District	394.89	na	2,369	\$929	\$2,200,801
Townhouse	185.85	na	1,487	\$809	\$1,202,983
Multi-family	206.78	na	3,308	\$929	\$3,073,132
Village District	394.89	na ⁽⁴⁾	593	\$5,000	\$2,965,000
General Commercial	107.60	0.2	937	\$5,000	\$4,685,000
General Office	55.89	0.2	487	\$1,802	\$877,574
Civic	27.51	0.2	240	\$1,500	\$360,000
Civic-School	175.82	0.1	766	\$1,580	\$1,210,078
Light Industrial	109.35	0.1	476	\$803	\$382,228
Total					\$25,030,250

Notes: (1) Residential units or 1,000 sf Non-residential.

(2) Unit Contract Impact Fee

(3) The Impact Fees will be adjusted for escalation as allowed by the Development Agreement (based on CPI). The effect of escalation is not shown in the above table, but was taken into account when calculating the effective cost of debt service shown previously.

(4) Non-residential in the village district is calculated as 1/3 of the residential units being built over commercial, with 2 units above each 1,500 sf commercial space.

Exhibit 11
Local Funding Sources

Local Funding Source	Funding Description	Amount
		(\$ Millions)
Impact Fees	Impact fees from "The Parks of Berkeley" development	\$25.00
The Parks of Berkeley, LLC and Crescent Resources, LLC	4 lanes of ROW (150 feet) and construction of 2-lane Sheep Island Parkway, within The Parks of Berkeley development	\$26.34
Hillwood Investment Properties	Right-of-Way donation	\$1.80
Piggly Wiggly	Right-of-Way donation	\$0.20
Salisbury / Smoak	Right-of-Way donation	\$0.15
Total		\$53.49

Firm agreements have been reached between Berkeley County and other parties regarding each of these local funding sources. No element of local funding for the proposed project is subject to a voter referendum.

2.4 Amount of Assistance Requested

The amount of assistance requested is **\$85.2 million**. This amount, when combined with local contributions, will fully cover the estimated cost of the proposed project, as shown in **Exhibit 12**.

**Exhibit 12
Proposed Project Funding**

Funding Source	Amount	Percent
	(Million)	
SIB Grant	\$85.2	61.4%
Local Contributions	\$53.5	38.6%
Total	\$138.7	

2.5 Type of Assistance Requested

Berkeley County requests that the funding from the State Infrastructure Bank be in the form of a **Grant** rather than a Loan.

2.6 Other Proposed Sources of Funds

Local funding sources in addition to Berkeley County were identified in Section 2.3. A letter confirming the donation of right-of-way from Dwight T. Hicks, III, Executive Vice-President for Hillwood Enterprises, L.P., is shown in **Appendix A** of this Application.

2.7 Anticipated Schedule for Disbursements

It is anticipated that disbursements of the SIB Grant will be required during the years shown in **Exhibit 13**. This schedule for disbursements is based on the overall schedule for project activities discussed later in the Application in Section 3.1.

Exhibit 13
SIB Grant Disbursements

Year	Amount of SIB Grant Disbursement
	(Millions)
2007	\$1.5
2008	\$3.4
2009	\$38.2
2010	\$20.1
2017	\$11.0
2018	\$11.0
Total	\$85.2

2.8 Anticipated Schedule for Local Contributions

As discussed in Section 2.3, local contributions will be provided in two main forms. Firstly, Transportation Impact Fees from The Parks of Berkeley development will be allocated to the proposed project and will be used to repay a County loan of approximately \$18.464 million. These funds are anticipated to be available in 2009. Secondly, donations of Right-of-Way (ROW) and the construction of part of the Sheep Island Parkway will be made by developers. As shown in **Exhibit 14**, these donations are considered to be effective in the 2009 to 2010 timeframe when construction is anticipated.

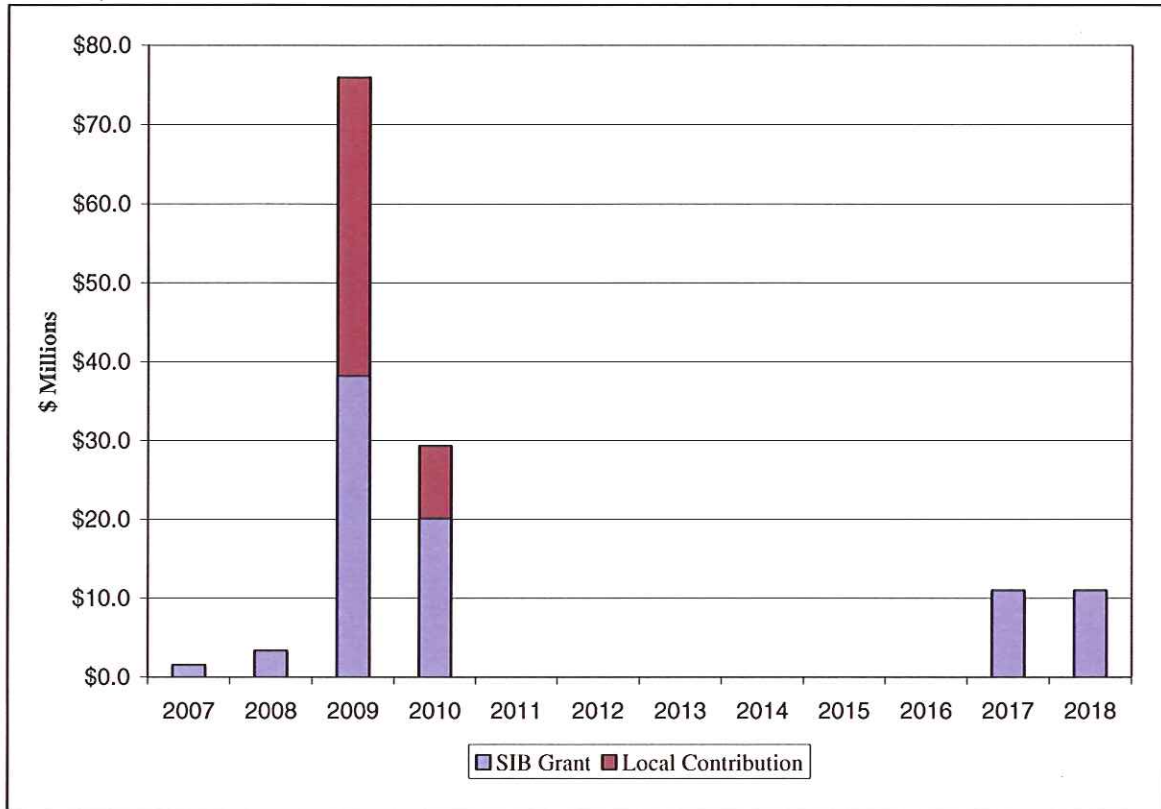
2.9 Project Useful Life

The projects will be built with a pavement design that will have a useful life of 20 years. With proper maintenance and resurfacing every 12–15 years, the projects will have a perpetual life.

2.10 Commitment to Future Maintenance

SCDOT will be responsible for maintenance of interstate-related improvements undertaken within the proposed project, such as the widened section of I-26.

Exhibit 14
Schedule for SIB Grant Disbursements
and Local Contributions



Berkeley County will discuss and mutually agree with SCDOT as to which agency should be responsible for maintenance on new roadways constructed under this project, such as the Sheep Island Parkway and I-26 Frontage Roads. Berkeley County recognizes that any agreement should not result in a net increase in mileage in the State system. If it is determined that SCDOT should maintain some of the new roads constructed under this project, then Berkeley County will exchange mileage to ensure no net increase in SCDOT maintenance responsibilities.

2.11 Project Priorities

The highway improvements to be funded, in part, from the SIB Grant being requested constitute a single integrated project. While the proposed project is broken down into a number of elements for purposes of clearly describing the nature and scope of the project,

all elements will need to be implemented within the same timeframe, subject to phasing of construction for reasons of maintenance of traffic and safety, etc. The only portion of the proposed project that will be constructed at a later time is the widening of Sheep Island Parkway from 2-lanes to 4-lanes. The timing of this construction will be determined by Berkeley County and be dependent upon the rate of growth of traffic on the Parkway.

3. PROJECT APPROACH

Project implementation will proceed in accordance with the project priorities previously described. The project will include the following components:

- Interchange Justification Report (IJR) / Environmental Assessments;
- Design and Right-of-Way Acquisition; and
- Construction.

3.1 Project Schedule

The estimated timeframe for completion of the proposed project is shown in **Exhibit 15**. The schedule is broken down by project element and by major activities within each element.

Note that implementation of the Sheep Island Parkway may be considered in three phases, as detailed previously in this Application:

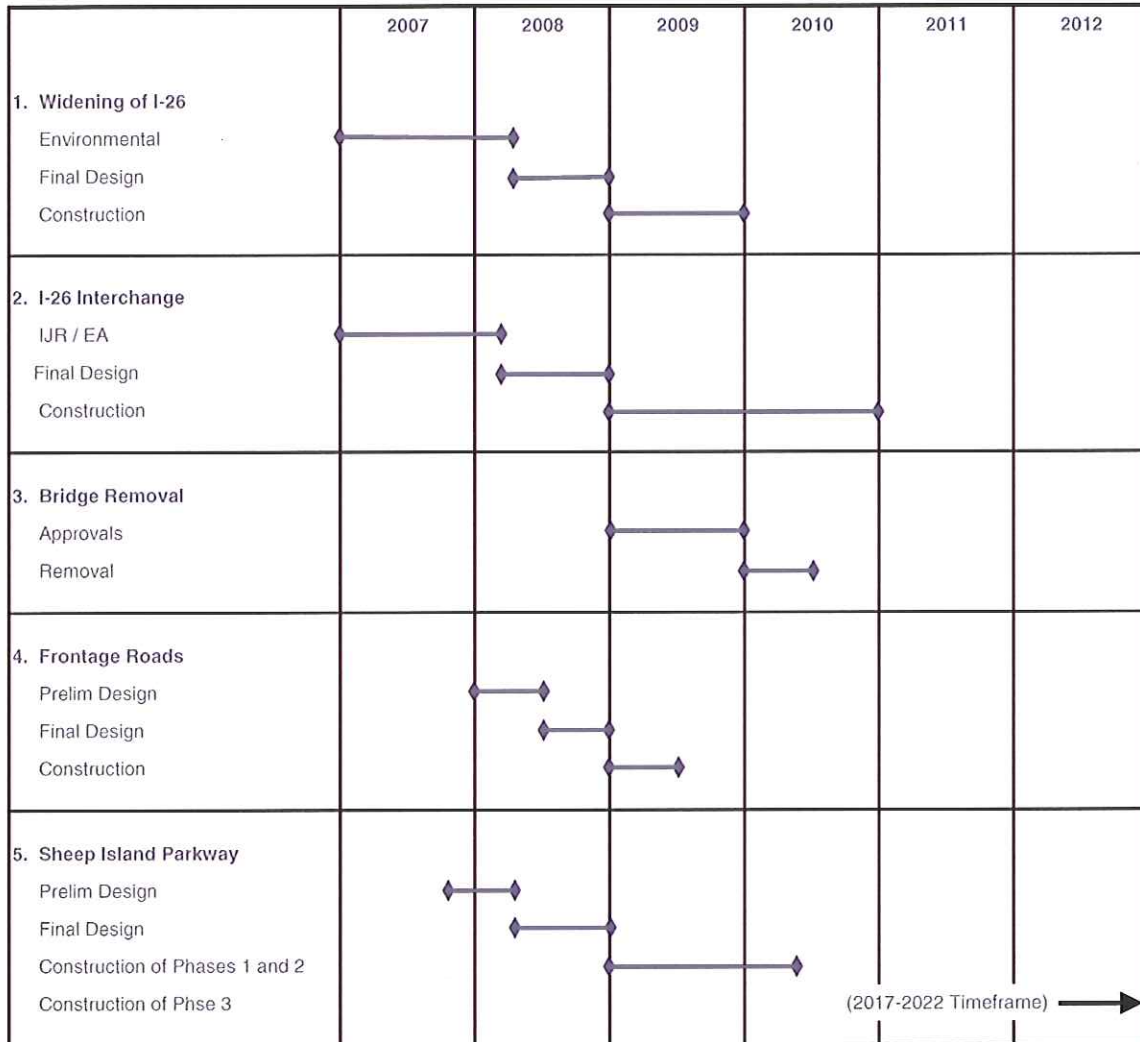
- Phase 1 – 5-lane road either side of the proposed interchange;
- Phase 2 – 2-lane road on 4-lane ROW; and
- Phase 3 – Widen to 4-lanes.

3.2 Current Project Status

Berkeley County has the following agreements and commitments in place:

- PD-MU Development Plan, or zoning ordinance, for The Parks of Berkeley development;
- Development Agreement (Ordinance No. 06-04-19) for The Parks of Berkeley, including impact fee requirements and the commitment for the donation of four lanes of Right-of-Way and construction of 2-lane Sheep Island Parkway, covering 4.28 miles (22,600 feet) within The Parks, between the I-26 interchange and U.S. 176;
- Right-of-Way donations from
 - Hillwood Investment Properties;
 - Piggly Wiggly; and
 - Salisbury / Smoak.

**Exhibit 15
Proposed Project Implementation**



The preparation of an Interchange Justification Report, is required by FHWA/SCDOT and the necessary Environmental Assessments will commence, as soon as practical, following approval of this Application by the State Infrastructure Bank.

3.3 Potential Obstacles

An Interchange Justification Report must be prepared by the County and approved by FHWA, in parallel with the necessary environmental assessments, prior to the project moving forward to design and subsequent stages of implementation.

3.4 Responsible Entity

Berkeley County and South Carolina Department of Transportation will be responsible for overseeing all aspects of the planning, design, and construction of the proposed project. The lead agency (County or SCDOT) for each phase (environmental studies, design, construction management, maintenance, etc.) may vary by Project Element, and will be determined by mutual agreement between the County and SCDOT.

Appendix A

LETTERS OF SUPPORT, COMMITMENT OR APPROVAL

Number	Section Referenced	From
1	1.3	John D. Scarborough, Director, Berkeley County Economic Development
2	1.4	Alan D. Young, Executive Director of the SC Coordinating Council for Economic Development
3	1.6	James H. Rozier, Jr., Berkeley County Supervisor and Chairman of Berkeley County Council
4	1.6	W. Francis Carson, P.E., Chairman of the Berkeley County Transportation Committee
5	1.7	William Crosby, Charleston Area Transportation Study (CHATS) Chairman
6	2.3	Dewitt T. Hicks, III, Executive Vice- President, Hillwood Enterprises, L.P.



BERKELEY COUNTY ECONOMIC DEVELOPMENT

October 2, 2006

Mr. Donald Leonard, Chairman,
SC Transportation Infrastructure Bank
955 Park Street, Room 102
Columbia, SC 29201

Re: Berkeley County SIB Application for I-26 interchange and Improvements

Dear Mr. Leonard,

Berkeley County is experiencing tremendous industrial growth in the I-26 corridor between the 199 Mile marker (U. S. Hwy 17-A) and the 194 Mile marker (Hwy S-16). The existing businesses that are there and those that are planned could easily exceed seventeen million square feet and will constitute possibly the largest industrial corridor in the state. This planned growth – as well as the existing industries – is mixed use with a strong emphasis on distribution.

We anticipate these industries will create between thirty-five hundred and four thousand new jobs and will draw employees from Berkeley, Dorchester, Orangeburg and Colleton Counties. Although we, as an Economic Development department are not involved in retail businesses, we realize that there will be many employees commuting from these same areas to work in the commercial businesses locating in the large residential developments being built in the area

We feel an interchange on I-26 to replace the Sheep Island Road overpass and improvements to the frontage roads on both sides of the interstate are critical to the success of these projects and for future growth in the area.

This project would also greatly benefit industries in Dorchester County's Hwy 78 industrial corridor now using 17-A and Jedburg Road (S-16) for interstate access.

We strongly encourage your approval of Berkeley County's application. If we can be of any assistance in your process we would be more than happy to participate.

Sincerely,

John D. Scarborough
Director



Mark Sanford
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Joe E. Taylor, Jr.
Secretary

September 27, 2006

Mr. John D. Scarborough
Director of Economic Development
Berkeley County Government
223 North Live Oak Drive
Moncks Corner, SC 29461

RE: South Carolina Infrastructure Bank Application – I-26 Interchange Project

Dear Mr. Scarborough:

Pursuant to the meeting of the Coordinating Council on September 21, 2006, I am pleased to inform you that the Council voted to support the above infrastructure project. The Council reviewed the project and determined that it will have a positive impact on economic development in the State.

The SC Coordinating Council for Economic Development appreciates the opportunity to serve the citizens of Berkeley County. If you have any questions, please feel free to contact us.

Sincerely,


Alan D. Young
Executive Director
SC Coordinating Council for Economic Development

ADY/jc

cc: Joe E. Taylor, Jr.
CH Maguire



BERKELEY COUNTY

SUPERVISOR'S OFFICE

JAMES H. ROZIER, JR.
Supervisor

September 25, 2006

South Carolina State Transportation Infrastructure Bank
P. O. Box 191
Columbia, SC 29202-0191

Re: State Infrastructure Bank Grant for I-26 Interchange

Dear Sirs:

As Berkeley County Supervisor and Chairman of Berkeley County Council I write this letter as an introduction to a forthcoming resolution of support for Berkeley County's application for a South Carolina State Infrastructure Bank grant to fund an interchange at the 197 mile marker on Interstate 26.

There is tremendous growth, both residential and industrial, occurring and projected in the northwestern section of our county. We must act now to improve our existing infrastructure and to develop new infrastructure for this growth.

Three very large residential developments in that area, Parks at Berkeley, Cain Bay, and Carne's Crossing, will combine for approximately 30,000 new homes plus considerable commercial development.

Hanson Pipe, Fruit of the Loom, Southeastern Freight, and Piggly Wiggly already have distribution facilities on the south side of I-26 between Jedburg Road (exit 194) and Hwy 17-A (exit 199). American LaFrance has announced its decision to build a new manufacturing facility in the Jedburg Commerce Park. It is anticipated that there will soon be at least 14,000,000 square feet of industrial buildings in that five-mile section, mostly to the east of the Piggly Wiggly operation. Much of that will be distribution.

Baucom's Nursery is developing its residual property as an industrial park supporting some 1,500,000 additional square feet and two tracts to the east of Baucom's will support another 4,000,000.

We anticipate increases in personal vehicular traffic from upper Dorchester County and Orangeburg County as residents in those communities find employment in these new industrial facilities and in the commercial businesses in the new residential developments.

The companies already in operation are using the Jedburg Road interchange which was not designed for trucks. This interchange certainly will not handle the increased traffic.

SC State Infrastructure Bank

September 25, 2006

Page 2

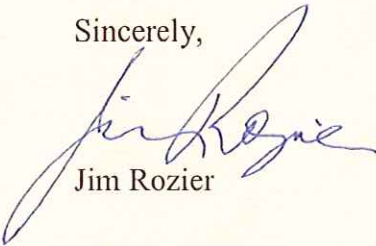
As it now stands, the traffic from the new residential developments will feed onto Hwy 176 to Hwy 17A or, to a lesser degree, to Jedburg Road for interstate access. This puts tremendous additional pressure on Hwy 17A. This would make interstate access nearly impossible for these residents in the case of an evacuation.

Berkeley County is instituting transportation impact fees for all new development in the effected areas. These fees will be used specifically for transportation infrastructure improvements addressing the increasing needs caused by this new growth.

We feel this interchange is essential for coordinated traffic flow and planning on both sides of I-26 effecting upper Dorchester County, the Town of Summerville, lower Orangeburg County and western Berkeley County.

Thank you for your consideration of this application addressing such a critical need.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Rozier", is written over the typed name. The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Jim Rozier

BERKELEY COUNTY TRANSPORTATION COMMITTEE

223 NORTH LIVE OAK DRIVE POST OFFICE BOX 6122
MONCKS CORNER, SC 29461-6120
843.719.4179 843.723.3800 843.719.4695 (FAX)

September 28, 2006

James H. Rozier, Jr.
County Supervisor & Chairman of County Council
Berkeley County Government
1003 Highway 52
Moncks Corner, SC 29461

Re: Proposed I-26 Interchange
SC Transportation Infrastructure Bank Application

Dear Mr. Rozier:

The Berkeley County Transportation Committee (CTC) wishes to express our support of Berkeley County's application for funds for the proposed I-26 interchange near milepost 197.

The proposed interchange, frontage roads, and the regional parkway are planned to relieve existing congestion near the I-26 / US 17A interchange, to serve major commercial and industrial (both existing and announced) development along the I-26 corridor, and serve large scale mixed use communities, including over 25,000 residential units, being developed in close proximity to the proposed interchange. These improvements will promote orderly growth and reduce reliance on existing facilities which, in many cases, would otherwise become congested and operate at unacceptable levels of service.

We are hopeful that your application will receive favorable consideration, and look forward to working with the County and the State in the development of these facilities.

Sincerely,



W. Francis Carson, PE
Chairman



Berkeley-Charleston-Dorchester
Council of Governments
Charleston Area Transportation Study
Policy Committee

CHAIRMAN:
William Crosby

VICE CHAIRMAN:
Ed Fava

EXECUTIVE DIRECTOR:
Ronald E. Mitchum

September 28, 2006

Mr. Don Leonard, Chairman
SC Transportation Infrastructure Bank Board
PO Box 191
Columbia, SC 29202

Dear Mr. Leonard:

As Chairman of CHATS, I certify that the Sheep Island Road Interchange and Berkeley County Spine Road have been included in the CHATS Long Range Transportation Plan. These projects are identified in the Plan as priority projects to be funded with innovative financing such as the State Infrastructure Bank.

If you have any questions or need any additional information, please don't hesitate to call me or Ron Mitchum at (843) 529-0400.

Sincerely,

William Crosby
CHATS Chairman



September 22, 2006

Mr. Jim Rozier
Supervisor
Berkeley County
233 North Live Oak Drive
Moncks Corner, SC 29461

Dear Jim:

Thank you for all of the effort that you and the team in Berkeley County are putting forth to secure the funds necessary to build a new interchange at I-26 and Sheep Island Road.

As you are aware, Hillwood Enterprises, L.P. ("Hillwood") has control of approximately 780 acres between the Piggly Wiggly distribution center and the Sheep Island Road overpass. It is Hillwood's intention, dependent upon environmental permitting, to develop a Class A industrial park on this property that could ultimately contain approximately 9.5 million square feet of investment grade buildings for manufacturing, distribution and other business purposes. We anticipate that the park could have its earliest tenants by the fourth quarter of 2007.

Hillwood is committed to provide to Berkeley County and the South Carolina Department of Transportation such right of way as is necessary to construct the following roads, shown as being under Hillwood's control in the State Infrastructure Bank Board application exhibits prepared by Berkeley County and Wilbur Smith Associates:

- An extension of Sheep Island Road to Old Dairy Road
- Right of Way as is necessary to create an intersection on Old Dairy Road
- Right of Way as is necessary to construct a two lane frontage road between the newly constructed interchange and our property boundary extending toward Jedburg Road

If you need anything further from us, please do not hesitate to ask. And again, thank you for all your efforts to make this project happen.

Sincerely,

Dewitt T. Hicks, III
Executive Vice President
Hillwood Enterprises, L.P.



