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OTA files response with Oklahoma Supreme Court

The Oklahoma Turnpike Authority responded today to a May 30, 2023, order from the Oklahoma Supreme Court by filing additional information pertaining to the pending bond validation proceeding for ACCESS Oklahoma. The filing answers these questions from the court:

- Why the Authority did not request an extension from the Council on Bond Oversight (COBO) on its conditional approval to issue \$500 million in revenue bonds for the ACCESS Oklahoma long-range plan; and
- Explanation about the Bureau of Reclamation's denial to use certain federal lands for the South Extension route and whether a realignment of the route should be addressed before the validation proceeding completes.

"We greatly appreciate the opportunity from the Court to provide additional information as part of this important proceeding," said OTA Deputy Director Joe Echelle. "While work on the comprehensive ACCESS Oklahoma long-range plan remains paused until the Court issues its decision, the Authority remains committed to improving the state's transportation system by addressing congestion issues through new reliever routes and updating turnpike infrastructure for the state's long-term needs."

The agency sought COBO approval in August 2022 for \$500 million in revenue bonds to fund the initial work of the 15-year ACCESS Oklahoma long-range plan. That work includes funding for studies and engineering design of three proposed new route alignments in the Oklahoma City metro area that will complete the Outer Loop, which was first envisioned by lawmakers and state leaders three decades ago. The funding also would jump start construction projects in the long-range plan, including widening both the John Kilpatrick Turnpike and the I-44/Turner Turnpike to six lanes, adding interchanges along many existing toll routes to connect communities and other safety upgrades across the system.

The Authority's filing outlines that COBO's conditional approval to enter the bond market was set to expire Feb. 5, 2023. As that deadline approached, OTA assessed how to proceed factoring in the pending validation case as well as other litigation filed that challenged the Authority's authorization to develop new turnpike routes and claims that the Authority violated the Oklahoma Open Meeting Act. The latter case since has been resolved with the state Supreme Court in May finding that the OTA Board did not violate the Act in early 2022.

The Authority determined that waiting for the legal cases to resolve would provide certainty and a better climate for entering the bond market. The Authority works tirelessly to sell bonds at the best interest rates available in the market, thereby providing the best value for the Authority and the state of Oklahoma. This practice directly contributes to keeping OTA's tolling rates among the lowest in the nation.

As part of any new infrastructure project, OTA works closely with multiple federal, state and local agencies. The East-West Connector will provide an additional crossing of the South Canadian River improving the current 25-minute commute between Newcastle and I-35 in Moore to a less than a 10-minute drive in the future. The South Extension Turnpike also creates an additional South Canadian River crossing between Norman and Purcell that will save motorists time and serves as a significant reliever route to I-35 into the East and Northeast Oklahoma City metro area. The Authority applied Aug. 15, 2022, to the Bureau of Reclamation for usage of federal land and easements to connect these two new toll routes. While Reclamation denied the initial request on Jan. 17, 2023, it indicated a route is possible in another area across its easements.

The Authority's court filing explains that it is common for initial route alignments to change, sometimes multiple times, as the surveying, engineering and public input processes continue to develop. While the Legislature provides general route alignment beginning and end point descriptions in state statute, it leaves sole discretion to the Authority to determine which projects and final alignments are the most feasible and economically sound to construct. Turnpike extensions and enhancements build out long-range Oklahoma Department of Transportation identified corridors that lack funding, with the most recent example being the Kickapoo Turnpike. When OTA builds new connections, it allows ODOT to focus on other state highway needs, including many rural highway improvements.

Since 1950, the OTA has obtained Supreme Court validation of bonds 13 times before beginning construction of a new turnpike. Additionally, the Authority has issued bonds with Council of Bond Oversight approval 26 times since 1966 to obtain more than \$5 billion to date in total funding for improvements to previously constructed turnpikes. These processes are part of the checks and balances ensuring that the Authority is adhering to state statute and following best fiscal practices.

If Supreme Court validation of the bonds for the long-range plan is granted, the Authority will resume discussions with the Bureau of Reclamation to reapply or adjust the alignment of the South Extension Turnpike project. It also will reapply to COBO to approve the issuance of revenue bonds for the first phase of the 15-year long-range plan.

For more details, please see the full Court filing at https://www.odot.org/newsmedia/press/2023/OTA_Response_to_Show_Cause_6-15-23.pdf.

Timeline

The following are key dates highlighted in today's Court filing:

- **June 9, 2022**, OTA Board authorized the executive director to apply to COBO for \$500 million in revenue bonds for the ACCESS Oklahoma long-range plan.
- **July 11, 2022**, the Oklahoma Transportation Commission approved the routes.
- **Aug. 9, 2022**, COBO conditionally approved the Authority's application to issue bonds for ACCESS Oklahoma plan.
- **Aug. 10, 2022**, OTA filed with the Oklahoma Supreme Court for bond validation.
- **Aug. 15, 2022**, the Authority applied to the Bureau of Reclamation for the usage of federal land and easements for the East-West Connector and South Extension turnpikes.
- **Jan. 17, 2023**, Bureau of Reclamation denies OTA's initial request to cross its Norman federally owned land, but indicates a route is possible across its easements.
- **Feb. 5, 2023**, COBO bond approval expiration date.
- **What's next:** OTA plans to submit an application to COBO once a ruling is made on validation by the Oklahoma Supreme Court. This step will be completed before issuing revenue bonds. The agency also will resume discussion with the Bureau of Reclamation about the South-Extension route alignment.