



**OTA Communications and Marketing**  
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**FOR IMMEDIATE RELEASE**

Press Release #019-24

**OTA Board approves resolutions to issue \$1 billion in revenue bonds for ACCESS Oklahoma long-range plan**

The Oklahoma Turnpike Authority Board unanimously approved three resolutions Thursday in its November monthly meeting that authorizes the Authority to issue revenue bonds sufficient to generate \$1 billion in construction fund proceeds to fund the ACCESS Oklahoma long-range plan projects.

ACCESS Oklahoma is a strategic corridor plan that focuses on travel time reliability, easing congestion in Oklahoma's metro areas, moving freight across the state and adding access through new interchanges to communities that previously were not connected to turnpikes. At the core of the long-range plan is improving safety for motorists while enhancing the state's transportation infrastructure for future growth.

The Authority sold \$500 million in bonds for the initial phase of the long-range plan in late October 2023, which has paid for initial engineering design work among other items to start the long-range plan. After Thursday's Board approval, the next step in the oversight process for issuing this second round of bonds will be an application to the Oklahoma Council of Bond Oversight (COBO). This agency reviews all bond issues by or on behalf of the state and its authorities and instrumentalities to ensure that all authorizations and compliance are in place. COBO also approves all fees associated with the bond offering. However, COBO does not evaluate the merits of the project, only that all financial and legal requirements are met.

Additionally, the approved resolutions authorize the Authority to potentially refinance outstanding revenue bonds to realize potential savings if market conditions are favorable and will allow the Authority to reimburse certain capital expenditures on turnpikes and turnpike projects with the proceeds of tax-exempt turnpike revenue bonds should the need arise.

As part of his monthly report to the Board, Executive Director Joe Echelle provided additional ACCESS Oklahoma updates that included a revised total program cost

now that the agency is nearing 60 percent engineering design plans on several projects.

"The initial program estimate was \$5 billion in a net present value — we used quantities and information to estimate those costs in 2021 dollars," Echelle said. "This was before any engineering design work was started and we knew those costs likely would go up." The new total program cost estimate is \$8.2 billion based on what it will take to fund and construct the 15-year infrastructure program through 2037. This new estimate factors in 60 percent inflation in material and labor costs since the program's announcement in December 2021 and anticipates future inflation.

"The highway transportation industry is not tracking inflation-wise with the cost of a loaf of bread or a gallon of milk. We are experiencing a higher inflation rate and there are lots of causes to it," Echelle said. "Everything in this plan is more expensive and I do mean every line item is more expensive than when we estimated this three years ago."

ACCESS Oklahoma turnpike projects will be fully paid for with bonds and will not affect any part of the state's budgeting process, meaning revenue will not be diverted from other state priorities. Revenues from tolls, investments and concession leases pay all operating and maintenance costs for turnpikes and pay off the bonds issued to finance their construction. The OTA has entered the bond market 21 times since 1950 and without fail, the requisite bond payments have been made every year on time. Currently, OTA has eight outstanding series of bonds that total \$2.017 billion. Out-of-state traffic accounts for about 40 percent of Oklahoma's toll transactions. OTA does not receive any state tax appropriations.

## **2025 budget approved**

In other business, the Board unanimously adopted the 2025 budget, which includes \$156 million for operations and maintenance and \$166 million capital budget. This was the second step in a two-step process to approve the Authority's budget for the next fiscal year.

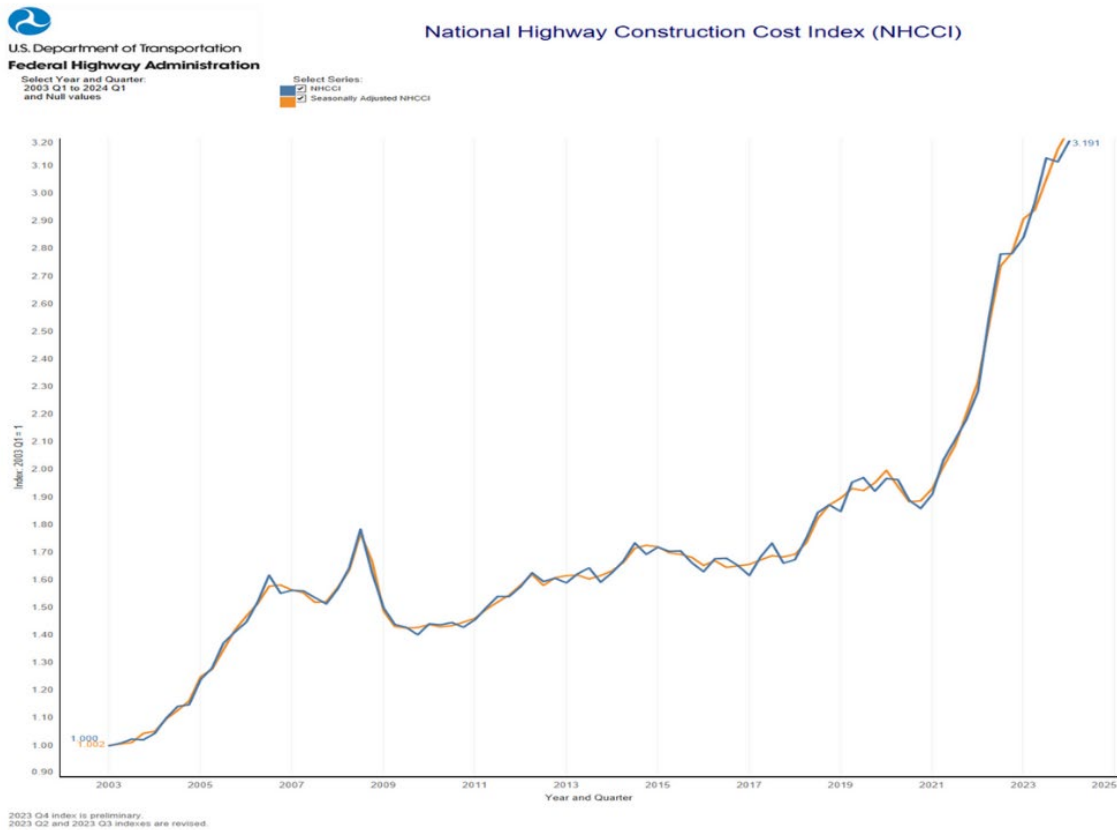
The budget is just under \$400,000 more than the 2024 plan, which is a 0.26 percent increase. Here's an overview of changes for 2025:

- The Oklahoma Highway Patrol will add eight new troopers to patrol the turnpike system, which is an \$835,000 budget increase to a total of \$22.2 million.
- Streamlining of the authority's tolling model by converting to cashless tolling saved \$9.5 million compared with the 2024 budget. However, some costs for cashless tolling are increasing such as higher postage and a higher volume of license plate lookups as part of the PlatePay electronic tolling.
- Inflation and unprecedented low unemployment have led to employee recruitment and retainment costs, which included a market adjustment for certain job categories. Inflation also has increased costs in utilities, road

maintenance materials and increased vehicle and equipment repairs due to supply chain issues totaling a \$2.7 million budget increase.

- Software subscriptions to keep the authority functioning efficiently and better technology for field workers saw a \$6.3 million increase.

The Board also adopted a \$1.3 million operations and maintenance budget for the Gilcrease Expressway in west Tulsa. The Gilcrease Expressway is a non-system project and tolls from this turnpike are not part of the overall system cross-pledging.



This graphic provided by the U.S. Department of Transportation shows the inflationary increase in highway construction costs nationally since 2003. Steep cost increases have occurred since 2021.

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