

THE BOND BUYER

Oklahoma Turnpike could sell \$500 million of bonds as soon as October

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The Oklahoma Turnpike Authority could be in the municipal market as early as next month after winning conditional approval for \$500 million of revenue bonds from a state oversight board.

Monday's approval by the Oklahoma Council of Bond Oversight in a 3-1 vote is subject to the resolution or dismissal of a petition for a rehearing before the state Supreme Court over its August decision validating the debt, as well as other conditions typical to bond issuances, including bond, underwriter, and disclosure counsel opinions prior to pricing and closing.

The debt issuance would be the first for OTA's \$5 billion, 15-year ACCESS (Advancing and Connecting Communities and Economies Safely Statewide) Oklahoma program, which ran into legal delays and political opposition driven by property owners surprised to find themselves in the path of proposed toll road extensions.



The Oklahoma Turnpike Authority won conditional approval from a state oversight board to issue \$500 million of bonds for its \$5 billion, 15-year ACCESS Oklahoma program. *Adobe Stock*

It was unclear when the rehearing petition filed by property owners Aug. 21 would be resolved.

OTA spokeswoman Lisa Shearer-Salim said the agency is looking to move forward quickly with the bond sale.

"The most aggressive schedule possible, pending conditions being met, could put OTA in the bond market by October," she said in an email.

The Oklahoma Supreme Court's [validation of the debt](#) in a 6-3 decision in August cleared the way for OTA to return to the council, which conditionally approved the bonds in August 2022. That approval expired in February.

Since then, OTA has met [the Council of Bond Oversight's conditions](#) that called for Supreme Court validation and the favorable resolution of two lawsuits.

In May, the high court ruled [in the turnpike's favor](#) in both lawsuits brought by property owners, who claimed OTA lacked authorization to build and finance the projects and had violated the state's Open Meeting Act when the ACCESS Oklahoma program was unveiled last year.

Tassie Katherine Hirschfeld, the lead plaintiff in one of the lawsuits, expressed disappointment that the Supreme Court and COBO "have now chosen to rubber stamp the OTA's unworkable turnpike expansion plans."

"The fact that our state government refuses to impose any oversight over the turnpike authority should alarm all potential investors," she said in an email. "We encourage credit rating agencies to conduct thorough due diligence in assessing the risks of any future OTA bond offerings."

She also noted OTA remains the target of [an investigative audit](#) ordered by Oklahoma's attorney general and must still deal with the U.S. [Bureau of Reclamation's denial](#) of a turnpike route.

At Monday's COBO meeting, Oklahoma Secretary of Transportation Tim Gatz said OTA continues to work with several federal agencies on studies and other requirements and is staying in close contact with rating agencies.

A team of underwriters for the bond sale has been in place since [last year](#), although [Wells Fargo resigned as lead underwriter](#) in May in the wake of its placement on the Oklahoma Treasurer's list of companies banned from government contracts for "boycotting" the oil and gas industry. RBC Capital Markets was tapped as its replacement.