

Oklahoma Rural Two-Lane Advancement and Management Plan

TIFIA Loans Provide Financing for Rural Road Safety Improvements in Oklahoma

Project Summary

In an effort to enhance rural road safety in Oklahoma, the Build America Bureau (Bureau) provided a series of five Transportation Infrastructure Finance and Innovation Act (TIFIA) loan packages totaling over \$200 million to the Oklahoma Capital

Improvement Authority (OCIA)

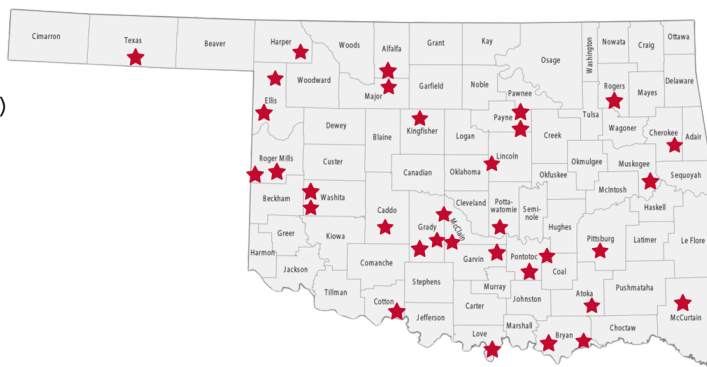
on behalf of the Oklahoma

Department of Transportation (ODOT) to help fund 33 projects as a part of the State's Rural Two-Lane Advancement and Management Plan (RAAMP).

The use of the Bureau's low-interest loans helped accelerate project delivery and save money. Independent analyses conducted by the Build America Center at the University of Maryland concluded that **borrowing reduced Package 2's timeline from 12 to just three years and Packages 3-5's timeline by an additional six years.** The early delivery of improvements brought Package 2 a **\$44 million reduction in crash costs** over a 10-year period and a remarkable **reduction of \$29 million in project costs.** Similarly, the early delivery of Packages 3-5 will bring a **\$58 million reduction in crash costs** over a 10-year period and a **reduction of \$49 million in project costs.**

ODOT's RAAMP initiative aims to establish uniformity and consistent road conditions, with a focus on adding 8-foot shoulders through widening, rehabilitating/resurfacing existing driving lanes along with associated drainage and grading work. These investments will significantly improve safety across more than 111 miles of rural roads lacking shoulders in Oklahoma, where a disproportionate 65 percent of serious injury and fatal crashes occur despite only 34 percent of the state's population living in rural areas.

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Project locations for RAAMP Packages 1 – 5

The Oklahoma Department of Transportation is thankful for Rural TIFIA loans that provide additional financial means to complete roadway safety improvements years sooner than if funding were secured through other means, while also helping limit the effects of inflation. The RAAMP program is vital because updating rural highways with safety devices adds up to life-saving benefits for the traveling public.

Tim Gatz, Oklahoma
Director of Transportation



Key Benefits

- By rehabilitating rather than replacing pavement, ODOT is recycling existing materials and reducing waste.
- The addition of shoulders will alleviate the congestion caused by large farming equipment and accident clean-up and will result in fewer carbon emissions from slow or stop-and-start traffic.
- RAAMP will result in significant economic development and job creation for the State, particularly during the construction period over the next three years.
- Several of the projects will be constructed on Native American tribal lands, thereby providing a safer transportation network for this social group.

Total Project Cost:

\$426.68 million

5 TIFIA Loans:

\$200 million

Loan Close:

FY 2022, 2023, 2024

Website:

oklahoma.gov/odot

Innovative Financing

Oklahoma is taking advantage of the Bureau's [TIFIA Rural Project Initiative](#), which makes federal financing more accessible to small communities and emphasizes rural America's transportation needs, offering significant benefits and savings to project sponsors. Under this initiative, if a community is in a qualified rural area and has an eligible project between \$10 million and \$100 million in total cost, the Bureau can offer significant savings over traditional TIFIA loans and commercial financing products, including:

Funding Uses

\$180.73 million

Roadway Work

\$163.85 million

Construction Fund

\$30.72 million

Bridge Work

\$22.9 million

Oversight

\$10.36 million

Pre-Construction

\$6.34 million

Traffic Congestion

\$5.00 million

Cost of Issuance

\$3.76 million

Debt Reserve Fund

\$423.66 million

Total

- Loans for up to 49 percent of the project's eligible costs (compared to 33 percent under traditional TIFIA).
- Fixed interest rates equal to one half of the U.S. Treasury rate of equivalent maturity of the loan at the time of closing (traditional TIFIA loans have interest rates equal to the U.S. Treasury rate).
- For projects under \$75 million in total cost, the Bureau can waive advisor fees, which can amount to hundreds of thousands of dollars (funding for this benefit is limited and only available while funds last).

Funding Sources

\$108.54 million

State Funds

\$114.16 million

Federal Formula Funds

\$200 million

TIFIA Loan

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www.transportation.gov/buildamerica

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U.S. DEPARTMENT OF TRANSPORTATION



BUILD AMERICA BUREAU