AGENDA ITEM

DATE: May 12, 2026

TO: City of Mission

RESOLUTION APPROVING THE RESOLUTION OF MISSION ECONOMIC DEVELOPMENT CORPORATION AUTHORIZING THE ISSUANCE OF BONDS ON BEHALF OF GRAPHIC PACKAGING INTERNATIONAL, LLC; AND MATTERS RELATED THERETO

Background:

Graphic Packaging Holding Company (NYSE: GPK), parent company to Graphic Packaging International, LLC (GPIL" or the "Company") headquartered in Atlanta, Georgia, is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of sustainable fiber-based packaging solutions to the world's most widely recognized food, beverage, foodservice and other consumer products companies and brands. The Company operates on a global basis, is one of the largest producers of folding cartons and fiber-based foodservice products in the United States and Europe, and holds leading market positions in coated recycled paperboard, coated unbleached kraft paperboard and solid bleached sulfate paperboard. The Company's customers include many of the world's most widely recognized companies and brands. (See Attachment)

The MEDC previously approved a $100 million tax-exempt bond transaction in April 2025, which closed in May of that year. In August 2025, the MEDC approved a new inducement resolution for $200 million, allowing the company to apply to the Texas Bond Review Board for 2026 bond allocation. The Company received $145,548,078 in tax-exempt bond allocation from the Texas Bond Review Board in January 2026 and anticipates closing the financing in May 2026.

The Project:

Graphic Packaging International, LLC constructed a new recycled paperboard manufacturing facility on a "greenfield" site located in the Gateway Business Park in Waco, Texas (the "Project"). The Project will recycle old corrugated containers, post-consumer waste, box and manufacturing clippings, paper cup manufacturing clippings, and recovered paper cups (collectively, "secondary fiber") into recycled paperboard.

The facility was operational in October 2025 and is expected to reach full production in the second half of 2026. When fully ramped up, the Project will have the capability to recycle fiber from the equivalent of 15 million paper cups daily. In total, the Project is expected to annually recycle approximately 500,000 tons of secondary fiber to produce approximately 550,000 tons of new, finished product. The recycled paperboard will be used to manufacture consumer packaging solutions for food, beverage, foodservice and other consumer products companies and retailers.

In addition to the solid waste recycling aspect, the Company expects the Project to improve the environmental footprint of its recycled paperboard manufacturing process by lowering greenhouse gas emissions intensity by an estimated 20% and energy and water usage intensity by approximately 18%.

Terms of Transaction

Amount:	Up to $145,548,078
Offering:	Public
Est. Closing:	May 2026
Est Rating:	Ba2/BB

Finance Team

Bond Counsel:	Hunton Andrews Kurth LLP
Issuer Counsel:	Bracewell LLP
Issuer Advisor:	Community Development Associates, LLC
Underwriter:	Wells Fargo Securities, LLC
Borrower Counsel:	In House Counsel
Trustee:	U.S. Bank Trust Company, N.A.

Fiscal Impact & Risks:

The Company anticipates issuing $145,548,078 of tax-exempt bonds in 2026 to reimburse construction costs. The MEDC is expected to receive approximately $253,322 for serving as Issuer of the bonds, along with an annual fee of $36,387 until maturity.

Approval of this Resolution does not impose any payment or obligation on the MEDC or the City of Mission in connection with the financing. The Bonds do not constitute a debt or obligation of the MEDC, the City, the County, or the State of Texas. They are solely the obligation and responsibility of the Company. More importantly, the Bonds will not require any general fund support or taxpayer dollars. There is no commitment of the credit ratings, and the Bonds do not, in any manner, restrict, impede, or limit the borrowing or bonding capacity of the MEDC or the City of Mission. There is potential "reputational risk" to the MEDC if the borrower defaults, as the MEDC name is included on the bonds.