

STAFF REPORT

DATE: September 23, 2025

TO: City of Mission

RESOLUTION APPROVING THE RESOLUTION OF MISSION ECONOMIC
DEVELOPMENT CORPORATION AUTHORIZING THE ISSUANCE OF
BONDS ON BEHALF OF VINTON STEEL LLC;
AND MATTERS RELATED THERETO

The Mission Economic Development Corporation approved a Final Resolution for the Vinton Steel LLC tax-exempt bond financing at its meeting on September 17, 2025. In addition, a telephonic public hearing related to the Vinton Steel LLC project was held on September 3, 2025, at which no public comments were received.

Vinton Steel, LLC is a mini-mill that produces steel using electric arc furnace (EAF) technology, with ferrous scrap as its primary raw material. It is located at 8001 Border Steel Road, Vinton, Texas, within the El Paso County area. Operations include scrap processing facilities, a steel mill, a rolling mill, and a grinding ball mill.

The facility was built in 1962 and had limited upgrades for efficiency over the years until it was purchased by Kyoei Steel in 2016. Kyoei Steel Ltd (TYO: 5440), a global leader in advanced steel manufacturing and “green” steel innovation, has rejuvenated the plant’s operations by bringing in international best practices and technology innovation from its global operations, including 10 plants in Japan, Vietnam, Canada, and the United States. Today, the Vinton plant supports 366 employees. It is the largest recycling company in West Texas and New Mexico, annually capturing over 226,796 metric tons (“MT”) of scrap steel from a wide range of sources, including electric vehicles and first-generation renewable projects and reprocessing it into reinforcing steel bars (rebar) and grinding media for a range of critical mineral extraction and processing facilities, including lithium and others.

Vinton Steel has maintained its market presence in the Southwest region since its commissioning in 1962, consistently producing rebar and grinding media steel products. This has supported the region's economy with yearly revenue of over \$230 million and ensured that its full-time employees’ jobs have been well-paid. It has contributed to the development of the area.

The Vinton Steel plant replacement represents \$425,000,000 capital investment in decarbonization innovation, an investment that delivers an immediate 91% reduction in CO₂e/MT of output and produces deeply decarbonized steel that will be the “bones” of the next generation of renewable energy platforms and environmentally responsible infrastructure at a market-aligned price point.

The Project:

Vinton Steel is planning to install a new steel-making plant that can produce 500,000 tons of finished product for the Southwest market annually. The new plant will be located adjacent to the current facility within Vinton Steel’s premises. The plant replacement represents a \$425,000,000 capital investment in decarbonization innovation, enabling Vinton Steel to produce deeply decarbonized steel that will be the

“bones” of the next generation of renewable energy platforms and environmentally responsible infrastructure. By expanding and decarbonizing, Vinton Steel will increase its recycling capacity intake on a wide range of steel scrap from the region and will create affordable, domestic, deeply decarbonized steel.

The new facility will be equipped with state-of-the-art manufacturing technology, producing a higher quality, lower cost product with 91% less CO₂e/MT using high efficiency electric arc furnaces, fume capture and heat recovery, and other high-performance processes and emissions reduction technologies.

The continuous charging of scrap is a new generation of Electric Arc Furnaces, designed and manufactured by leading companies on melting technology. This technology is already deployed in the United States, and it is operating at sites around the globe, providing the Vinton team with a high degree of confidence regarding its operational viability. The continuous scrap feeding on a long charge conveyor and preheating of scrap material using process off-gas significantly improves productivity and reduces emissions. The constant charge of scrap design eliminates the need for the EAF to stop, open, and charge scrap buckets, creating significant reductions in the time and energy required for process execution as well as reducing operational hazards for employees.

Terms of Transaction

Amount:	Up to \$100,000,000
Offering:	Public
Est. Closing:	October 2025
Est Rating:	Est. Moody's: A1 or S&P: A. Based on the Sumitomo Mitsui Letter of Credit

Finance Team

Bond & Issuer Counsel:	Bracewell LLP
Issuer Advisor:	Community Development Associates, LLC
Underwriter:	Jefferies LLC
Underwriter Counsel:	McGuireWoods LLP
Borrower Counsel:	Torys LLP
Letter of Credit:	Sumitomo Mitsui Banking Corporation

Fiscal Impact & Risks:

The Company anticipates issuing \$100 million of tax-exempt bonds in 2025 to reimburse construction costs. The MEDC is expected to receive approximately \$155,000 for serving as Issuer of the bonds along with an annual fee of \$25,000 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 City of Mission.