AGENDA ITEM

DATE: July 28, 2026

TO: City of Mission

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

Background:

Natgasoline LLC and/or its subsidiaries or affiliates (collectively, the "Company") owns and operates a methanol production facility recently constructed in Beaumont, Texas. The facility was financed, in part, with approximately $253 million of tax-exempt and taxable debt issued by the Mission Economic Development Corporation (the "Issuer") in 2016. The MEDC refinanced the 2016 bonds with $336,430,000 of Senior Lien Revenue Bonds (Natgasoline Project) Series 2018 (the "Refunded Bonds"). The construction of the methanol facility is complete and in production, and the Company has the opportunity to refinance its existing debt at competitive rates and extend the maturity of the bonds.

The Project:

The proceeds of the Bonds will be loaned to Natgasoline LLC, and/or its subsidiaries or affiliates and/or any related person thereto (collectively, the "User"), The User has requested that the MEDC issue its revenue bonds in one or more series as hereinafter described, and loan the proceeds of the sale thereof to the Borrower, to be used to refund all or a portion of the Refunded Bonds and to thereby refinance a portion of the costs of the acquisition, construction, improvement, development, equipping, and furnishing of a methanol production facility in Beaumont, Jefferson County, Texas, located at or about 2366 Sulphur Plant Road, Beaumont, Texas 77705 (the "Project"), and/or to pay capitalized interest and/or costs of issuance of such bonds and/or to fund any reserve funds with respect to such bonds.

Terms of Transaction:

Amount:	$290,950,000
Rate:	Fixed
Rating:	TBD
Bond Purchasers:	Public Offering
Maturity:	TBD
Min. Denomination:	$100,000

Finance Team:

Underwriters:	Barclays Capital Inc.
Underwriter's Counsel:	Nixon Peabody LLP
Bond Counsel:	Bracewell LLP
Municipal Advisor:	Community Development Associates, LLC
Company Counsel:	Orrick, Herrington, & Sutcliffe

Fiscal Impact & Risks:

The Company anticipates issuing $290,950,000 of tax-exempt bonds in 2026 to refinance existing debt. The MEDC is expected to receive approximately $435,056 for serving as the Issuer of the bonds and $36,369 annually 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.