

AGENDA ITEM

DATE: May 8, 2023

TO: City of Mission

RESOLUTION APPROVING THE RESOLUTION OF MISSION ECONOMIC DEVELOPMENT CORPORATION AUTHORIZING THE ISSUANCE OF BONDS ON BEHALF OF WASTE MANAGEMENT, INC.; AND MATTERS RELATED THERETO

Background:

Waste Management is the largest environmental solutions provider in North America, serving more than 21 million municipal, commercial, and industrial customers in the U.S. and Canada. They have invested in developing waste solutions for a changing world. Today, this includes not just disposal and recycling, but personal counseling to help customers achieve their green goals, including zero waste.

Waste Management is North America's largest residential recycler and a renewable energy provider. They recover the naturally occurring gas inside landfills to generate electricity, called landfill-gas-to-energy. Waste Management's fleet of natural gas trucks is the largest heavy-duty truck fleet of its kind in North America. With the largest network of recycling facilities, transfer stations and landfills in the industry, their entire business can adapt to meet the needs of every distinct customer segment.

As North America's leading provider of comprehensive waste management services, their mission is to maximize resource value while minimizing impact to further both economic and environmental sustainability for all stakeholders.

The Project:

The Project to be financed from proceeds received from the proposed issuance of the tax-exempt bonds consists of refinancing qualified capital expenditures at one or more solid waste disposal facilities identified in Exhibit A as follows: improvements to (a) existing landfill facilities, including but not limited to (i) construction of disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment center, including leachate trenching, (iii) additions and improvements to the methane gas system, (iv) installation of liners for intermittent and final closure of completed sections of the landfill facilities, (v) facility and site improvements, (vi) acquisition of land, (vii) construction of buildings, (viii) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them into service, and (ix) construction and development of and improvements to renewable natural gas (RNG) facilities and related equipment, and (b) existing Hauling and Transfer Station facilities, including but not limited to (i) acquisition of new solid waste collection vehicles, containers, and related equipment, (ii) solid waste disposal sorting and processing equipment, (iii) facility improvements, and (iv) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them into service.

In order for the bonds to qualify as tax-exempt, certain federal and state tax law requirements must be met, including having a governmental entity/agency issue such bonds for the benefit of the Company. Therefore, the Company has requested the Mission Economic Development Corporation (“MEDC”) in Mission, Texas to serve as the governmental issuer of these bonds. In addition to approvals from the MEDC, it is also necessary to obtain consent from the City of Mission and each jurisdiction where a facility to be financed is located. Additionally, public hearing notices were published in each jurisdiction where a portion of the 2023 project is located, and public hearings have been held to satisfy federal tax law requirements.

Terms of Transaction:

Amount:	Up to \$100,000,000 Issued in Multiple Series
Rate:	Multi-modal
Rating:	Est. Standard & Poor’s A-/A-2 (Investment Grade)
Bond Purchasers:	Public Offering
Collateral:	Unsecured obligations of WM, guaranteed by Waste Management Holdings, Inc.
Estimated Closing:	June 1, 2023
Maturity:	Est. 25 Years
Min. Denomination:	\$100,000

Finance Team:

Bond & Issuer Counsel:	Bracewell LLP
Issuer Advisor:	Community Development Associates, LLC
Underwriter:	BofA Securities, Inc.
Rating Agency:	Standard & Poor’s Rating Group

Risks:

This is a conduit transaction for the MEDC. The borrower/applicant is responsible for repayment of the debt. Approval of this Resolution does not impose any payment or obligation on the Mission Economic Development Corporation or the City of Mission, Texas in connection with the financing. There is potential “reputational risk” if the borrower defaults since the Mission Economic Development Corporation name is included on the bonds.

Fiscal Impact Benefits:

Based on an initial transaction of \$50 million, at closing the MEDC is expected to receive approximately \$92,500 for serving as the Issuer of the bonds and an annual fee of \$12,500 until maturity.

EXHIBIT A

PROJECT LOCATIONS

Business Unit	Facility Type	Street Address	City	County	State	Zip Code
New Boston Landfill	Disposal	1030 Highway 82 West	New Boston	Bowie	TX	75570-2416
DFW Landfill	Disposal	1600 Railroad Street South	Lewisville	Denton	TX	75067
Skyline RDF	Disposal	1201 North Central Street	Ferris	Ellis	TX	75125-2101
Mesquite Creek Landfill	Disposal	1000 and 1700 Kohlenberg Road	New Braunfels	Comal/Guadalupe	TX	78130-2633
WM Security	Disposal	19248 Hwy 105	Cleveland	Montgomery	TX	77328-2422
WM Temple	Disposal	706 Landfill Road	Temple	Bell	TX	76501-8429
Williamson County Landfill	Disposal	600 Landfill Rd	Hutto	Williamson	TX	78634-3331
Coastal Plains Landfill	Disposal	21000 E Hwy 6	Alvin	Galveston	TX	77511-9643
WM Covel Gardens	Disposal	8611 Covel Rd	San Antonio	Bexar	TX	78252-2701
Orla Landfill	Disposal	27 FM 652 West	Orla	Reeves	TX	79770
Deep Six Landfill	Disposal	935 S HIGHWAY 285	Pecos	Reeves	TX	79772
Big Lake Landfill	Disposal	275 EH Bar RD	Big Lake	Reagan	TX	76932
Hillside Landfill	Disposal	1100 Nelson Road	Sherman	Grayson	TX	75090-3745
Howard Landfill	Disposal	11104 IH 20 West	Big Spring	Howard	TX	79720