

AGENDA ITEM

DATE: April 14, 2025

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), the parent company of 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 recognized food, beverage, food service, and other consumer product 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 Project:

Graphic Packaging International, LLC is investing ~\$1 billion to build a new Coated Recycled Board Mill in Waco, TX. This mill will manufacture coated recycled board ("CRB"), which will be used to manufacture packaging cartons for food, beverage, food service, and other consumer products companies. The mill is expected to annually turn approximately ~550k tons of secondary fiber (old corrugated containers, boxes and manufacturing clippings, office waste materials, and paper cups) into ~550k tons of new CRB roll stock. 80% of the Texas population resides within 200 miles of the new mill's location. This will provide a strong secondary fiber basket to feed the mill. The Texas "triangle" also provides a robust talent pipeline for both hourly and salaried personnel. Construction on the new mill began in Q1 2023. Machine commissioning is expected in Q4 2025. A complete start-up of the mill is expected in Q1 2026.

The new mill, in combination with the projected closure of one or more other older mills, is estimated to result in a 24% reduction in greenhouse gas (GHG) emissions and a 12% reduction in absolute GHG emissions. The mill will consume ~550 tons of secondary fiber that otherwise would end up in a landfill. A new gas turbine investment is expected to provide reliable, high-efficiency electricity and steam, helping to power the mill. Ultimately, the new mill will generate ~230 new jobs.

Terms of Transaction:

Amount:	Up to \$100,000,000
Offering:	Public
Est. Closing:	May 2025
Est Rating:	Ba2/BB

Finance Team

Bond Counsel:	Hunton Andrews Kurth LLP
Issuer Counsel:	Bracewell LLP
Issuer Advisor:	Community Development Associates, LLC
Underwriter:	TD Securities (USA) LLC
Borrower Counsel:	In-House Counsel

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 \$160,000 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.

