

AGENDA ITEM

DATE: May 13, 2024

TO: City of Mission

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

Background:

Republic Services, Inc. (NYSE: RSG) is a trusted leader in the environmental services industry with 13 million customers, 17,000 trucks and more than 1,000 locations in North America. Republic Services provides the most complete set of recycling, waste and environmental solutions from a single-source provider. The company partners with customers to help them achieve their sustainability goals, driving both environmental and economic sustainability. They offer advanced recycling; solid waste, special waste and hazardous waste treatment and disposal; field and industrial services; 24/7 emergency response; and equipment rental and cleaning.

As the second largest U.S. environmental services company with 2023 revenues of \$14.9 billion, Republic's operations are national in scope, but the physical collection and recycling or disposal of waste is very much a local business, and the dynamics and opportunities differ in each of the company's markets. By combining local operating management with standardized business practices, Republic drives greater overall operating efficiency across the Company while maintaining day-to-day operating decisions at the local level, closest to the customer.

The Project:

The Company is seeking tax-exempt bond financing and refinancing for certain infrastructure and capital improvements to its solid waste collection and disposal operations as outlined in the attached Exhibit A.

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. The bonds will be used to finance various facilities located throughout Texas and it is necessary to obtain consent from each jurisdiction where the facilities to be financed are located as well as the City of Mission. Additionally, a public hearing notice will be published in each jurisdiction and public hearings will be held to satisfy federal tax law requirements.

Terms of Transaction:

Amount:	\$50,000,000
Rate:	(Multi-modal)
Rating:	BBB+ Investment Grade by Standard & Poor's (Est.)
Bond Purchasers:	Public Offering
Maturity:	TBD

Finance Team:

Underwriters:	Bank of America Merrill Lynch
Bond & Issuer Counsel:	Bracewell LLP

Fiscal Impact & Risks:

Bonds will be issued in one or more series. Based on the proposed \$50 million transactions, the MEDC is expected to receive approximately \$92,500 at closing for serving as Issuer of the bonds and \$12,500 annually until maturity.

Approval of this Resolution in no way imposes any payment or obligation on the MEDC or City of Mission in connection with the financing. The Bonds do not constitute a debt or obligation of the MEDC, City, County, or the State of Texas, but are solely the obligation and responsibility of the Company. More importantly, the Bonds will not require any general fund support or tax-payer dollars. There is no commitment of the credit ratings and the Bonds do not, in any fashion restrict, impede or limit the borrowing/bonding capacity of the MEDC or City of Mission.

EXHIBIT A

DESCRIPTION OF PROJECT

The proceeds of the Bonds will be loaned to Republic Services, Inc. and/or one or more subsidiaries or affiliates thereof (collectively, the “Borrower”) for the purpose of financing and/or refinancing capital improvements, site improvements, and equipment acquisitions related to the Borrower’s solid waste disposal facilities and collections operations, including facilities and operations located at any one or more of the following locations, in the aggregate maximum stated principal amounts at each location noted below:

- 1) 2200 FM 521, Fresno, Fort Bend County, Texas 77545;
- 2) 3031 FM 3417, Mount Pleasant, Titus County, Texas 75455;
- 3) 800 Mosier Valley Road, Euless, Tarrant County, Texas 76040;
- 4) 12035 West Murphy Street, Odessa, Ector County, Texas 79763;
- 5) 6433 Labelle Road, Beaumont, Jefferson County, Texas 77705;
- 6) 2559 FM 66, Itasca, Hill County, Texas 76055;
- 7) 2811 FM 1568, Campbell, Hunt County, Texas 75422; and
- 8) 5757 Oates Road, Suite A, Houston, Harris County, Texas 77078