

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Unicell Paper Mills Inc. Letter of Credit Amendment and Draw

DEPARTMENT: Economic Development **DIVISION:** Economic Development

AUTHORIZED BY: Don Fisher **CONTACT:** William McDermott **EXT.** 7132

Agenda Date 01/24/06 **Regular** **Consent** **Work Session** **Briefing**
Public Hearing – 1:30 **Public Hearing – 7:00**

MOTION/RECOMMENDATION:

Approve and authorize the Chairman to sign the amendment to the letter of credit (#F701494); and approve and authorize the Chairman to sign the request to draw \$45,014.22 from the revised letter of credit.

BACKGROUND:

The Board of County Commissioners approved a Jobs Growth Incentive award to Unicell Paper Mills, Inc. on May 16, 2002. The an agreement was executed and the award of \$137,000 was provided to Unicell. The agreement required Unicell to secure a letter of credit (LOC) in the amount of \$137,000 (equal to the amount of the award). The LOC was established to cover the possibility of Unicell defaulting on the agreement. Although Unicell exceeded the capital investment and average annual salary requirements, they fell short on the job creation requirements by twenty-three jobs. The original award of \$137,000 was for the creation of 70 jobs at a cost per job of \$1,957.14. Since the number of jobs created was 47, it reduces the number of jobs by 23 at a cost of \$1,957.14 or a reduction of the award to \$45,014.22. Please refer to the table below for a comparison of the requirements vs. performance.

	Required	Actual	Variance
Capital Investment	\$25,000,000	\$29,900,283	+\$4,900,283
Average Annual Salary	\$30,000	\$41,973	+\$11,973
Number of Jobs	70	47	-23
Cost Per Job		\$1,957.14	\$1,957.14
Award Amount	\$137,000	\$91,98.58	\$45,014.22

Staff is requesting an amendment to the original letter of credit to decrease the amount from \$137,000.00 to \$45,014.22 since the letter of credit does not allow partial draws. Additionally, staff is requesting the Chairman sign a letter to SunTrust Bank requesting a draw of \$45,014.22 to satisfy the terms of our agreement (section 24).

Reviewed by: _____
 Co Atty: _____
 DFS: LS
 Other: _____
 DCM: _____
 CM: _____
 File No. CE001

SUNTRUST

LETTER OF CREDIT NUMBER F701494

AMENDMENT DATE: DECEMBER 22, 2005

APPLICANT:
UNICELL PAPER MILLS, INC.
3401 ST. JOHN'S PARKWAY
SANFORD, FL 32771

BENEFICIARY:
SEMINOLE COUNTY
1101 EAST FIRST STREET
SANFORD, FL 32771

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE MENTIONED CREDIT AND MUST BE ATTACHED THERETO.

AMENDMENT NO. 001

THERE IS A DECREASE IN LETTER OF CREDIT AMOUNT OF 91,985.78 U.S. DOLLARS FOR A NEW TOTAL OF 45,014.22 U.S. DOLLARS. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED. PLEASE DIRECT ALL INQUIRIES TO:

SUNTRUST BANK
ATTN: STANDBY LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 16TH FLOOR, MC 3706
ATLANTA, GEORGIA 30303
PHONE: 800-951-7847 OPTION 3.

SINCERELY,
SUNTRUST BANK



AUTHORIZED SIGNATURE
SHARON ANDERSON, AVP AND MANAGER, STANDBY LETTERS OF CREDIT
109

PLEASE RETURN A COPY OF THIS AMENDMENT SIGNED IN ORIGINAL.
THIS AMENDMENT IS:

___ ACCEPTABLE TO US ___ REJECTED BY US

AUTHORIZED SIGNATURE OF
BENEFICIARY

DATE: _____

SUNTRUST

LETTER OF CREDIT NUMBER F701494

AMENDMENT DATE: DECEMBER 22, 2005

APPLICANT:

UNICELL PAPER MILLS, INC.
3401 ST. JOHN'S PARKWAY
SANFORD FL 32771

BENEFICIARY:

SEMINOLE COUNTY
1101 EAST FIRST STREET
SANFORD, FL 32771

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE MENTIONED CREDIT AND MUST BE ATTACHED THERETO.

AMENDMENT NO. 001

THERE IS A DECREASE IN LETTER OF CREDIT AMOUNT OF 91,985.78 U.S. DOLLARS FOR A NEW TOTAL OF 43,014.22 U.S. DOLLARS. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED. PLEASE DIRECT ALL INQUIRIES TO:

SUNTRUST BANK
ATTN: STANDBY LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 18TH FLOOR, NC 3705
ATLANTA, GEORGIA 30303
PHONE: 900-551-7547 OPTION 3.

SINGULARLY,
SUNTRUST BANK


AUTHORIZED SIGNATURE
SHARON ANDERSON, AVE AND MANAGER, STANDBY LETTERS OF CREDIT

PLEASE RETURN A COPY OF THIS AMENDMENT SIGNED IN ORIGINAL. THIS AMENDMENT IS:

ACCEPTABLE TO US REJECTED BY US

DATE: _____
AUTHORIZED SIGNATURE OF
BENEFICIARY:

January 9, 2006

SunTrust Bank
25 Park Place
16th Floor
MC: 3706
Atlanta, GA 30303

Dear Sir or Madam:

This letter serves as the request to draw \$45,014.22 from letter of credit no. ORL/F701494. Unicell Paper Mills Inc. did not fulfill the terms of the Jobs Growth Incentive Agreement with Seminole County per section 24.

The undersigned hereby certifies that the amount of the drawing under SunTrust Bank letter of credit no. ORL/F701494 represents funds due us as Unicell Paper Mills Inc. is in default.

Please make check payable to:

Seminole County Fiscal Services Department
Seminole County Economic Development Fund
1101 East First Street
Sanford, Florida 32771

Sincerely,

Carlton D. Henley
Chairman
Seminole County Board of County Commissioners

cc: William McDermott, Director, Seminole County EDO