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**Total Clips: 48**

Headline	Date	Outlet	Reporter
 <a href="#">Florida Buying Big Sugar Tract for Everglades</a>	06/25/2008	New York Times - Miami Bureau, The	Cave, Damien
 <a href="#">Land deal called 'missing link' in restoring Everglades</a>	06/24/2008	Los Angeles Times - Online	Williams, Carol
 <a href="#">Florida Moves to Restore Wetlands</a>	06/25/2008	Washington Post	Achenbach, Joel
 <a href="#">Florida to Buy U.S. Sugar's Land To Aid Everglades</a>	06/24/2008	Wall Street Journal - Atlanta Bureau	Prada, Paulo
<a href="#">FL gov announces \$1.7B sugar, Everglades deal</a>	06/25/2008	USA Today	
<a href="#">Fla. strikes \$1.7B deal with Big Sugar</a>	06/24/2008	Associated Press (AP)	SKOLOFF, BRIAN
<a href="#">Florida to buy chunk of Everglades from sugar firm</a>	06/25/2008	Thomson Reuters - Miami Bureau	Loney, Jim
 <a href="#">Land Deal Would Help Restore Everglades</a>	06/24/2008	npr.org	Allen, Greg
 <a href="#">IN 'HUGE' EVERGLADES WIN, STATE TO BUY U.S. SUGAR</a>	06/25/2008	Tampa Tribune - Tallahassee Bureau	White, Nicola
<a href="#">U.S. Sugar sale called turning point in Glades cleanup</a>	06/24/2008	Miami Herald	Morgan, Curtis
 <a href="#">Deal too good for U.S. Sugar</a>	06/25/2008	Miami Herald - Online	JANE BUSSEY AND SCOTT HIAASEN

	<a href="#">2 sides cheer sugar buyout</a>	06/25/2008	Miami Herald Sarasota	Morgan, Curtis
	<a href="#">Big deal, not done deal</a>	06/25/2008	Herald-Tribune - Charlotte Bureau	Spinner, Kate
	<a href="#">Crist, U.S. Sugar tentatively sign off on \$1.7 billion deal</a>	06/24/2008	Palm Beach Post - Online	JENNIFER SORENTRUE and DIANNE SMITH
	<a href="#">Everglades activists U.S. Sugar deal means faster restoration</a>	06/24/2008	Palm Beach Post - Online	Sorenttrue, Jennifer
	<a href="#">Purchase would deeply tap water district's finances</a>	06/24/2008	Palm Beach Post - Online	Sorenttrue, Jennifer
	<a href="#">Glades institution since '31 to close up shop</a>	06/25/2008	Palm Beach Post - Online	Salisbury, Susan
	<a href="#">U.S. Sugar deal would restore 'missing link' of Everglades</a>	06/24/2008	South Florida Sun-Sentinel - Online	Linda Kleindienst and Andy Reid
	<a href="#">FOR YEARS, ENVIRONMENTALISTS AND BIG SUGAR HAVE BEEN AT ODDS OVER LAND IN THE EVERGLADES.</a>	06/24/2008	NBC 6 News at 6 PM - WTVJ-TV	
	<a href="#">TO RESTORE THE EVERGLADES.</a>	06/24/2008	News 12 at 11 PM - WPEC- TV	
	<a href="#">GOVENOR CRUFT UNVEILING A PLAN TODAY TO SAVE THE EVERGLADES.</a>	06/24/2008	Channel 7 News at 10 PM - WSVN-TV	
	<a href="#">MILES OF LAND FOR EVERGLADES RESTORATION. IT WOULD</a>	06/24/2008	WPBF News 25 at 11 PM - WPBF-TV	
	<a href="#">Booting US Sugar from the Everglades</a>	06/24/2008	Time - Online	MICHAEL GRUNWALD
	<a href="#">Land buy requires no new money</a>	06/25/2008	Tallahassee Democrat	Ritchie, Bruce
	<a href="#">Buying U.S. Sugar to restore Everglades</a>	06/24/2008	News-Press	Hiraki, Ryan
	<a href="#">State, U.S. Sugar sign deal to buy land, prevent Lake O discharges</a>	06/24/2008	Jupiter Courier	Tyler Treadway

	<a href="#">Sugar deal is sweet for Treasure Coast</a>	06/25/2008	Jupiter Courier	Tyler Treadway
	<a href="#">Huge deal with US sugar giant could help Everglades - Summary</a>	06/24/2008	Earthtimes.org	
	<a href="#">Crist sought Everglades deal as U.S. Sugar hit wall</a>	06/25/2008	St. Petersburg Times	Pittman, Craig
	<a href="#">Sugar would stay plentiful, pricey</a>	06/25/2008	St. Petersburg Times	Hundley, Kris
	<a href="#">With this deal, governor cements his legacy</a>	06/25/2008	Sarasota Herald-Tribune	Follick, Joe
	<a href="#">Editorial: Farm buy helps save estuaries</a>	06/25/2008	News-Press	
	<a href="#">Florida megadeal aims to restore fabled wetlands, close US Sugar</a>	06/25/2008	Yahoo! News	
	<a href="#">Saving the 'glades</a>	06/25/2008	Tallahassee Democrat	
	<a href="#">Crist Shows Vision, Good Sense With Ambitious Everglades Deal</a>	06/25/2008	Tampa Tribune	
	<a href="#">State To Buy U.S. Sugar Land In Everglades</a>	06/24/2008	WPLG-TV	
	<a href="#">Swamped by developers, but now there is hope for the Everglades</a>	06/25/2008	Independent - Washington DC Bureau, The	Doyle, Leonard
	<a href="#">Rich Campbell Sugar offer couldn't leave sweeter taste</a>	06/24/2008	Jupiter Courier	Rich Campbell
	<a href="#">For Crist, a sweet deal too</a>	06/25/2008	Orlando Sentinel - Tallahassee Bureau	Kennedy, John
	<a href="#">OF FARMLAND IN THE EVERGLADES TO HELP RESTORE THE</a>	06/24/2008	Headline News - CNN	
	<a href="#">FARM OPERATIONS IN THE EVERGLADES AND RESTORE 300 SQUARE</a>	06/24/2008	Headline News - NBC Nightly News with Brian Williams - NBC News Network	
	<a href="#">Pigs fly! Hell freezes! U.S. Sugar sells out!</a>	06/24/2008	Seattle Post-Intelligencer - Online	

- [U](#) [Quotes on U.S. Sugar deal](#)  
['Bigger than anyone's imagination'](#) 06/24/2008 Palm Beach Post - Online
  
- [U](#) [Everglades deal's impact would be huge - for all of us](#) 06/24/2008 Orlando Sentinel - Online
  
- [U](#) [Palm Beach County: New Web site offers tips in Spanish for saving water](#) 06/25/2008 South Florida Sun-Sentinel
  
- [U](#) [Water rates to rise sharply for Manalapan residents starting July 1](#) 06/24/2008 Palm Beach Daily News DAVID ROGERS
  
- [U](#) [U.S. Sugar employees' lawsuit claims they were underpaid for stock shares](#) 06/24/2008 Jupiter Courier PETER FRANCESCHINA Sun
  
- [U](#) [Clewiston The town U.S. Sugar built](#) 06/24/2008 Palm Beach Post - Online

Lantigua, John

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## Florida Buying Big Sugar Tract for Everglades

06/25/2008

New York Times - Miami Bureau, The Cave, Damien

By DAMIEN CAVE-NY Times

LOXAHATCHEE, Fla. — The dream of a restored Everglades, with water flowing from Lake Okeechobee to Florida Bay, moved a giant step closer to reality on Tuesday when the nation's largest sugarcane producer agreed to sell all of its assets to the state and go out of business.

Under the proposed deal, Florida will pay \$1.75 billion for United States Sugar, which would have six years to continue farming before turning over 187,000 acres north of Everglades National Park, along with two sugar refineries, 200 miles of railroad and other assets.

It would be Florida's biggest land acquisition ever, and the magnitude and location of the purchase left environmentalists and state officials giddy.

Even before Gov. Charlie Crist arrived to make the announcement against a backdrop of water, grass and birds here, dozens of advocates gathered in small groups, gasping with awe, as if at a wedding for a couple they never thought would fall in love. After years of battling with United States Sugar over water and pollution, many of them said that the prospect of a partnership came as a shock.

"It's so exciting," said Margaret McPherson, vice president of the Everglades Foundation. "I'm going to do cartwheels."

The details of the deal, which is scheduled to be completed over the next

[Return to Top](#)

few months, and does not require legislative approval, may define how long the honeymoon lasts. Previous acquisitions took longer to integrate than initially expected and because United States Sugar's fields are not all contiguous, complicated land swaps with other businesses may be required.

The purchase will be paid for with bonds and from fees already added to water bills. But if the price goes up or environmental remediation enters the picture, the state could have to renegotiate or find other money.

The fate of the company's 1,900 workers also remains in question and some former company executives have suggested that the state is overpaying, bailing out a company burdened with debt, a troubled new sugar mill and a lawsuit from former employees who said they were bilked out of retirement money.

Company officials said the deal would amount to \$350 a share, after taxes and other obligations were paid, a premium over two previous offers of \$293 per share that the company had dismissed as inadequate.

The accusations and concerns, however, did not dampen the mood. Even as workers from the mill in Clewiston tried to get a handle on their futures, and some cried foul, Mr. Crist emphasized the land's environmental value.

He said the deal was "as monumental as the creation of the nation's first national park, Yellowstone." Declining to provide details of how the state arrived at the price of \$1.7 billion, he said it was a terrific bargain.

"I can envision no better gift to the Everglades," he said, "the people of Florida and the people of America — as well as our planet — than to place in public ownership this missing link that represents the key to true restoration."

The impact on the Everglades could be substantial. The natural flow of water would be restored, and the expanse of about 292 square miles would add about a million acre-feet of water storage. That amount of water — enough to fill about 500,000 Olympic size swimming pools — could soak the southern Everglades during the dry season, protecting wildlife, preventing fires, and allowing for a redrawing of the \$8 billion Everglades restoration plan approved in 2000.

It would essentially remove some of the proposed plumbing. Many of the complicated wells and pumps the plan relied on might never have to be built, water officials said, because the water could move naturally down the gradually sloping land.

Kenneth G. Ammon, deputy executive director of the South Florida Water Management District, which would assume control of the land, said it would be a "managed" flow-way, with reservoirs and other engineered mechanisms to control water flow. David G. Guest, a lawyer for Earthjustice Legal Defense Fund, joked that he might have to go to blows to keep the area all natural.

"This is about putting it back to the way it was in the 1890s," Mr. Guest said. "What will happen is that if you come back here in 20 years, it will look indistinguishable from the way it looked before the white man arrived."

The future challenges will probably intersect with the land's more recent history. Since 1931, United States Sugar has farmed the area, using fertilizers that have often released phosphorous into the water. The legacy of its efforts could prove hidden at first, like pollution found during other environmental cleanup efforts.

The company has long denied that its efforts severely damaged the land,

and executives said that the sale would benefit the Everglades, and shareholders.

"It's dollars and cents and the right thing to do," said Robert H. Buker Jr., the company's president, in an interview after the announcement. "If I had to go out I'd rather — all of us would rather it went out to make the state of Florida better."

The company will face some hurdles. The lawsuit involving former employees will not disappear but will probably include fewer plaintiffs, said Curtis Miner, one of the workers' lawyers. Some, like Randy Smith, 57, who cashed out last year at \$194 a share after 25 years with the company, said Tuesday's deal only proved that he did not receive his fair share.

"I got ripped off pretty good," he said.

Those most affected though will be current workers, and they could decide whether the purchase goes through. United States Sugar took its stock off the public market in 1983 to create an employee stock ownership plan, so technically the company is owned by the workers.

Mr. Buker said he expected the workers would approve the deal because of the money they could make. But at a meeting with workers in Clewiston on Tuesday, opinions seemed mixed. Some workers said they were angry they were left out of the loop. As recently as Tuesday morning, bosses told them that rumors of a sale were not true.

They had a lot of questions: Why sell now? What would happen when the state took over? Would the mill still run? Would there be jobs? What would happen to Clewiston, the tiny town that has relied on United States Sugar since the 1930s?

Mr. Buker tried to respond. He said it was a good deal, that wage earners would receive a year's pay as severance; that salaried workers would get two years. And he said that the company had no choice but to sell because the state had the upper hand, and could have pushed them off the land with laws, rather than with \$1.7 billion dollars.

For many — both workers and environmentalists — it was all still hard to believe. "You got to hear it three times," said Chris Harris, 36, a United States Sugar foreman, after the meeting. "It sinks in but..."

His voice trailed off and he looked away. The company had seemed to be growing, revamping its mill. A new tower went up just last week. At the time, Mr. Crist was being lambasted by environmentalists for abandoning his opposition to drilling offshore for oil and natural gas. At least for some on Tuesday, all was forgiven.

"Offshore drilling is a mouse," said Mr. Guest, of Earthjustice. "the Everglades is an elephant."

Reporting was contributed by Yolanne Almanzar from Clewiston, Fla., and Mary Williams Walsh.

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## Land deal called 'missing link' in restoring Everglades

06/24/2008

Los Angeles Times - Online

Williams, Carol

[Return to  
Top](#)

WELLINGTON, FLA. Florida Gov. Charlie Crist announced a historic deal Tuesday to acquire almost 300 square miles of land that is the 'missing link' in a half-century effort to restore the natural Everglades. The agreement of principle with U.S. Sugar Corporation, which is set to receive \$1.75 billion for its land, was hailed by environmentalists, engineers and water managers as the most significant breakthrough yet in restoring the fabled 'river of grass.' . At a steamy canalside at the Loxahatchee National Wildlife Refuge, Crist and a bevy of state and federal officials proclaimed the landmark deal as 'a strategy to save America's Everglades.' 'We have an opportunity to provide the critical missing link in our restoration activities,' Crist said. 'I can envision no better gift to the Everglades, or the people of Florida, or to our country, than to place in public ownership this missing link that represents the key to true restoration.' Negotiations on the complex details of the land purchase will begin Tuesday between U.S. Sugar and the South Florida Water Management District, and much remains to be resolved before the state takes ownership of the huge tracts of agricultural land south of Lake Okeechobee. The privately held sugar producing giant, with 1,700 employees, will gradually go out of business over the next six to seven years as it fulfills contractual obligations and labor commitments. The land acquisition will allow water regulators to build storage facilities on the former sugar land to hold water in years of heavy rain, rather than releasing it to the delicate estuaries ringing the Gulf of Mexico and the southern Florida coast. In dry years, the stored water can be delivered to farmland to the east and west of Lake Okeechobee and to urban communities served by the water district. As U.S. Sugar operations wind down, the water runoff from the farmland should become cleaner, gradually restoring the pure and natural flow of the ecosystem that stretches from the Kissimmee River basin in north-central Florida to the state's southern coast. Many of the intricate dams, canals and pumps envisioned over the next 20 years in the comprehensive Everglades Restoration Plan will no longer be necessary, said water district management chief Carol Ann Wehle. 'This is a watershed event, a natural conservation and a paradigm shift for the Everglades and the environment in Florida, one that would have been inconceivable in years past, yet here we are,' said Robert Buker, president and chief executive officer of U.S. Sugar The 187,000-acre acquisition will be financed with \$50 million in cash and \$1.7 billion in certificates of participation to be sold on Wall Street, said Wehle. carol.williams@latimes.com

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## Florida Moves to Restore Wetlands

06/25/2008

Washington Post

Achenbach, Joel

[Return to  
Top](#)

## Sugar Corp. Purchase Would Aid Everglades

By Joel Achenbach-Washington Post

In an ambitious maneuver to help restore the Everglades, the state of Florida has struck a tentative deal to buy U.S. Sugar Corp. for \$1.75 billion and turn many of its 187,000 acres of farmland into reservoirs.

The plan, described by Gov. Charlie Crist as the largest conservation purchase in Florida's history, envisions restoring some of the natural flow of water to the Everglades from Lake Okeechobee.

Crist, who has been mentioned as a possible running mate for presumptive Republican presidential nominee John McCain, made the announcement Tuesday after months of secret negotiations with the sugar company. He called the purchase "as monumental" as the founding of Yellowstone National Park. The patchwork of farmland totals 292 square miles, about equal to the land area of New York City's five boroughs.

The surprise effort is aimed at halting the degradation of the Everglades, which at 1.5 million acres is the third-largest national park in the lower 48 states, behind Death Valley and Yellowstone. Over the years, water from areas north of the massive marsh has been diverted to the fast-growing cities of South Florida and for agriculture, and pollutants from sewage and farming have flowed in.

Restoration has been a state and federal priority for years and is the goal of a troubled \$11 billion program that, until now, had envisioned the construction of hundreds of high-tech wells and huge aquifers in an elaborate re-engineering of South Florida's hydrology. Critics have called the plan impractical and say it has little relationship to the pre-development ecosystem. The project has fallen behind schedule since it was approved eight years ago.

The sugar company buyout puts a new and simpler option on the table: Water can flow from the lake into filtering marshes. The cleaner water could eventually be sent onward into the "sea of grass" at the southern end of the peninsula. A direct lake-glades connection, even one comprising levee-lined retention areas, has long been a dream of environmentalists.

"You've got to do something to transition lake water to the Everglades," said Carol Wehle, executive director of the South Florida Water Management District, the independent agency that supervises the network of canals, levees and waterways in the lower third of the state. She said the primary goal of the U.S. Sugar buyout will be Everglades restoration, rather than providing water for sprawling urban areas in South Florida.

"It will be a structured, managed system, but it will definitely connect Lake Okeechobee with the Everglades," she said.

Under the deal, which still has to be negotiated, the South Florida Water Management District, an independent state agency with its own taxing authority, will make the purchase in part with property taxes earmarked for Everglades restoration. Some company assets could be sold to other sugar companies, leaving some cane fields and orange groves still under cultivation. Because the U.S. Sugar holdings are scattered, the state will try to swap land with other sugar cane companies to create a single corridor for water to flow into the reservoirs and on to the Everglades.

"Acquiring this large swath south of Lake Okeechobee will be an historic turning point for the largest watershed project in the world," Interior Secretary Dirk Kempthorne said.

Environmentalists, who only days earlier had been infuriated by Crist's reversal of his longtime opposition to offshore oil drilling, were thrilled and surprised by the pact, which was first reported on Monday by the Palm Beach Post.

"It was a really well-kept secret. I think the Pentagon would be jealous of how well it was kept," said Susan Kennedy, executive director of the Everglades Coalition.

U.S. Sugar is based in Clewiston, "America's sweetest town," on the west bank of Lake Okeechobee. The company was founded in 1931 by auto executive Charles Stewart Mott, who saw riches in the muck that bordered the lake. By the end of World War II, it was the biggest sugar company in the United States. Today it employs 1,700 people and produces 700,000 tons of cane sugar annually.

But the industry has been blamed for many of South Florida's environmental problems. Agriculture has dramatically changed the ancient landscape, and fertilizers have polluted the water.

The cane fields stretch to the horizon along the southern rim of Lake Okeechobee. Instead of flowing south to the Everglades, much of the water from the lake -- heavy with phosphorous and other chemicals -- is diverted to the west and east coasts of Florida by the Caloosahatchee and St. Lucie rivers. The state hopes to clean up those waterways as a result of the buyout.

It is unclear how the state can soften the economic impact of the company's demise. Employees will have six years to make the transition to other work. But at a news event Tuesday announcing the tentative agreement, U.S. Sugar chief executive Robert Buker said the deal is bittersweet.

"We built a company that right now is the pillar of the agriculture community in Florida," he said. "Because of that, I stand here today with mixed feelings."

U.S. Sugar Senior Vice President Robert Coker said the plan originated with Crist last fall in a meeting with company representatives in Tallahassee when the governor made a statement seemingly out of the blue: "I just think we ought to buy you out."

Said Coker: "I was very surprised. I've been dealing with Everglades issues for 27 years with this company, and nobody's ever taken that kind of bold stroke, to say we're going to solve this thing once and for all."

Under the agreement, the company will continue operations for six years. Then it will hand the state 155,000 acres of sugar cane, 30,000 acres of orange trees, a commercial short-line railroad, a private railroad for hauling cane from field to factory, a sugar mill, a sugar refinery, and a just-completed orange juice plant.

"We're turning over lock, stock and barrel," Coker said.

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## Florida to Buy U.S. Sugar's Land To Aid Everglades

06/24/2008

Wall Street Journal - Atlanta Bureau

Prada, Paulo

By PAULO PRADA

June 25, 2008; Page B1

[Return to  
Top](#)

The state of Florida, stepping up its efforts to restore the Everglades wetlands, offered to purchase 300 square miles of land now used for sugar-cane production for \$1.75 billion from U.S. Sugar Corp., effectively moving to shut down the largest grower of the crop in the U.S.

The Clewiston, Fla.-based company and the South Florida Water Management District on Tuesday signed a "statement of principles" that would allow U.S. Sugar, which has farmed the land since 1931, to continue growing cane and producing sugar for the next six years. If final terms are settled as expected in the coming months, the company would then turn over the land for conservation purposes at the end of that period.

The state plans to pay \$50 million in cash and finance the rest of the purchase's \$1.7 billion through debt.

Announced at a ceremony with Gov. Charlie Crist near an Everglades wildlife refuge, the plan foresees using the land to better connect Florida's Lake Okeechobee with the so-called River of Grass, the swampy natural waterway that carries overflow from the lake to its natural runoff in the ocean.

Reuters

Florida Gov. Crist signs an agreement in principal with Robert Buker of U.S. Sugar and Shannon Estenoz of the South Florida Water Management District at an event in the Loxahatchee National Wildlife Refuge.

In a statement, Gov. Crist said the land would provide a "critical missing link in our restoration activities."

The offer from the state came as a surprise to U.S. Sugar, which accounts for about 9% of the raw sugar produced in the U.S. and farms about 30% of the cane fields and overall cropland in production in the Everglades, according to company and government data.

U.S. Sugar's closure isn't expected to have a significant impact on the domestic sugar market. Squeezed by low-cost imports from Brazil and other foreign producers, U.S. growers of sugar control an ever-smaller share of the global market. Most of the raw sugar used in the U.S. comes from Latin America and other sources abroad, and the six-year period before U.S. Sugar's shutdown would give the market plenty of time to adjust for its closure, analysts said.

"It's a very small amount of a commodity that is not that expensive to begin with," said Sterling Smith, vice president of FuturesOne, a commodities broker in Chicago.

The private company -- owned by descendents of its founder, Charles Stewart Mott, and an employee-ownership plan -- had invested more than \$500 million in recent years to upgrade its facilities on the land and had no intention of shutting down until Gov. Crist, in meetings with executives in recent months, "suggested he buy us out," said Robert Coker, senior vice

president of U.S. Sugar.

The terms of the state's offer, he added, were compelling enough for U.S. Sugar's board of directors to authorize moving ahead with the plan, even if it meant the end of the company.

Until the six-year period ends, Mr. Coker added, U.S. Sugar will continue to grow and produce sugar and will provide an incentive plan to retain employees. It currently has 1,700 employees. "It will be business as usual... but then we'll hand over the keys," he said.

The Everglades Restoration Act, approved by the Clinton administration in 2000, was hailed as a landmark plan for a decades-long effort to restore much of the Florida wetland that had been built over or drained over a century to make way for housing and farmland. But conservationists have been frustrated by a lack of implementation of the act.

Coupled with increased funding for Everglades restoration from Congress, the agreement with U.S. Sugar "is an enormous step," said Sara Fain, co-chair of the Everglades Coalition, a group of environmental organizations that works to protect the wetlands. "One of the key pieces for restoration is land for water storage and this land could be a lynchpin."

Write to Paulo Prada at paulo.prada@wsj.com

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## FL gov announces \$1.7B sugar, Everglades deal

06/25/2008

USA Today

[Return to  
Top](#)

(AP) -- In one of the biggest conservation deals in U.S. history, the nation's largest producer of cane sugar reached a tentative agreement Tuesday to get out of the business and sell its nearly 300 square miles in the Everglades to the state of Florida for \$1.75 billion. The deal with U.S. Sugar Corp. results from a convergence of interests: The state is trying to restore the Everglades and clean up pollution caused by Big Sugar and other growers, while the American sugar industry is being squeezed by low-price imports. Republican Gov. Charlie Crist declared the agreement "as monumental as the creation of our nation's first national park, Yellowstone." Under the deal, the state would buy U.S. Sugar's holdings in the Everglades south of Lake Okeechobee, including its cane fields, mill and railroad line. U.S. Sugar would be allowed to farm the 187,000 acres for six more years, after which it would go out of business. The state would then protect the land from development, which has been encroaching on the Everglades for decades. State officials would also build a network of reservoirs and marshes to filter water flowing into the Everglades and help restore the River of Grass to a cleaner, more natural state. For generations, farming and development have blocked the natural flow of water and allowed fertilizers and other pollutants to spill into the wetlands. Negotiations are still going on, and officials hope to sign a final agreement by September. David Guest, a lawyer with the environmental group Earthjustice and a longtime foe of U.S. Sugar, gloated over the announcement. "In the old days, you didn't just beat your opponent, you also ate them," he said. "Today, we're eating U.S. Sugar." The deal would not end sugar production in the Everglades. Some 300,000 acres of land, or close to 500 square miles, used by other companies would remain in production. "But it makes it a lot more manageable," said Ken Ammon, deputy executive director of the South Florida Water Management District, the state agency overseeing restoration efforts. "It totally changes the face

of Everglades restoration No one ever thought that a whole corporation like U.S. Sugar would up and potentially leave the Everglades."Ammon said that considering the land and the other equipment on the property, the sale price "looks like a tremendous deal" for the state.U.S. Sugar chief executive Robert Buker called the deal "monumental" but said he was saddened to see the demise of his company. Its 1,700 employees, including those who work in the mill and operate the cane-cutting machinery, will lose their jobs, though the state is offering them retraining."We built a company that right now is the pillar of the agriculture community in Florida," Buker said. "Because of that, I stand here today with mixed feelings. ... On the other hand, I'm excited about what we're doing here today."The entire American sugar industry has struggled with stiff competition from imported sugar.At least 33 mills have closed nationwide in the past decade as producers try to remain competitive in a market flush with sugar from the likes of Brazil and Thailand, which have lower labor costs than U.S. producers, said Phillip Hayes of the American Sugar Alliance."Sugar producers are receiving less for their product now than they did when Jimmy Carter sat in the Oval Office," he said.Last year, U.S. Sugar which grows and refines sugar and sells it wholesale or packages it under private labels for about 60 customers, including Publix and Albertsons supermarkets shut down its other mill, blaming foreign competition.In recent years, U.S. Sugar has also had to bear the higher costs of cleaning up its water before it enters the Everglades.The company's vice president, Robert Coker, said U.S. Sugar began talks with the governor last year "to make sure our business for the long-term was sustainable.""Out of those discussions with the governor, he put on the table that maybe we should just buy U.S. Sugar out," Coker said. "After we caught our breath and picked ourselves up off the floor ... we all decided that this was a good deal for the people of Florida, for the Everglades and the environment, and a good deal for our employees and our shareholders."The Everglades restoration effort is the largest of its kind in the world. It is aimed at undoing or rerouting decades of flood-control projects that were built to make way for houses and farms.A key component was approved by Congress in 2000. The project was originally estimated to cost \$7.8 billion and take 30 years. The price tag has since ballooned by billions because of rising construction and real estate costs, and it is unknown how long it will take. The state and federal governments are supposed to share the costs 50-50.-

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## **Fla. strikes \$1.7B deal with Big Sugar**

06/24/2008

Associated Press (AP)

SKOLOFF, BRIAN

[Return to  
Top](#)

Brian Skoloff - A/P

WELLINGTON, Fla. In one of the biggest conservation deals in U.S. history, the nation's largest producer of cane sugar reached a tentative agreement Tuesday to get out of the business and sell its nearly 300 square miles in the Everglades to the state of Florida for \$1.75 billion.

The deal with U.S. Sugar Corp. results from a convergence of interests: The state is trying to restore the Everglades and clean up pollution caused by Big Sugar and other growers, while the American sugar industry is being squeezed by low-price imports.

Republican Gov. Charlie Crist declared the agreement "as monumental as the creation of our nation's first national park, Yellowstone."

Under the deal, the state would buy U.S. Sugar's holdings in the Everglades south of Lake Okeechobee, including its cane fields, mill and railroad line. U. S. Sugar would be allowed to farm the 187,000 acres for six more years, after which it would go out of business.

The state would then protect the land from development, which has been encroaching on the Everglades for decades.

State officials would also build a network of reservoirs and marshes to filter water flowing into the Everglades and help restore the River of Grass to a cleaner, more natural state. For generations, farming and development have blocked the natural flow of water and allowed fertilizers and other pollutants to spill into the wetlands.

Negotiations are still going on, and officials hope to sign a final agreement by September.

David Guest, a lawyer with the environmental group Earthjustice and a longtime foe of U.S. Sugar, gloated over the announcement. "In the old days, you didn't just beat your opponent, you also ate them," he said. "Today, we're eating U.S. Sugar."

The deal would not end sugar production in the Everglades. Some 300,000 acres of land, or close to 500 square miles, used by other companies would remain in production.

"But it makes it a lot more manageable," said Ken Ammon, deputy executive director of the South Florida Water Management District, the state agency overseeing restoration efforts. "It totally changes the face of Everglades restoration. No one ever thought that a whole corporation like U.S. Sugar would up and potentially leave the Everglades."

Ammon said that considering the land and the other equipment on the property, the sale price "looks like a tremendous deal" for the state.

U.S. Sugar chief executive Robert Buker called the deal "monumental" but said he was saddened to see the demise of his company. Its 1,700 employees, including those who work in the mill and operate the cane-cutting machinery, will lose their jobs, though the state is offering them retraining.

"We built a company that right now is the pillar of the agriculture community in Florida," Buker said. "Because of that, I stand here today with mixed feelings. ... On the other hand, I'm excited about what we're doing here today."

The entire American sugar industry has struggled with stiff competition from

imported sugar.

At least 33 mills have closed nationwide in the past decade as producers try to remain competitive in a market flush with sugar from the likes of Brazil and Thailand, which have lower labor costs than U.S. producers, and, unlike the United States, subsidize their sugar growers, said Phillip Hayes of the American Sugar Alliance.

"Sugar producers are receiving less for their product now than they did when Jimmy Carter sat in the Oval Office," he said.

Last year, U.S. Sugar \_ which grows and refines sugar and sells it wholesale or packages it under private labels for about 60 customers, including Publix and Albertsons supermarkets \_ shut down its other mill, blaming foreign competition.

In recent years, U.S. Sugar has also had to bear the higher costs of cleaning up its water before it enters the Everglades.

The company's vice president, Robert Coker, said U.S. Sugar began talks with the governor last year "to make sure our business for the long-term was sustainable."

"Out of those discussions with the governor, he put on the table that maybe we should just buy U.S. Sugar out," Coker said. "After we caught our breath and picked ourselves up off the floor ... we all decided that this was a good deal for the people of Florida, for the Everglades and the environment, and a good deal for our employees and our shareholders."

The Everglades restoration effort is the largest of its kind in the world. It is aimed at undoing or rerouting decades of flood-control projects that were built to make way for houses and farms.

A key component was approved by Congress in 2000. The project was originally estimated to cost \$7.8 billion and take 30 years. The price tag has since ballooned by billions because of rising construction and real estate costs, and it is unknown how long it will take. The state and federal governments are supposed to share the costs 50-50.

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## **Florida to buy chunk of Everglades from sugar firm**

06/25/2008

Thomson Reuters - Miami Bureau

Loney, Jim

[Return to  
Top](#)

By Jim Loney-Reuters

LOXAHATCHEE NATIONAL WILDLIFE REFUGE, Fla., June 24 (Reuters) - The state of Florida announced on Tuesday it intends to spend \$1.75 billion to buy a large chunk of Everglades land from U.S. Sugar, one of a number of sugar companies blamed for polluting the precious wildlife habitat.

U.S. Sugar Corp., one of the largest privately held U.S. agriculture firms, will abandon its Florida sugar plantations and go out of business in six years, handing over about 187,000 acres of farmland to the state's efforts to restore the Everglades, company and state officials said.

The purchase, lauded by environmentalists as the "missing link" in the restoration project, will be paid for with \$50 million cash and \$1.7 billion in certificates of participation, similar to bonds, that will be sold in public debt markets, the South Florida Water Management District said.

The land deal would revive an effort to turn sugar cane fields back into marshes and waterways that would help cleanse polluted Everglades water and carry it from Lake Okeechobee to the southern reaches of the Everglades and Florida Bay.

Environmentalists, who have criticized the sugar industry for decades for dumping fertilizer-tainted water into Florida's famous "River of Grass," raved about the deal.

"It's spectacular. I don't think any of us could have fathomed it," said Kirk Fordham of the Everglades Foundation. "We really are entering a new chapter in the history of the Everglades."

The deal, which calls for Florida to buy U.S. Sugar Corp., including the land, its sugar mill and refinery and its citrus orchards and processing plant, exists only as a signed statement of principles now. State and company officials gave themselves 75 days to wrap up the details.

Florida Gov. Charlie Crist, a Republican sometimes mentioned as a possible running mate for presidential hopeful John McCain, announced the plan at a news conference on the edge of the Loxahatchee National Wildlife Refuge, with sugar cane fields and Everglades marshes in sight.

"It is as monumental as the creation of our nation's first national park, Yellowstone," Crist said. "This represents, if we're successful and I believe we will be, the largest conservation purchase in the history of the state of Florida."

The Everglades wetlands is a shallow, slow-moving river as little as 6 inches deep and a vast sawgrass prairie with marshes, pine forests and mangrove islands.

It is the largest subtropical wilderness in the United States, and is home to rare and endangered species like the American crocodile and the Florida panther.

More than 35 percent of the original wetlands have been taken over by development or agriculture and the remainder has been starved of water because of the irrigation needs of sugar plantations, vegetable farms and citrus fields. Runoff from farms has also severely polluted the wetlands.

The U.S. federal government and the state of Florida have had a \$7.8 billion plan in place since 2000 to try to restore and protect the Everglades, but progress has been slow.

Mary Barley, a longtime campaigner for Everglades restoration, said the importance of the U.S. Sugar land to the effort could not be overstated.

"If Lake Okeechobee is the heart, this piece of land is all the veins and arteries that are going out to all of the estuaries and water supply in south Florida," she said. "Without this component, it was never going to work."

The South Florida Water Management District said the deal would be paid from tax revenue.

"We are not increasing our tax rate to do this," district executive director Carol Wehle said. "We are making this work within our existing ad valorem and budget structure."

The deal will put a company that has farmed the Everglades for nearly 80 years and produces 700,000 tons of cane sugar a year out of business and its 1,800 employees out of jobs. "Our business will be done in six years," chief executive Robert Buker said.

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## Land Deal Would Help Restore Everglades

06/24/2008

npr.org

Allen, Greg

[Return to  
Top](#)

U.S. Sugar, the nation's largest producer of cane sugar, announced Tuesday it will go out of business and sell about 300 square miles of Florida land to the state government. The decision is being called a major step to help restore the Everglades.

Fla. strikes \$1.7B deal with Big Sugar

from The Associated Press

In one of the biggest conservation deals in U.S. history, the nation's largest producer of cane sugar reached a tentative agreement Tuesday to get out of the business and sell its nearly 300 square miles in the Everglades to the state of Florida for \$1.75 billion.

The deal with U.S. Sugar Corp. results from a convergence of interests: The state is trying to restore the Everglades and clean up pollution caused by Big Sugar and other growers, while the American sugar industry is being squeezed by low-price imports.

Republican Gov. Charlie Crist declared the agreement 'as monumental as the creation of our nation's first national park, Yellowstone.'

Under the deal, the state would buy U.S. Sugar's holdings in the Everglades south of Lake Okeechobee, including its cane fields, mill and railroad line. U. S. Sugar would be allowed to farm the 187,000 acres for six more years, after which it would go out of business.

The state would then protect the land from development, which has been encroaching on the Everglades for decades.

State officials would also build a network of reservoirs and marshes to filter water flowing into the Everglades and help restore the River of Grass to a cleaner, more natural state. For generations, farming and development have blocked the natural flow of water and allowed fertilizers and other pollutants to spill into the wetlands.

Negotiations are still going on, and officials hope to sign a final agreement by September.

David Guest, a lawyer with the environmental group Earthjustice and a longtime foe of U.S. Sugar, gloated over the announcement. 'In the old days, you didn't just beat your opponent, you also ate them,' he said. 'Today, we're eating U.S. Sugar.'

The deal would not end sugar production in the Everglades. Some 300,000 acres of land, or close to 500 square miles, used by other companies would remain in production.

'But it makes it a lot more manageable,' said Ken Ammon, deputy executive director of the South Florida Water Management District, the state agency overseeing restoration efforts. 'It totally changes the face of Everglades restoration. No one ever thought that a whole corporation like U.S. Sugar would up and potentially leave the Everglades.'

Ammon said that considering the land and the other equipment on the property, the sale price 'looks like a tremendous deal' for the state.

U.S. Sugar chief executive Robert Buker called the deal 'monumental' but said he was saddened to see the demise of his company. Its 1,700 employees, including those who work in the mill and operate the cane-cutting machinery, will lose their jobs, though the state is offering them retraining.

'We built a company that right now is the pillar of the agriculture community in Florida,' Buker said. 'Because of that, I stand here today with mixed feelings. ... On the other hand, I'm excited about what we're doing here today.'

The entire American sugar industry has struggled with stiff competition from imported sugar.

At least 33 mills have closed nationwide in the past decade as producers try to remain competitive in a market flush with sugar from the likes of Brazil and Thailand, which have lower labor costs than U.S. producers, and, unlike the United States, subsidize their sugar growers, said Phillip Hayes of the American Sugar Alliance.

'Sugar producers are receiving less for their product now than they did when Jimmy Carter sat in the Oval Office,' he said.

Last year, U.S. Sugar which grows and refines sugar and sells it wholesale or packages it under private labels for about 60 customers, including Publix and Albertsons supermarkets shut down its other mill, blaming foreign competition.

In recent years, U.S. Sugar has also had to bear the higher costs of cleaning up its water before it enters the Everglades.

The company's vice president, Robert Coker, said U.S. Sugar began talks with the governor last year 'to make sure our business for the long-term was sustainable.'

'Out of those discussions with the governor, he put on the table that maybe we should just buy U.S. Sugar out,' Coker said. 'After we caught our breath and picked ourselves up off the floor ... we all decided that this was a good deal for the people of Florida, for the Everglades and the environment, and a good deal for our employees and our shareholders.'

The Everglades restoration effort is the largest of its kind in the world. It is aimed at undoing or rerouting decades of flood-control projects that were built to make way for houses and farms.

A key component was approved by Congress in 2000. The project was originally estimated to cost \$7.8 billion and take 30 years. The price tag has since ballooned by billions because of rising construction and real estate costs, and it is unknown how long it will take. The state and federal governments are supposed to share the costs 50-50.

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## **IN 'HUGE' EVERGLADES WIN, STATE TO BUY U.S. SUGAR**

06/25/2008

Tampa Tribune - Tallahassee Bureau  
White, Nicola

By NICOLA M. WHITE-Tampa Tribune

TAMPA - Environmentalists for decades have demonized the sugar industry, accusing it of simultaneously polluting and robbing precious water from the Everglades.

On Tuesday, they found themselves contemplating the previously unthinkable: the end of U.S. Sugar and the beginning of a plan that would finally restore the historic water flow into and out of the fragile swamp.

It happened when Gov. Charlie Crist announced a momentous deal between the state and U.S. Sugar Corp. for the purchase of 300 square miles of company land. The \$1.75 billion purchase would be the state's most ambitious effort ever to heal the Everglades, Florida's expansive, storied marshland and home to endangered and protected species such as the Florida panther and American crocodile.

Some environmental activists could barely believe the news.

"It's truly a breathtaking announcement today of great significance and priceless value," said Kirk Fordham, chief executive officer of the Everglades Foundation. "Frankly, most of us couldn't fathom this happening today."

Crist wasn't shy in highlighting the significance of the deal, calling it "as monumental as the creation of the nation's first national park," Yellowstone, in 1872.

The arrangement calls for the South Florida Water Management District to buy U.S. Sugar and its holdings and turn 187,000 acres over to state control to rework water patterns, clean polluted water and sustain wetlands during droughts. The details of the deal will be worked out over the next 75 days.

If the deal goes through, U.S. Sugar, the largest producer of sugar in the country, would shut down over the next six years, closing the books on 70 years of history. It's a move its president described as bittersweet.

"I am sobered and a little saddened by the prospect of the transition that lies before us," said U.S. Sugar President and CEO Robert Buker. "On the other hand, I am excited by what we are doing today and by what it means for the future of Florida and its environment."

Environmentalists were even more excited.

[Return to  
Top](#)

"In the old days, you didn't just beat your opponent, you also ate them," said David Guest, an attorney with Earth Justice. "Today, we're eating U.S. Sugar."

### Massive Undertaking

Altogether, the company's land holdings, which are scattered across Hendry, Glades and Palm Beach counties, make up an area three times the size of Orlando.

Acquiring that much land would be a huge boost in efforts to restore the Everglades, which have been hurt by decades of flood-control and drainage projects that paved the way for development in South Florida but destroyed thousands of miles of wetlands and marsh in the process.

"This is the most stunning development in the history of Everglades restoration," Guest said.

Past restoration efforts have had to tap dance around working sugar and citrus farms, many of which have not only operated in the area for decades, but have also wielded tremendous political clout in Tallahassee.

"Up until today, the sugar industry has been a vigorous opponent of seeing any land going from sugar uses into water management or conservation," said Charles Lee, director of advocacy for Audubon of Florida. "So the level of this breakthrough is huge."

Once a massive, 4,000-square-mile "River of Grass" ecosystem that stretched from Lake Kissimmee to Florida Bay, the Everglades was home to 2 million wading birds and pristine Old Florida landscape.

Through the years, eager lawmakers and developers saw it as a giant swamp that needed to be drained. The Everglades fell victim to an onslaught of development and toxic agricultural runoff, eventually getting reduced to half its original size. Today, only 10 percent of those 2 million wading birds exist.

The patchwork of drainage projects meant that much of the rainwater and water from Lake Okeechobee was not allowed to meander over miles of swamp before reaching Florida Bay, being filtered and purified along the way. Instead, the water was polluted by agricultural runoff and flushed into canals that eventually dumped into the Gulf of Mexico and Atlantic Ocean.

Recognizing the importance of the area, in 2000 Congress approved the federal Comprehensive Everglades Restoration Plan, a project that was supposed to be a joint effort with the state. The federal government, however, hasn't always given its fair share, critics say, a problem that has slowed significant restoration efforts.

If the state goes through with its purchase of U.S. Sugar, the timetable to fully restore the Everglades could be dramatically sped up and, environmentalists hope, be done so much more cheaply than originally anticipated. Some of the land might eventually house huge reservoirs to allow pollutants to be naturally filtered from the water.

"The challenges are still huge," Lee said. "The difference is this land transaction makes challenges become much more manageable."

The land purchase will be funded primarily through the South Florida Water Management District. State funds reserved for conservation could also be used for the project.

Officials: Tax Rate Increase Not Needed

The water management district is a special taxing district that levies \$1 for every \$1,000 of assessed property value across its 16 counties; it collects about \$522 million annually for operations and restoration projects.

Paul Dumars, chief financial officer for the district, said it will have the ability to cover the entire \$1.75 billion estimated cost of the project, with \$1.7 billion coming from bonds and the remaining \$50 million from cash reserves. Borrowing the \$1.7 billion, Dumars said, would cost the district \$117 million annually but would not require a tax rate increase.

The \$117 million would have otherwise supported other conservation efforts, he said.

If necessary, the state could contribute to the deal using existing funds set aside for the conservation, said state Sen. Burt Saunders, head of the Senate Environmental Preservation and Conservation Committee.

Florida lawmakers appropriated \$300 million in bonding for the Florida Forever land conservation program this spring and \$50 million for Everglades restoration. Both programs could be tapped to complete the land acquisition without additional legislative action, said Saunders, a Republican from Naples.

Sen. Mike Fasano, R-New Port Richey, who is supportive of the project, expressed concern about the water district taking on such debt - to be paid back with taxpayers' money - without first presenting its case to taxpayers or soliciting their input.

"I am just a big believer that when you have an appointed body spending money or issuing bonds, they should be open about it, hold hearings on it," Fasano said.

Dumars said the type of revenue bonding that the water management district is using does not legally require a public hearing and is preferable because it yields more cash upfront for the project, to get it done sooner. He noted that the project will not require a tax increase, saying, "the taxpayers are going to pay that millage rate anyway."

#### Sugar's Demise

The deal was hailed as a coup for those who have battled for years to restore the Everglades to its natural state, but observers in the sugar industry were shocked at what the announcement could imply for the sugar economy. The deal had been worked out behind closed doors over the past several months.

U.S. Sugar employs 1,700 people and has helped build small cities near Lake Okeechobee, such as Clewiston, "America's Sweetest Town."

"Our first thought was this was going to be devastating on our rural communities dependent on the sugar economy," said Barbara Miedman, spokeswoman for Florida's Sugar Cane Growers Cooperative. "We are just having a real hard time even grappling with that fact."

U.S. Sugar officials have said that they would offer severance to their workers. State officials also say that jobs in construction and tourism will emerge out of the restoration efforts.

Other sugar producers also are concerned about what it means for their business. Some farmers are concerned that they will feel pressured by the state to sell out, said Miedman, whose group represents 50 small- to midsized sugar farmers.

"It's something that sounds good in theory," she said of the restoration efforts. "But what are we going to do with this tiger now that we caught it?"

Information from The Associated Press was used in this report. Catherine Dolinski also contributed. Nicola M. White can be reached at nwhite1@tampatrib.com or (813) 259-7616.

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## **U.S. Sugar sale called turning point in Glades cleanup**

06/24/2008

Miami Herald

Morgan, Curtis

[Return to  
Top](#)

Curtis Morgan-Miami Herald

The state of Florida and the nation's biggest sugar grower Tuesday unveiled the details of what would become the largest environmental acquisition in state history, a \$1.7 billion buyout of 187,000 acres of farmland that Gov. Charlie Crist called the "missing link" in the stalled effort to restore the Everglades.

"I can envision no better gift to the Everglades, or the people of Florida, than to place in public ownership this missing link that represents the key to true restoration," the governor said during a ceremony at a treatment marsh in the Everglades.

Under the proposal, expected to take 75 days to finalize, U.S. Sugar Corp. would sell some 300 square miles along with two massive refineries, 200 miles of railroad and other assets to the South Florida Water Management District.

The company would then continue farming for six years under a lease with the state before ending operations. The district hopes to swap some of the company's holdings with those of other sugar growers, opening a massive swath south of Lake Okeechobee to construct reservoirs and pollution cleanup marshes that would resolve two of the restoration effort's biggest problems -- the water is still too polluted and there isn't enough of it to restore the natural flow of the River of Grass.

Bob Buker, president of U.S. Sugar, said he was saddened at the thought of a deal that would effectively end his company's long history of farming in the Everglades, but also heartened that it could resolve some of the state's most serious environment issues.

"This is a watershed event in national conservation history and a paradigm shift for the Everglades and the environment in Florida," Buker said.

Environmentalists hailed the proposal as a landmark. Sugar companies and environmental groups have been locked in disputes for decades.

"This has been the holy grail," said Mark Kraus, senior vice president of the Everglades Foundation. "I really wouldn't have believed I would see this in my lifetime."

To pay for the deal, the district intends to redirect money intended for other Everglades construction projects. District leaders have not yet sorted through details of how that reshuffle would occur.

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## Deal too good for U.S. Sugar

06/25/2008

Miami Herald - Online

JANE BUSSEY AND SCOTT HIAASEN

[Return to  
Top](#)

JANE BUSSEY AND SCOTT HIAASEN-Miami Herald

For U.S. Sugar Corp., the deal with the state of Florida to relinquish an 80-year-old business and give up the world's largest sugar mill was too sweet to rebuff.

When the sale of U.S. Sugar's holdings to the South Florida Water Management District closes in November, the sugar and citrus company will pocket \$1.75 billion to pay down debt and other obligations and to pay out about \$700 million to shareholders.

But equally important, the company will also be able to operate on a rent-free basis for an estimated six years.

As part of an Everglades restoration plan, the Clewiston-headquartered company will sell 187,000 acres of land to the water management district.

Included in the sale are: a newly completed sugar mill, the largest in the world; the company's Southern Gardens Citrus Processing Plant, the largest bulk citrus processor in the United States; and railroads and other buildings.

Property taxes will go away also.

When the sale is complete, the land will be off the tax rolls. Then the Water Management District will begin making payments to the counties with the most significant tax impact, to ease the loss of tax revenue, said Randy Smith, a district spokesman. If the price was right, the time was right, too.

Sugar prices have been recovering in recent weeks. A new five-year farm bill promises to stabilize sugar prices by setting aside any surplus sugar imports for ethanol programs.

"Right now, the outlook for the industry is more upbeat than it has been for a number of years," said Jack Roney, director of economics and policy analysis for the American Sugar Alliance in Arlington, Va. Sugar is not the only concern for a company long known as Big Sugar.

Citrus prices have slumped in an industry fearful that Brazilian imports can crush state producers.

"The decision here was based upon the right circumstances at the right time," said Robert Coker, a senior vice president at U.S. Sugar. "This was not driven by economic or environmental concerns."

The closely held U.S. Sugar does not release financial information.

The company is controlled by foundations and the descendants of the founder, Charles Stewart Mott, who made a fortune in the auto industry and purchased the sugar grower in the 1920s.

About 35 percent of the shares are owned by current and former employees under the U.S. Sugar Employee Stock Ownership Plan.

Coker said there were some two million shares and under terms of the sale, shareholders will receive \$350 per share.

U.S. Sugar has a \$700 million mortgage with Farm Credit of Southwest Florida, secured by its land.

Former employee shareholders filed a class-action lawsuit earlier this year, alleging that the board of directors rejected a purchase offer that would have paid them \$293 per share at a time when former employees were cashing out at around \$200 a share.

At the time of the lawsuit, U.S. Sugar Chief Executive Robert H. Buker Jr. called the \$293-per-share offer, which amounted to \$575 million, as ridiculously low. The company was worth \$2.5 billion he said, apparently taking into account company debt.

The lawsuit also alleges that the controlling shareholders had been eager to sell the company for some time.

Buker said that the U.S. Sugar had not been seeking to sell until Gov. Charlie Crist floated the idea in a meeting with some U.S. Sugar executives seven months ago.

The state's other large sugar producer, Florida Crystals, was not in discussions with the state authorities.

"We are sugar farmers, we want to continue to be sugar farmers," said Gaston Cantens, a company spokesman for Florida Crystals.

But if the sale makes sense for U.S. Sugar, many people in Clewiston were reeling. More than half of the economy of the town depends on the company.

"I read the story in disbelief," said Miller Couse, the chairman and chief executive of First Bank in Clewiston.

"The bottom line is this is a company town," Couse said. "If that company goes out of business, it has a drastic effect on our economy."

The mayor of Clewiston, Mali Chamness, said she was eager to sit down with the company and officials to work out a future economic plan to give the town new life.

Chamness said she supported the goal of restoring the Everglades, but added: "I just don't want our community sacrificed for the restoration."

Herald staff writer Curtis Morgan contributed to this story. The sweet part of the deal for U.S. Sugar Corp. to sell its holdings rests with the price and the ability to maintain its operations for six years essentially rent free.

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## 2 sides cheer sugar buyout

06/25/2008

Miami Herald

Morgan, Curtis

[Return to  
Top](#)

By CURTIS MORGAN and SCOTT HIAASEN-Miami Herald

Two sides that rarely agree on anything on Tuesday celebrated a "monumental" but still tentative \$1.7 billion buyout that would put the nation's largest sugar grower out of business in six years but fill a gaping hole in Florida's long-stalled Everglades restoration.

The deal, expected to be finalized by Nov. 30, is good for the environment - the nearly 300 square miles of sugar land is "the holy grail," one Everglades advocate said. And it's good for U.S. Sugar Corp., which will get \$1.7 billion and six years of rent-free operations with the state as its landlord.

In return, Florida gets a chance to reinvigorate the stalled restoration of the Everglades, end years of bickering over pollution by "Big Sugar" and - years from now - get more much-needed clean water flowing into the River of Grass.

"I can envision no better gift to the Everglades, or the people of Florida, than to place in public ownership this missing link that represents the key to true restoration," said Gov. Charlie Crist Tuesday, likening the announcement to the creation of America's first national park, Yellowstone.

The buyout deal has been in secret negotiations for months.

'Watershed event'

U.S. Sugar President Robert Buker said he was "saddened" at the thought of ending the company's 80-year history of farming in the Everglades but also heartened that the deal could help resolve some of state's longest, and most contentious, environmental conflicts.

"This is a watershed event in national conservation history and a paradigm shift for the Everglades and the environment in Florida," he said.

Environmentalists were thrilled - even though they acknowledge it puts much of the Everglades restoration plan in limbo and may kill some projects altogether.

"This has been the holy grail," said Mark Kraus, senior vice president of the Everglades Foundation. "I really wouldn't have believed I'd see this in my lifetime."

That "missing link" Crist referred to was glaringly omitted from the original 2000 state-federal plan to restore the Everglades. Any connection between Lake Okeechobee and the remnant marshes of the Everglades had long been severed by sugar fields in a sprawling 400,000-acre Everglades Agricultural Area.

Under the proposal, U.S. Sugar would sell its 187,000 acres of sugar fields to the South Florida Water Management District but continue farming for another six years, or possibly more if both sides agree, before shutting down.

The purchase also covers 200 miles of railroad, two refineries and literally all company assets, said Buker. "It includes the half-eaten pastrami sandwich in the refrigerator."

Scrubbing pollutants

The district, which oversees Everglades restoration for the state, then hopes to swap tracts with other growers to create a massive swath south of Lake Okeechobee that wouldn't necessarily recreate a natural "flow way" to

marshes but could target restoration's two biggest problems: There isn't water to revive the parched River of Grass and what there is remains too polluted.

No one has drawn up specific plans yet but a likely scenario involves massively expanding reservoirs and the 44,000 acres of treatment marshes that the state is building, at a cost of more than \$1.2 billion. The marshes scrub farm runoff to the pristine water quality level needed to protect the sensitive Everglades system.

Tom Olliff, the district's assistant executive director, and Michael Sole, the secretary of the Florida Department of Environmental Protection, agreed the deal would dramatically change the blueprint of Everglades restoration, a \$10.8 billion plan that Congress approved in 2000 but has not fully funded.

"There will be some projects you don't need to do," Olliff said.

Sole said the deal will also would have the added benefit of easing pressure to pump polluted water out of Lake Okeechobee to protect its deteriorating dike, discharges that have choked estuaries on both coasts in the Caloosahatchee and the St. Lucie rivers with repeated, damaging algae blooms.

"I think we may rethink the storage and the flow of water," Sole said.

Environmental groups hope state leaders can now cancel plans for 300 expensive underground storage wells, a key component of the current plan which they have long complained is an unproven concept that could contaminate drinking water sources.

District officials said they arrived at the price of \$1.75 billion based on nearby farmland values, a value Buker said worked out to about \$9,400 an acre. Ruth Clements, who heads the district's land acquisition office, said the state will require three independent appraisals confirming the price.

U.S. Sugar officials said the state had tried to buy parcels of its land in the past but had never before bid for the entire company. Judy Sanchez, a company spokeswoman, said the state's offer came "basically out of the blue," but Buker credited Crist for pushing a proposal negotiated by a handful of people on the governor's staff and at the water district.

Still, despite lingering questions, environmentalists were celebrating what many called a landmark deal with a longtime enemy.

"There are a lot of moving parts to this and the devil is in the details," said John Adornato of the National Parks Conservation Association, but "this is like 2000 again with everybody holding hands."

Stuart Applebaum, deputy of restoration program management for the U.S. Army Corps of

Engineers, which is co-managing the restoration with the district, called the potential purchase "very exciting" but agreed it will likely demand revisions in the overall restoration plan.

"It gives us a lot of more possibilities we didn't have before," he said.

But the buyout also comes with some potential large tradeoffs for the restoration effort. Revising the plan and waiting six years to take ownership will almost certainly delay restoration projects that are already running years behind. And the financing scheme may put much of the state-funded work on the ground to improve the Glades on hold indefinitely.

The district proposes to shift money from ongoing projects to bankroll the land buy, and borrow an additional \$500 million that would be repaid from the agency's routine tax collections.

Eric Draper, policy director for Audubon of Florida, praised the deal but also expects the land buy to become the state's signature Glades project for the next decade.

"It will suck up all the money and all the engineering attention," he said.

But others hope the deal will coax a reluctant Congress to free up promised federal money for the restoration. The federal government had pledged to split the restoration costs with Florida, but so far state taxpayers have borne the brunt of the bill.

The deal allows for the possibility of selling some of U.S. Sugar's assets to remaining growers - most notably a state-of-the art complex to process sugar and citrus that the company spent \$100 million to open just four years ago.

'Out of the blue'

District officials said they arrived at the price of \$1.75 billion based on nearby farmland values, a value Buker said worked out to about \$9,400 an acre. Ruth Clements, who heads the district's land acquisition office, said the state will require three independent appraisals confirming the price.

U.S. Sugar officials said the state had tried to buy parcels of its land in the past but had never before bid for the entire company. Judy Sanchez, a company spokeswoman, said the state's offer came "basically out of the blue," but Buker credited Crist for pushing a proposal negotiated by a handful of people on the governor's staff and at the water district.

Still, despite lingering questions, environmentalists were celebrating what many called a landmark deal with a longtime enemy.

"There are a lot of moving part to this and the devil is in the details," said John Adornato of the National Parks Conservation Association, but "this is like 2000 again with everybody holding hands."

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## **Big deal, not done deal**

06/25/2008

Sarasota Herald-Tribune - Charlotte Bureau  
Spinner, Kate

[Return to  
Top](#)

By Kate Spinner Sarasot Herald-Tribune

LOXAHATCHEE NATIONAL WILDLIFE REFUGE — Gov. Charlie Crist used a sweeping, sweltering Everglades backdrop and equally grandiose language Tuesday to emphasize the significance of a planned \$1.75 billion acquisition of U.S. Sugar land to the future of the treasured River of Grass.

A sour mood swept through "America's Sweetest Town," a community where sugar is king and generations of residents have depended on the U.S. Sugar Corp. for everything from Thanksgiving turkeys to their children's education.

In six years, U.S. Sugar likely will cease to exist, and with it goes the bulk of sugar production and 1,700 jobs in this community of 7,000.

No more reason for the iced tea at the Dixie Fried Chicken restaurant to be so sweet.

No more reason to hand out sugar cookies to new guests at the Clewiston Inn, or for names such as Sugar Realty, the Sugarland Masonic Lodge or the Chamber of Commerce's Sugar Express bus tour.

Everything that Henry Whitney helped build during 40 years of engineering work in the cane fields could be turned back into sawgrass swamp, the result of an audacious plan announced by Gov. Charlie Crist on Tuesday to restore the Everglades to its natural flow by purchasing 300 square miles of U.S. Sugar land and letting it return to nature.

"It's funny how things come full circle," said Whitney, 67, a surveyor and U. S. Sugar retiree who lives down the street from the sugar mill in Clewiston.

U.S. Sugar is the largest sugar company in the United States. In Clewiston, the company is 100 percent of the town's identity as the only major employer and land owner.

It is the money behind the Sugar Festival, featuring country bands and "old-fashioned cane grinding."

It is the donations in churches, the land for schools, the "glue that held everything together" said Butch Wilson, director of the town's museum.

"They touched every aspect of the community," said Wilson, a 32-year employee of the company.

U.S. Sugar practically founded Clewiston, which was officially incorporated in 1931, the same year Michigan automotive pioneer and industrialist Charles Stewart Mott purchased the bankrupt Southern Sugar Co. and turned it into an agricultural powerhouse.

Clewiston is the largest of five farming towns that ring the southern shore of Lake Okeechobee like beads on a necklace. The others are Moore Haven, South Bay, Pahokee and Belle Glade.

"As United States Sugar prospered, so did Clewiston," reads an exhibit in the Clewiston History Museum.

In recent years, though, the company has struggled to keep pace with foreign competition, laying off hundreds of workers and closing one sugar mill while spending \$100 million to expand and automate the mill in Clewiston, where the company is headquartered.

Dixie Fried Chicken owner Anita Griffin has watched her business drop since the layoffs began in 2000. She worries that the latest announcement could

kill the 30-year-old restaurant, and hopes the state will sell the renovated mill to someone who will keep it operating.

"The town revolves around that company and so does my business," Griffin said as her customers dined on the house specialty, chicken and dumplings.

U.S. Sugar will take care of its employees, said company President and CEO Bob Buker.

If the \$1.75 billion land sale to the state goes through, the company will have six years to farm before closing shop.

After that, hourly employees will receive a year's worth of wages as severance; salaried employees will get two years. Their stock -- the company is 30 percent employee owned -- will be worth \$350 a share, nearly \$75 more than a recent buyout attempt.

"That's about as much as you get in life for anything," Buker said.

But Whitney wonders what will happen to retirees' health insurance benefits, which he needs to pay for skin cancer treatments after four decades of working in the sun.

Having survived encounters with snakes and alligators, and nearly drowned in neck-deep water surveying drainage ditches and railroad tracks, Whitney worries that the cancer, which covers his whole body, will eat him alive without treatments every three months.

Meanwhile, business owners and city leaders worry about the ripple effect on other businesses, and on schools and government services from the lost tax dollars.

Stopping for lunch Tuesday, Hendry County School Board member Richard Murphy said the impact on Clewiston will be far and wide.

"The environmentalists kept pushing and now this town is really in trouble," said Murphy, 56, who was born in Clewiston and has six siblings that worked for U.S. Sugar. "Frankly, I'd rather see U.S. Sugar sell to developers so we could have some economic growth."

At the 70-year-old First Baptist Church, where Buker is a member, the Rev. Brian Hamrick was rewriting his Sunday sermon Tuesday to ask his flock for patience.

"This is weighing pretty heavy on our people," he said.

Hamrick believes that when God closes a door he opens a window and hopes people will focus on the positive.

Sugar workers might get jobs in the Everglades restoration project, and restoring the ecosystem could lead to more tourism jobs for locals as fishing guides or fan boat operators.

At Roland Martin's Marine Center near Lake Okeechobee on Francisco Street, engine mechanic Tom Barnicle said "fishermen don't have any love lost for U. S. Sugar," which has been accused of poisoning Lake Okeechobee with fertilizer runoff.

"In the summer the lake glows in the dark," Barnicle said.

"The company was scaling back anyway," he added. "I'd rather save the lake than the company."

But the deal that thrilled environmentalists because it would give the state

187,000 acres of sugarcane land is far from done.

It will not be final for more than five months and still needs approval from the board members who control U.S. Sugar and govern the South Florida Water Management District. U.S. Sugar will farm the land for six more years.

And once Crist succeeds in getting state control of the land, more work remains to create the crucial "missing link" he described between the remaining Everglades and its lifeblood -- Lake Okeechobee. To reconnect them, the state must trade thousands of U.S. Sugar acres for land it really wants.

"It's kind of scary because it's like he's got the great big fish and we have to help him land it," said Paul Gray, a science expert for Audubon of Florida.

"This is Everglades restoration and a whole lot more and it is going to be worth the price in the long run," said Gray, a critic of past restoration plans because they did not include enough land for water storage. "It's not a little Band-Aid approach."

Crist evoked Presidents Truman and Roosevelt to underscore the idea that historic Everglades land farmed for decades could again become part of the rare ecosystem.

"I can envision no better gift to the Everglades, or the people of Florida, or to our country than to place in public ownership this missing link that represents the key to true restoration," he said.

Shannon Estenoz, vice chairwoman of the water management district and a staunch environmentalist, added, "Today, we offer the Everglades restoration opportunities once thought impossible, environmental progress once considered unachievable and protections just a decade ago believed unattainable," she said.

Crist, the district and U.S. Sugar signed a two-page "statement of principles" for the land acquisition, with a final contract to be negotiated within 75 days and closing set for November.

When settlers formed communities on the southern shore of Lake Okeechobee a century ago, they dug ditches to drain the land and built a berm around the lake to keep it from flooding.

The area and berm grew, severing the Everglades from its headwaters, which reach north of the Kissimmee River in Central Florida. The federal government expanded drainage systems beginning in 1948.

The state's inability to reconnect Lake Okeechobee with the remaining Everglades has impeded progress on salvaging the ecosystem since 2000, when Congress passed the Everglades Restoration Act.

The act triggered the creation of the Comprehensive Everglades Restoration Plan, or CERP, which was to be funded equally by the state of Florida and the federal government. But tens of thousands of acres of sugar-producing land south of the lake was omitted from the plan, which has an estimated price tag of more than \$11 billion.

Much of the cost was targeted for buying land for reservoirs and filter marshes to hold and clean water before it reached Everglades National Park. About \$3 million of that cost was tied into engineering underground wells.

But with U.S. Sugar's land, the state has plenty of reservoir land and may not need the underground wells. Money the state allocated for other restoration projects will fund the purchase of U.S. Sugar's holdings.

"There'll be a reformulation" of the plan, said water management district executive director Carol Wehle. "There's a lot of CERP components that will become obsolete."

Legislators from coastal regions want to make sure their areas' projects are not dropped. Reservoirs and water treatment marshes are planned along the Caloosahatchee and St. Lucie rivers to store and treat Lake Okeechobee water before it reaches the estuaries.

In the past, water managers have dumped water into the rivers because there was nowhere else for it to go. The water has caused algae blooms and killed fish. The new plan would eventually result in enough water storage south of the lake to avoid sending massive slugs of lake water to coastal estuaries.

But for the plan to work, the state will need another big sugar farmer's cooperation.

U.S. Sugar Corp. -- part of an industry with an estimated \$2 billion annual statewide economic impact -- owns only a part of the land needed to create a wide network of reservoirs and marshes that will slow the pace of water as it travels from the lake to the Everglades.

Florida Crystals owns large portions of the area that the state is eyeing as the missing link. The company is amenable to working with the state but would not say whether it would sell large portions of its land, said Gaston Cantens, vice president for corporate relations with Florida Crystals.

"We don't know enough of the details of what's happening to even comment on that," Cantens said.

He said the company plans to remain a presence in South Florida and is already diversifying from simply making sugar to creating energy.

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## **Crist, U.S. Sugar tentatively sign off on \$1.7 billion deal**

06/24/2008

Palm Beach Post - Online

JENNIFER SORENTTRUE and DIANNE SMITH

JENNIFER SORENTTRUE and DIANNE SMITH

By Gov. Charlie Crist and other state leaders signed off this morning on a \$1.75 billion deal that will give United States Sugar Corp. six years to end its operations while handing taxpayers control over 187,000 acres in the Everglades' historic headwaters.

Crist called the purchase 'as monumental as our nation's first national park' - Yellowstone, created by Theodore Roosevelt.

U.S. Sugar Chief Executive Officer Robert Buker said he was 'sobered and a little bit saddened' at the sale. But in a prepared statement, the company called the deal 'the right thing for the State of Florida' and said it 'should allow remaining Everglades Agricultural Area farmers and the Everglades to be sustainable.' Water managers and U.S. Sugar said they will negotiate for the next 75 days and hope to close on the deal by Nov. 30. But U.S. Sugar said it expects to keep operating for at least the next six years. 'We remain proud of our farming history in South Florida,' the company said. In a news

[Return to  
Top](#)

conference at a state-owned filter marsh west of the Arthur R. Marshall Loxahatchee National Wildlife Refuge near Wellington, Crist signed as a witness while Buker and Shannon Estenoz, vice chairwoman of the board of the South Florida Water Management District, put their signatures on a non-binding 'statement of principles' on the deal. The statement outlines the steps of how the state will acquire the property.

People knowledgeable about the 185,000-acre deal said Monday that the politically powerful sugar giant, the governor's office and the South Florida Water Management District have been negotiating for roughly seven months about that stretch of the Everglades' historic headwaters south of Lake Okeechobee.

Yet secrecy hung over the meat of the deal as late as this morning. Key legislative leaders, environmental activists and even some rival growers expressed surprise Monday about the news and said they knew few details.

The assumption is that U.S. Sugar, a 77-year-old company with about 1,700 employees, will go out of business in Florida, sources said. In late January, U.S. Sugar Chief Executive Robert Buker estimated the worth of the company's land and other assets, including its sugar mill and refinery, at more than \$2.5 billion.

Control of U.S. Sugar's land could allow the district to change the flow of the water, letting it move south from Lake Okeechobee to the Everglades as it did for thousands of years. For the past several decades, water managers' major outlets from the lake are the canals that dump excess lake water into the ocean through the St. Lucie and Caloosahatchee rivers.

Everglades activists say changing the flow would provide wildlife habitat, replenish parched farmland, protect coastal estuaries and put the 'river' back into the River of Grass.

Among the unanswered questions: How will the state and the water district, both strapped for cash, afford such a titanic purchase price? And will the water managers backtrack on their long-standing insistence that it would be impractical to recreate the natural flow between the lake and the Everglades?

Sources said Monday that the district will pay for the bulk of the purchase using money from property tax collections, but the breakdown of the state's and water district's shares has not been determined.

To create a route for water to flow from Lake Okeechobee to the Everglades, the district would likely have to swap some of the U.S. Sugar parcels for land held by other growers - perhaps Palm Beach's Fanjul family.

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## **Everglades activists U.S. Sugar deal means faster restoration**

06/24/2008

Palm Beach Post - Online

Sorentrue, Jennifer

[Return to  
Top](#)

A \$1.75 billion deal to give taxpayers control over 187,000 acres south of Lake Okeechobee would dramatically cut the cost and time it takes to restore the Everglades, environmentalists said this afternoon.

United States Sugar Corp. has tentatively signed off on a plan to end its operations in the next six years and give the South Florida Water Management District control of its land and other assets, including its sugar mill and rail lines.

The land can hold and cleanse as much as 325 billion gallons of water, which would be used to restore the Everglades and aid South Florida's water supply, according to the non-profit Everglades Foundation.

It will also reduce the amount of noxious Lake Okeechobee water that is dumped into the St. Lucie and Caloosahatchee rivers by 85 percent, and eliminate nearly all pumping of Glades farm runoff into the lake, the group said. 'We really consider this plan a once-in-a-generation opportunity,' said foundation Chief Executive Officer Kurt Fordham said in a telephone news conference. 'This is something the environmental community has been clamoring for for years.' Fordham estimated that the deal would shave billions from the \$10.9 billion Everglades restoration plan, whose price tag has been threatening to expand to \$15 billion or more. The land purchase would eliminate the need for the construction of hundreds of expensive, untested storage wells, one of the most costly parts of the restoration plan, the group said.

Water managers and U.S. Sugar said they will negotiate for the next 75 days and hope to close on the deal by Nov. 30. The water management district's governing board will meet next week to discuss the purchase.

Fordham said his group plans to keep a close eye on the negotiations, including land swaps that may be made with other property owners in the area. 'We want to see the fine print on how this deal will unfold,' he said. The environmental group said it is not pushing state leaders to buy out other major landholders in the area, including Florida Crystals. 'Our desire is not to go after the next target and put them out of business,' Fordham said.

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## **Purchase would deeply tap water district's finances**

06/24/2008

Palm Beach Post - Online

Sorentrue, Jennifer

[Return to  
Top](#)

WEST PALM BEACH Water managers will have to max out their financing power to buy 187,000 acres of sugar land south of the Everglades' historic headwaters.

Carol Wehle, executive director of the South Florida Water Management District, said the taxing authority will not raise its property tax rate next year to complete the \$1.75 billion purchase of U.S. Sugar Corp.'s land and assets. Instead, the district plans to issue certificates similar to bonds to help finance the deal. The annual debt payment on the certificates would be about \$117million for 30 years.

In addition, the district would delay several construction projects, using money earmarked for them for the land purchase, Wehle said. 'This is a once-in-a-lifetime opportunity,' she told The Palm Beach Post editorial board Tuesday. But when the sale is finalized and the certificates are issued, Wehle said, the district will be 'tapped in our ability to finance.' Once the land is purchased, the district would need federal money to help pay for construction projects needed to use the property for Everglades restoration.

To help pay down the certificates, water managers could sell off other U.S. Sugar assets and land not essential to the restoration, said Shannon Estenoz, vice chair of the district's governing board. Gov. Charlie Crist and other leaders want to use the land to help restore the natural flow of water from Lake Okeechobee to the Everglades. The land would provide a route to move and cleanse the water that flows southward from the lake.

Water managers plan to begin negotiating a formal sale agreement with U.S. Sugar next week. They cautioned that the deal is far from complete and pointed to major issues that could scuttle the sale. Among them:

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## Glades institution since '31 to close up shop

06/25/2008

Palm Beach Post - Online

Salisbury, Susan

[Return to  
Top](#)

CLEWISTON Accepting the South Florida Water Management District's \$1.75 billion buyout offer is the right thing to do for the state, for the environment and for U.S. Sugar Corp., the company's senior vice president said Tuesday. 'It wasn't economic-driven. It wasn't environment-driven,' said Robert Coker, who has worked at U.S. Sugar since 1982. 'It was an economic idea that we looked at, at this time and this place.' The deal announced Tuesday will allow U.S. Sugar, which has been operating in the Glades since 1931, to continue operating for the next six years. It plans to produce seven more sugar cane and citrus crops.

Then the water management district will take over the company's assets, from its 187,000 acres to its railroad, tractors, mill, refinery, warehouses, headquarters - right down to the 'half-eaten pastrami sandwich in the refrigerator,' Coker said. Company officials held small group meetings Tuesday to explain to employees how they will be affected. Salaried employees who remain with the company until the deal closes will receive two years of severance pay. Hourly workers will receive one year's pay. 'If we are going to grow, process and sell and market orange juice and sugar, we've got to have our workforce,' Coker said. All 1,700 employees will remain on the payroll during the transition, he said. Former and current employee shareholders own about 38 percent of the company's outstanding shares through an employee stock ownership plan, which for many is the

primary source of retirement benefits.

When the deal closes, employees' shares, based on how much stock they own, will be put in their retirement accounts and remain there until they choose to take it out, beginning when they turn 55. 'By most measurements, that would be considered a very generous compensation package,' Coker said. 'It is in our best interest. These are the folks who have made U.S. Sugar one of the most successful farming operations east of the Mississippi River.' Coker said he knows that for some residents in the city that dubs itself 'America's Sweetest Town,' the company's ultimate closure will cause concern and anxiety. 'When they have their arms around it, they will come to realize we do have six years of continuing to operate this business,' he said. 'We will operate it just like we have the last number of years.' The deal sprang from a suggestion by Gov. Charlie Crist in November, when U.S. Sugar met with Crist to discuss how the state's environmental concerns could be squared with the sugar company's need to run a sustainable business over the long haul. 'Out of that conversation, the governor just said, "Why don't we just buy you out?"' Coker said. Coker said he was taken aback at first. 'After I caught my breath and picked myself up off the ground, because that was not the expected outcome of that meeting,' he said. Several dozen more meetings and continued negotiations resulted in the buyout agreement. U.S. Sugar's board thought the \$1.75 billion was at the low end of the value of its assets, but sufficiently recognized their worth. 'The governor approached us and had this idea, and when the governor is very persuasive and when he has a serious proposal, you have to listen very closely,' said U.S. Sugar President Bob Buker, who said earlier this year the company's assets were worth about \$2.5 billion. 'So we took him up on it.' The Everglades deal comes at a time of decline for the U.S. sugar industry. The industry has lost more than a third of its mills and refineries since 1996, said Jack Roney, director of economics and policy analysis for the American Sugar Alliance in Arlington, Va. 'The declining real price of the product makes it hard for all American sugar producers to survive,' Roney said. Based on about 80 years of annual reports, Coker said the industry has faced tough issues - drought, hurricanes, unfavorable trade policies - and weathered them. What's important now is that the town is able to draw other business after U.S. Sugar closes up shop, he said. 'We need to make sure opportunity is here for people to make a capital investment,' Coker said. 'The government will not provide the jobs we need. We need the private sector to come in here.' But there were mixed reviews in Clewiston about the deal and the six-year transition plan.

City Manager Wendell Johnson said the transition period will help give the town time to attract more business and expand Clewiston Commerce Park, with 35 acres in its first phase, to 135 acres. 'The quality of life in Clewiston is remarkable,' Johnson said. But others are deeply concerned about their economic future. Ardis Hammock's family runs Frierson Farm in Glades County, which grows sugar cane on 650 acres that it sells to U.S. Sugar. Hammock's son Robert, 25, is working in the business and daughter Sarah, 24, will be working at a new bank opening in Moore Haven. 'What's it going to do to Glades County that is struggling already? You are talking about the tax base,' Hammock said. Luci Hester, 38, owner of the Clewiston Candle Shop, fears that the company's end could mean an end to the town. 'They're coming in, they're saying six years,' Hester said. 'That is not the lifetime that people have worked to have U.S. Sugar what it is today.' Hester, whose great-grandfather and grandfather were boiler operators for U.S. Sugar, said she worries that a huge flow way running nearby will be a threat to the town. 'There seems to be concern for the animals, the alligators and the birds. What about human beings?' she said. 'The birds and alligators don't need health insurance. They don't need jobs. 'If the South Florida Water Management District can't control the levels of (Lake Okeechobee), how are they going to control all the land that is going to be flooded with the water?

What if we have a hurricane? Then what?'

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## **U.S. Sugar deal would restore 'missing link' of Everglades**

06/24/2008

South Florida Sun-Sentinel - Online

Linda Kleindienst and Andy Reid

Linda Kleindienst and Andy Reid

Gov. Charlie Crist today announced a plan for the largest conservation land deal in Florida's history - the purchase of 187,000 acres of farmland that will be used to restore the Everglades.

Meeting at the edge of a water treatment area in western , the governor signed a 'statement of principals' to guide the final negotiations of a \$1.7 billion deal with U.S. Sugar.

The deal will transfer all of U.S. Sugar's property to the state over the course of at least 6 years.

The land will then be used to recreate what some call the 'missing link' between Lake Okeechobee and the Everglades, restoring historic water flows that modern farming had cut off. 'I can envision no better gift to the Everglades, or the people of Florida, or to our country than to place in public ownership this missing link that represents the key to true restoration,' said Crist, on crutches from a recent knee operation as he stood on the edge of a 6,670-acre man-made filter marsh near the Loxahatchee National Wildlife Area.

U.S. Sugar representatives said they had had no plans to sell out and close down their business until being approached by the governor's administration seven months ago. 'I stand here today with mixed feelings,' U.S. Sugar CEO Robert Buker said. 'I am excited about what we are doing today and what it means for the future.' Details of the deal must still be finalized.

The money to pay for the deal will come from property tax dollars bonded for Everglades restoration by the South Florida Water Management District. 'What a landmark moment,' said Shannon Estenoz, a district board member. 'It is the missing link needed to reestablish the historic connection between Lake Okeechobee and the Everglades.' The deal revives a push by environmentalists to turn sugar cane fields into a 'flow-way' that could carry water from Lake Okeechobee to the Everglades, a move U.S. Sugar had long opposed and state water management officials once called unfeasible. 'This is a major part of what was once the River of Grass,' said John Marshall, president of the environmental advocacy group Arthur R. Marshall Foundation. 'It is such a turnaround that everybody is just amazed.' Talks began about seven months ago after the state Department of Environmental Protection started cracking down on the company's Lake Okeechobee water use. 'The company approached the state and asked for the best way to handle the situation. The governor ultimately said, 'Why not get out of the business?'" said a source close to the negotiations.

The prospect of U.S. Sugar potentially shutting down would be devastating for South Florida's sugar industry, said Barbara Miedema of the Sugar Cane Growers Cooperative of Florida. 'We are very saddened if this is true,' Miedema said. 'We are just reeling.' Sugar cane covers about 400,000 of the 700,000 acres in the Everglades Agricultural Area, former Everglades land

[Return to  
Top](#)

south of Lake Okeechobee that was drained for farming.

U.S. Sugar accounts for about 40 percent of sugar production in the area, with Florida Crystals also producing about 40 percent and a collection of smaller growers accounting for 20 percent, Miedema said.

Moving U.S. Sugar out would do away with a large agricultural water user in the Everglades Agricultural Area and open the door to re-establishing more water flow to the south. 'It is a big step forward for Everglades restoration,' said Juanita Greene, conservation chairwoman for Friends of the Everglades. 'We can't have water storage and cleanup without buying more land in the EAA.' The plan for the U.S. Sugar land emerges with the state in the midst of a budget crunch, which included trimming Everglades restoration funding from \$200 million last year to \$50 million in the newly approved budget.

The deal helps explain why U.S. Sugar joined environmental groups in lobbying the Legislature this year to keep money for the Everglades in the budget, said Eric Draper, policy director for Audubon of Florida. 'It is amazing what happens when politically connected people change their minds about something,' Draper said. Staff Writers Peter Franceschina and Mark Hollis contributed to this report.

Andy Reid can be reached at [abreid@sun-sentinel.com](mailto:abreid@sun-sentinel.com) or 561-228-5504.

photos Review the history of the South Florida sugar cane industry in an interactive photo gallery at

[Sun-Sentinel.com/sugar](http://Sun-Sentinel.com/sugar)

Employees sue U.S. Sugar employees file suit saying they were shortchanged on retirement stock payouts. 3D

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## **FOR YEARS, ENVIRONMENTALISTS AND BIG SUGAR HAVE BEEN AT ODDS OVER LAND IN THE EVERGLADES.**

06/24/2008

NBC 6 News at 6 PM - WTVJ-TV

WTVJ-TV

FOR YEARS, ENVIRONMENTALISTS AND BIG SUGAR HAVE BEEN AT ODDS OVER LAND IN THE EVERGLADES. BUT TODAY IN AN HISTORIC TWELVE DEAL BETWEEN THE STATE AND THE UNITED STATES SUGAR COULD SWEETEN THINGS FOR THE FUTURE. MORE ON THIS BREAKING STORY. Reporter: THIS COULD BE A MAJOR BOOST TO THE EFFORTS TO FIX THE WATER FLOW HERE IN THE EVERGLADES. THE LAND WE'RE TALKING ABOUT THAT'S INVOLVED IN THIS POTENTIAL SALE IS UP NORTH NEAR LAKE OKEECHOBEE BUT THESE EFFORTS CAN HELP THE ENTIRE EVERGLADES. THIS LAND DEAL CALLS FOR THE UNITED STATES SUGAR CORPORATION TO SELL THOUSANDS OF ACRES TO THE STATE OF FLORIDA, AND AS WE SAID, THE LAND WOULD BE USED TO HELP RESTORE THE RIVER OF GRASS. IT HAS BEEN STYMIED FOR YEARS BECAUSE OF DEVELOPMENT AND AGRICULTURE IN THE EVERGLADES. THERE ARE COMPREHENSIVE PLANS IN PLACE TO REHAB THE THIS DEAL COULD BE A HUGE INFUSION AND SOME ADVOCATES OF THE EVERGLADES ARE CALLING THIS A GREAT DEAL. NO COMMENTS FROM THE PARTIES INVOLVED NOW, BUT WE WERE ABLE TO LEARN A COUPLE OF DETAILS ABOUT THIS POTENTIAL DEAL. IT INVOLVES ABOUT 187,000

[Return to Top](#)

ACRES OF LAND, THE PRICE TAG COULD START ABOUT \$1.7 A BILLION. AS WE SAID, THE IDEA IS TO RESTORE THE NATURAL FLOW TO THE BE ABLE TO KEEP FARMING THE LAND. THEY WOULD LEASE BACK THE LAND FOR INCREMENTS OF A COUPLE OF YEARS AT A TIME, LEASE BACK THE LAND FROM THE STATE OF FLORIDA. US SUGAR IS THE LARGEST PRODUCER OF SUGAR CANE IN THE UNITED STATES. AS WE SAID, PARTIES RIGHT NOW NOT TALKING ABOUT THIS DEAL, BUT FLORIDA GOVERNOR CHARLIE CRIST HAS SCHEDULED A NEWS CONFERENCE IN PALM BEACH COUNTY LATER TO TALK ABOUT THIS DEAL. LIVE, STEVE LITZ, "TODAY IN SOUTH FLORIDA.

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## **TO RESTORE THE EVERGLADES.**

06/24/2008

News 12 at 11 PM - WPEC-TV

News 12 at 11 PM - WPEC-TV

[Return to  
Top](#)

CLAUDIA (SOT)TODAY WE ARE ANNOUNCING, MONUMENTAL AS THE CREATION OF YELLOWSTONE. (VO)GOVERNOR CRIST, IN OUR AREA, ANNOUNCING THE LARGEST CONSERVATION PURCHASE, IN THE HISTORY OF THE STATE OF FLORIDA. CLAUDIA GOOD AFTERNOON, I'M CLAUDIA SHEA. EVERGLADES RESTORATION, TAKING A GIANT STEP FORWARD TODAY, WITH A "1.7 BILLION DOLLAR DEAL. " THE STATE OF FLORIDA, BUYING, NEARLY 300-SQUARE MILES OF FARM-LAND, FROM US SUGAR. TODAY'S NEWS CONFERENCE WRAPPED UP ABOUT 45 MINUTES AGO, CONFIRMING HUGE NEWS FOR THE AREA, THAT THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT WILL BUY OUT US SUGAR. PAVING THE WAY TO HELP RESTORE MUCH OF THE EVERGLADES. (VO)GOVERNOR CHARLIE CRIST WAS IN TOWN, NEAR BELLE GLADE TO ANNOUNCE THE DEAL. MADE HIS WAY TO THE PODIUM. CALLING THE DEAL A "CRITICAL MISSING LINK" IN THE STATE'S RESTORATION OF THE EVERGLADES. REPRESENTATIVES FROM US SUGAR CONFIRMED THE DEAL. IT WILL PROVIDE A LINK FROM LAKE OKEECHOBEE TO THE EVERGLADES, TO THE SOUTH. (SOT)IT'S PRICELESS BC WE'RE OFFERING THE EVERGLADES RESTORATION WE NEVER THOUGHT WAS POSSIBLE (VO)WE ASKED ABOUT WHAT THIS MEANS FOR THE FARMING COMMUNITIES OF THE GLADES. THE GOVERNOR SAYS THERE WILL BE A SIX YEAR TRANSITION BEFORE "U-S" SUGAR GOES OUT OF BUSINESS, HE EXPRESSED HOPE THAT THAT WILL HELP PREVENT AN ECONOMIC COLLAPSE OF THE FARMING-BASED COMMUNITIES OUT HERE. MEANTIME, CONSERVATIONISTS ARE HAILING THIS AS AN ACHIEVEMENT THAT WILL HELP ENSURE THE FUTURE OF THE EVERGLADES. NOT ONLY AS AN ECOLOGICAL GEM. BUT THAT WILL HELP PROVIDE CLEAN FRESH WATER. CLAUDIA CLAUDIA JUST TO RECAP, HERE ARE THE DETAILS OF TODAY'S ANNOUNCEMENT: CHYTHE STATE IS BUYING OUT, ALL US SUGAR PROPERTY AND ASSETS, REVEALFOR A PRICE OF 1-POINT-75 BILLION DOLLARS, BASICALLY BUYING OUT THE ENTIRE COMPANY. REVEALTHE TRANSITION WILL HAPPEN OVER A SIX-YEAR PERIOD, WITH US SUGAR CONTINUING FARMING OPERATIONS DURING THAT TIME. REVEALTHE PURPOSE IS TO USE THE LAND FOR EVERGLADES RESTORATION. REVEALTHE DECISION WILL AFFECT 17-HUNDRED PEOPLE WHO WORK FOR US SUGAR, REVEALAND WILL LIKELY HAVE A MAJOR FINANCIAL IMPACT ON THE COMMUNITIES OF CLEWISTON, BELLE GLADE AND PAHOKEE.

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## **GOVENOR CRUFT UNVEILING A PLAN TODAY TO SAVE THE EVERGLADES.**

06/24/2008

Channel 7 News at 10 PM - WSVN-TV

WSVN-TV

GOVENOR CRUFT UNVEILING A PLAN TODAY TO SAVE THE EVERGLADES. IT COME COZ AT A COST AS WELL. STATE WOULD BUY 300 QUIER MILES OF LAND FROM SUGAR CORPORATION TO HELP RESORT EVERGLADES. IT WOULD BE USED TO RESTORE A NATURAL FLOW OF THE WET LANDS THAT'S WHAT HAS BEEN ON HOLD FOR YEARS. THOUGH HOPE TO CLOSE THE \$1.57 MILLION DEAL BY SEPTEMBER. THIS REPRESENTS, IF WE'RE SUCCESSFUL, THE LARGEST CONSERVATION PURCHASE IN THE HISTORY OF THE STATE OF DAL CALL. FLORIDA. THE DEAL QUO LIEU THE COMPANY TO FARM THE LAND FOR ANOTHER SIX YEARS BEFORE SHUTTERING THE BIS THES NECESSARY THAT EMPLOYS 1700 PEOPLE. THE ENVIRONMENTALIST OPPOSE THE DEAL. THEY WORRY ABOUT THE STEEP JOB LOSSES AND THE EFFECT OF THEIR ECONOMY.

[Return to](#)  
[Top](#)

---

## **MILES OF LAND FOR EVERGLADES RESTORATION. IT WOULD**

06/24/2008

WPBF News 25 at 11 PM - WPBF-TV

WPBF News 25 at 11 PM - WPBF-TV

THE SUNSHINE STATE STRUCK ONE OF THE BIGGEST CONSERVATION DEALS IN HISTORY. THE STATE IS OFFERING US SUGAR THE LARGEST PRODUCER OF CANE SUGAR TO SELL NEARLY 300 SQUE MILES OF LAND FOR EVERGLADES RESTORATION. IT WOULD HELP RESTORE A NATURAL FLOW. GOVERNOR CHARLIE CRIST CALLED THE MOVE MONUMENTAL. THE OPPORTUNITY TO PROVIDE THE CRITICAL MISSING LINK. IT'S WATERSHED EVENT IN NATIONAL CONSERVATION HISTORY. A PARADIGM SHIFT FOR THE EVERGLADES. THE SALE SHOULD BE COMPLETED BY SEPTEMBER. SUGAR SHOCK HAD BARELY ENOUGH TIME TO SET IN FOR THE 1700 WORKERS MAY SOON BE OUT OF A JOB. THE TOWN CALLS ITSELF AMERICA'S SWEETEST AND BUILT AROUND THE SUGAR MILL FOR 75 YEARS. SUGAR OFFICIALS SAY THEY PLAN TO KEEP THE MILL OPEN FOR SIX YEARS. BEYOND THAT TOLD TO WORK WITH THE COMPENSATION PACKAGE. STILL SHUTTING THE BILL DOWN WILL BE DEVASTATING. WE'RE HOPING THAT WITH THE HELP FROM THE STATE OF FLORIDA AND ECONOMIC DEVELOPMENT WE'LL RELY HEAVILY ON THEM TO HELP THEM. THE MAYOR SAYS SHE PLANS TO HAVE MEETINGS WITH THE STATE AND WATER MANAGEMENT DISTRICT TO GET QUESTIONS ANSWERED AND PLAN FOR THE TOWN'S FUTURE.

[Return to](#)  
[Top](#)

---

## Booting US Sugar from the Everglades

06/24/2008

Time - Online

MICHAEL GRUNWALD

[Return to](#)

[Top](#)

MICHAEL GRUNWALD-TIME

Florida Governor Charlie Crist could be turning his constituents into sugar barons. And he's about to set the stage for the Everglades to come back from the dead.

At a news conference Tuesday morning near the imperiled 'River of Grass', Governor Crist announced a \$1.75 billion deal to buy the U.S. Sugar Corporation, including 187,000 acres of farmland that once sat in the northern Everglades. If the deal goes through, it will extinguish a powerful 77-year-old company with 1,700 employees and deep roots in South Florida's coal-black organic soil. It will also resurrect and reconfigure a moribund 8-year-old Everglades replumbing effort that is supposed to be the most ambitious ecosystem restoration project in the history of the planet. 'It's mind-blowing,' said Kirk Fordham, the executive director of the Everglades Foundation, before the announcement was made. 'Who would have thought we'd see this in our lifetimes?' The purchase would give the state control of nearly half the 400,000 acres of sugar fields in the Everglades Agricultural Area below Lake Okeechobee, although sources said U.S. Sugar would lease back its land for six years. Environmentalists hope that eventually, the area will become storage reservoirs, treatment marshes and perhaps even a flowway reconnecting the lake to the Glades. This could help recreate the original north-to-south movement of the 'River of Grass', and eliminate damaging pulses of excess water into coastal estuaries. That would be good news for panthers and gators, dolphins and herons, ghost orchids and royal palms.

Crist has been mentioned as a possible running mate for Senator John McCain, and they both took a lot of flak in Florida last week when they dropped their opposition to offshore drilling. But Crist has been true to his pledge to be 'the Everglades governor,' replacing many of Jeb Bush's industry-friendly aides with eco-friendly appointees, blocking the Legislature's efforts to eliminate funding for restoration, and stopping the sugar industry from pumping polluted runoff into the lake. In a recent interview with TIME, he hinted that he was planning some 'breathtaking changes' for the Everglades. 'Putting your heart and soul into it really makes a difference,' he said.

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## Land buy requires no new money

06/25/2008

Tallahassee Democrat

Ritchie, Bruce

[Return to](#)

[Top](#)

By Bruce Ritchie -FLORIDA CAPITAL BUREAU

The biggest conservation land deal in Florida history won't require state or federal money or a tax increase for South Florida residents, state officials said.

The South Florida Water Management District would pay \$1.7-billion for the 187,000 acres of U.S. Sugar Corp. land with future property-tax collections in the district's 16 counties. The district has various tax rates in different areas, but it's roughly 60 cents on every \$1,000 of taxable property value of property. In 2007 the district had property-tax revenue of \$553 million. It's total budget, from all revenue sources, was \$1.2 billion.

"It really is a reallocation of Everglades funds that have already been identified to ensure we take advantage of this great opportunity," Florida Department of Environmental Protection Secretary Michael Sole said.

The state already has more projects on its conservation lands purchase list than it can afford to buy in the next few years.

While federal support for Everglades restoration has lagged, the South Florida Water Management District has issued revenue bonds called "certificates of participation" to pay for restoration projects ahead of schedule. It will use the same type of bonds to pay for the U.S. Sugar land.

The new purchase may require a rescheduling of some Everglades restoration projects — but not a tax increase, said Thomas Olliff, assistant executive director of the South Florida Water Management District.

"We believe we can fund it fully with the revenues that we have with our current tax rate, then we would simply pay for it over a 30-year of time," Olliff said.

Environmentalists who support the purchase praised state officials for putting together the deal.

"It's a very clever way of doing things," said Eric Draper, policy director for Audubon of Florida.

"We are cheerleaders today but we certainly are going to be scrutinizing every portion of this deal," said Kirk Fordham, executive director of the Everglades Foundation.

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## **Buying U.S. Sugar to restore Everglades**

06/24/2008

News-Press

Hiraki, Ryan

[Return to  
Top](#)

LOXAHATCHEE NATIONAL WILDLIFE REFUGE — The state of Florida made a giant preservation commitment for the second time in three years, announcing today its intention to buy U.S. Sugar Corp., eventually closing the country's biggest sugar company.

The proposed \$1.75 billion deal to buy 187,000 acres dwarfs the purchase of Babcock Ranch three years ago, a \$351 million deal for 74,000 acres that was the largest environmental buy in state history.

"Florida is on the leading edge of preservation and is committed to restoring the Everglades," Gov. Charlie Crist said.

The proposed acquisition of U.S. Sugar's land south of Lake Okeechobee is intended to provide a place to cleanse water headed south to the Everglades and prevent pollution in the Caloosahatchee River, which can hurt Lee County's beaches.

The state and the sugar company, which employs more than 1,800 workers, will negotiate through the summer and possibly close the deal in September.

Robert Buker, U.S. Sugar's president and chief executive officer, said there will be a six-year transition period that allows Hendry County and the company to figure out how to replace the sugar company's impact on the economy. And hourly employees will get a year's severance package, while salary employees will get two years, he said.

Hendry County Commissioner Kevin McCarthy said the loss of U.S. Sugar is going to be huge.

"You eliminate 50 percent of our jobs, 25 percent of our tax base," he said. "It puts our hospital out of business, and we have the highest uninsured population per capita in the state. This is devastating for Hendry County."

From today's The News-Press: Land buy sweet for Everglades, us  
The state of Florida and U.S. Sugar Corp. are expected to announce a deal today that will give a huge chunk of Everglades farmland to the state and pave the way for the sugar company to close its business.

State Sen. Burt Saunders, R-Naples, said the \$1.75 billion deal is supposed to close in October and include a six-year buyout for the sugar giant, which has 1,800 employees and has been a subject of criticism for impeding an effort to restore the Everglades and prevent pollution in the Caloosahatchee River.

"U.S. Sugar will continue to operate all its facilities, then at the end of that six-year period, they will turn the keys over to the state," Saunders said. "It's the last piece of a big puzzle. And it's a big piece."

The purchase, which Gov. Charlie Crist is expected to announce at a 10:30 a. m. news conference today in western Palm Beach County, will put 185,000 acres in state ownership.

The land is expected to help cleanse southbound water as it flows to Everglades National Park - a major part of Florida's tourism industry - and allow state water managers to send more water south from Lake Okeechobee instead of down the Caloosahatchee River, which can cause the algal blooms that chase people from some of Lee County's biggest attractions: its beaches.

The Nature Conservancy in Tallahassee applauded Crist and the South Florida Water Management District.

"The proposed purchase of 185,000 acres of U.S. Sugar land in the Everglades Agricultural Area turns a CERP (Everglades restoration) effort that was beginning to look stalled by inadequate financial and land capital into an unprecedented opportunity to completely rewrite the course of Everglades restoration," said Jeff Danter, the group's state director.

The entire restoration effort is the largest of its kind in the world, attempting to undo and reroute decades of flood control projects that have diverted water to make way for growth.

A key component was approved by Congress in 2000 and is formally known as the Comprehensive Everglades Restoration Plan.

It was originally estimated to cost \$7.8 billion and take 30 years. The price tag has now ballooned billions more because of rising construction and real estate costs, and it's unknown how long it could take.

The plan called for the state and federal government to be 50-50 partners, but to date, Florida has committed more than \$2 billion, while the federal government has spent only several hundred million dollars.

Last year, Congress authorized about \$1.8 billion for Everglades projects but the money has yet to be allocated and competition is stiff from other states.

If the U.S. Sugar deal goes through, the entire restoration plan may have to be reworked, taking into account the massive amount of new land that would be available for the effort.

- The Associated Press and Gannett News Service contributed to this report.

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## **State, U.S. Sugar sign deal to buy land, prevent Lake O discharges**

06/24/2008

Jupiter Courier

Tyler Treadway

Tyler Treadway-Stuart News

PALM BEACH COUNTY With Gov. Charlie Crist as a witness, representatives of U.S Sugar Corp. and the South Florida Water Management District signed a letter of intent Tuesday morning to turn over about 187,000 acres between Lake Okeechobee and the Everglades for conservation.

The \$1.7 billion land deal will allow the construction of pollution filtering treatment marshes and reservoirs to restore flows of water to the Everglades and prevent the discharge of polluted water from Lake Okeechobee into the St. Lucie Estuary along the Treasure Coast.

As Robert H. Buker Jr., president and chief executive officer of U.S. Sugar, and Shannon Estonoz, vice chairwoman of the district's governing board, signed the agreement, Crist called the deal 'the missing link' to the decades long effort to revive the dying Everglades.

The agreement calls for the land to be transferred over a six-year period as U.S. Sugar fulfills contractual obligations and the district and the state design the flow way system that will take the place of sugar cane fields.

Mark L. Kraus, senior vice president of the Everglades Foundation, said it will

[Return to  
Top](#)

be about 15 years before Treasure Coast residents see 'a tremendous amount of benefit' from the land deal.

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## **Sugar deal is sweet for Treasure Coast**

06/25/2008

Jupiter Courier

Tyler Treadway

[Return to  
Top](#)

State's \$1.8 billion deal with U.S. Sugar will reduce Lake Okeechobee discharge  
Tyler Treadway - Stuart News

WESTERN PALM BEACH COUNTY They applauded Tuesday as Gov. Charlie Crist announced the purchase of land to restore life to the dying Everglades, but local politicians and conservationists agreed there's lots of work ahead to make sure the \$1.8 billion deal benefits the Treasure Coast.

At the ceremonial signing of a statement of principles between the South Florida Water Management District and U.S. Sugar Corp. at the edge of the Arthur R. Marshall Loxahatchee National Wildlife Refuge, Crist called the land deal 'the critical missing link in our (Everglades) restoration activities. I can envision no better gift to the Everglades, or the people of Florida, or to our country than to place in public ownership this missing link that represents the key to true restoration.'

The land being acquired from U.S. Sugar will be used to recreate the natural 'flow way' between Lake Okeechobee and the Everglades.

For the Treasure Coast, that means nutrient-rich Lake Okeechobee water that has been sent via canals to the Indian River Lagoon can be channeled instead through the flow way, where a series of reservoirs will clean it before it reaches the Everglades.

The discharges of water from the lake have been linked by scientists to fish lesions, toxic algae and a host of other environmental consequences.

'Ultimately this (land purchase) will have a great benefit for us by stopping the release of water through the St. Lucie River,' said state Rep. Gayle Harrell, R-Stuart. 'But we still need to make sure there's money available for our local conservation projects, such as preventing local runoff into the C-44 canal.'

That won't be an issue, said Senate President Ken Pruitt, R-Port St. Lucie.

'There's still going to be money for the cleanup of the C-44 canal,' Pruitt said. 'That's still going to happen.'

Melissa Meeker of Stuart, a member of the water district's governing board, called the land deal 'a phenomenal opportunity (to clean up both the Everglades and the St. Lucie Estuary). It's still early in the process, but we've got a lot of serious work to do if we're going to make sure that the end result is what we need (on the Treasure Coast).'

Martin County Commissioner Doug Smith said there's 'clearly a lot of work ahead, but a major challenge has been met. Working out all the details is a new challenge, but that's the fun part.'

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## **Huge deal with US sugar giant could help Everglades - Summary**

06/24/2008

Earthtimes.org

[Return to  
Top](#)

Washington - In one of the country's boldest efforts to reclaim ecology, the state of Florida Tuesday formally launched negotiations to buy US Sugar Corporation, the country's biggest producer of cane sugar. Under the terms of the agreement, announced by Governor Charles Crist after months of talks, the state would pay 1.7 billion dollars for the sugar company and its vast holdings south of Lake Okeechobee to the Everglades.

The move would help restore the natural flow of the lake south into the unique but water-starved marshes and forests on Florida's southern tip, rich in reptile and bird life, known as the River of Grass, which has been a World Heritage site since 1979. 'The proposal announced by Governor Crist is the right thing for the state of Florida and appears to be at a fair price for our shareholders,' the company said in a statement.

The company said that while details still needed to be resolved, it would continue its sugar business for at least a six-year transition to fulfill long-term business obligations.

Symbolic of the increasing threats to natural Heritage sites, groups like the International Union for Conservation of Nature (IUCN) have mounted a campaign to restore the 'endangered' label to the Everglades and other natural preserves at UNESCO meetings in Canada starting next week.

The proposed deal brought praise from the White House, which said the 75,000 hectares of US Sugar holdings would provide a 'missing piece of the puzzle' of how to move more water into the Everglades. 'The potential purchase is a bold move by the state and the South Florida Water Management District,' said James Connaughton, chairman of the White House Council on Environmental Quality. The deal 'would open the way to even more rapid and substantial progress in restoring the Everglades.' The move was a 'bittersweet moment for a company that has been farming this land for more than four generations,' US Sugar said. The sugar industry's pollution of the Everglades has long been a target for US environmentalists. An attorney from the Earthjustice group, David Guest, called the prospect of its closure a 'stunning development.' The Miami Herald however cited the difficulties in completing the deal, first and foremost the cash-strapped situation of the state and political and legal hurdles.

It also reported that rather than opening a free flow of water, the deal could rather open the US Sugar property for use as pollution treatment marshes and reservoirs to improve the quality of water flowing into the Everglades.

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## Crist sought Everglades deal as U.S. Sugar hit wall

06/25/2008

St. Petersburg Times

Pittman, Craig

[Return to  
Top](#)

By Craig Pittman, Jennifer Liberto and Alex Leary, Times Staff Writers

U.S. Sugar Corp. executives were frantic. Environmental groups had sued to stop the company from dumping polluted water in Lake Okeechobee, and a judge agreed it was illegal. Then a state agency voted to forbid the practice. So just before Thanksgiving the company sent two of the most influential lobbyists in Tallahassee, J. M. "Mac" Stipanovich and Brian Ballard, to meet with Gov. Charlie Crist. If U.S. Sugar couldn't continue dumping farm runoff into the lake, the company would be ruined, they told Crist. "I have an idea," Crist replied. What if we buy you out? Doesn't that solve everybody's problems?

Crist's idea was so wild it took everyone's breath away. But the deal Crist proposed, formally unveiled Tuesday, is now being hailed as the answer to jump-starting the stalled \$10-billion Everglades restoration project.

"I've been to three world's fairs and a goat roping contest, and I've never been a part of anything quite like this," Stipanovich said.

Although many details of the \$1.75-billion deal still must be worked out before it closes in November, the bottom line is this: U.S. Sugar would continue farming its land — about 187,000 acres, slightly bigger than the land mass of Pinellas County — for six more years, then shut everything down and hand it over to the state. It would be the largest conservation purchase in state history.

Part of the land would be turned into a series of reservoirs and pollution filtering areas that would restore the flow of water between the lake and Everglades National Park. Part of it could be swapped for more desirable land for the project.

But more than 100,000 acres of it could be turned back to farming — perhaps growing crops for use as fuel, said Department of Environmental Protection Secretary Mike Sole.

"I don't need 187,000 acres for environmental restoration," said Sole — an assertion that was already stirring opposition among environmental activists who have long wanted to restore the broad expanse of the River of Grass.

"We want the whole schmear," said David Guest of Earthjustice. "We want everything from the canals to the levees and beyond."

According to Crist, the key to getting the deal started was a federal lawsuit filed by Earthjustice and the Florida Wildlife Federation, challenging the practice of backpumping farm runoff containing phosphorous, pesticides and other chemicals into the lake.

The suit contended that backpumping triggered massive algae blooms and compromised drinking water quality for small towns such as Pahokee and South Bay that draw their supply from the lake.

In December 2006, U.S. District Judge Cecilia Altonaga ruled that backpumping violates the Clean Water Act. Then in August 2007, the South Florida Water Management District — the defendant in the case — voted 4-3

to end the practice. The four votes came from Crist appointees.

Sugar executives viewed the decision as devastating, so they assigned the lobbyists to ask Crist where the industry stood. Crist, on his way back from a November event in Orlando and accompanied by his chief of staff, stopped by Ballard's office in a white-columned house a few blocks from the Governor's Mansion.

"I knew what they wanted and that our administration wasn't excited about embracing any more," Crist said. So he figured that "maybe it was time to take a quantum leap forward."

Crist said that when he first proposed buying everything U.S. Sugar owns, "originally there was some surprise" among even his staff. "But the more people thought about it, they thought, why not?"

U.S. Sugar vice president Robert Coker said when he heard about Crist's idea, "I just about passed out. That's a pretty big deal in my world." But he knew Crist wasn't kidding: "When he gets his jaw set, he's pretty persuasive, and he appeared to have his jaw set."

During the next eight months of negotiations, no more than about 20 people knew all the details of what was going on. The negotiations were conducted in such secrecy that not even federal officials leading the Everglades restoration knew about it before Monday, according to Stuart Appelbaum, in charge of the project for the Army Corps of Engineers.

When state and federal experts were first putting together the restoration plan in the late 1990s, this kind of land purchase was "not something that was ever contemplated or suggested," Appelbaum said. As a result of Tuesday's announcement, "the whole landscape has changed."

Company executives called the decision to sell "bittersweet," since it likely would mean the end of their 77-year-old business in South Florida. U.S. Sugar produces 700,000 tons of sugar a year, or about 8 percent of all sugar produced in the nation. The company, which operates its own railroad, employs 1,700 workers, most of whom live in Clewiston, "the sweetest town in America."

The purchase of U.S. Sugar's land would help solve two problems at once, Appelbaum said. It can reconnect Lake Okeechobee to the Everglades and halt the flow of pollution from the lake to the Caloosahatchee and St. Lucie rivers, he said.

Historically, the Everglades functioned as a safety valve for the lake. When heavy rains north of the lake sent swollen currents down the Kissimmee River, the river flowed into the lake and filled it until it spilled over. The spillover then slowly flowed through the River of Grass south to Florida Bay.

But in the name of flood control, the corps straightened the Kissimmee's bends, turning it into a funnel for pollution from the farms and ranches north of the lake. And the corps built a dike around the rim of the lake, cutting off flow to the Everglades, which now routinely starves for water.

Meanwhile, the lake filled with phosphorous, which causes algae blooms. Whenever it got too full, the corps and the water district would send the excess flowing eastward through the St. Lucie River and westward through the Caloosahatchee River. The pollution from the lake wreaked havoc in those rivers' estuaries, harming fishing and tourism on both coasts.

But with the U.S. Sugar land in state hands, instead of releasing water into the estuaries the water could again flow south toward the Everglades,

Appelbaum said.

To make it work would require more than simply tearing down the dike, because 70 years of farming has drastically depleted the soil there, he said, and the corps and the state would have to find a way to clean the pollution from the lake's water first.

"It will clearly need treatment," Appelbaum said. All in all, he said, "we've got a lot of planning to do."

In fact, the purchase would have multiple effects on Everglades restoration. It would probably mean the end of one of the plan's most controversial elements, the 333 deep wells that were supposed to hold 1-billion gallons of water a mile underground. No one knew if that part of the plan would crack the limestone around the aquifer.

The U.S. Sugar deal "gives us the flexibility and the creativity to have a better restoration," said Carol Wehle, executive director of the South Florida Water Management District.

For the water district, part of the allure of the deal is that the \$1.75-billion price tag would not cost taxpayers additional money. The district, which serves 7.5-million people in 16 counties, would take \$50-million from cash reserves and cover the rest with long-term notes called "certificates of participation." Paying off the debt and interest over 30 years would take \$117-million annually, with the payments coming from property taxes already assessed in the district.

The catch, though, is that the purchase would eat up any money the state planned to spend on other Everglades projects, said chairman Eric Buermann.

That means the federal government would likely have to come up with any other construction money — something Congress has failed to do since approving the Everglades project in 2000. Last year Congress finally passed a bill authorizing further spending, but so far no money has been approved.

Republican Sen. Mel Martinez is among the members of Florida's congressional delegation who has been frustrated by a lack of adequate funding and interest at the federal level. But he said the U.S. Sugar deal should help.

"If anything, it will show the tremendous commitment of the state and will only give impetus to the federal efforts," he said.

It would also burnish Crist's environmental credentials after the widespread controversy over his change of heart last week about offshore drilling. "This will put Gov. Crist in the books as the Everglades governor," predicted Kirk Fordham, CEO of the Everglades Foundation.

Times staff writers Kris Hundley, Wes Allison and Jeff Testerman contributed to this report.

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## **Sugar would stay plentiful, pricey**

06/25/2008

St. Petersburg Times

Hundley, Kris

[Return to  
Top](#)

By Kris Hundley, Times Staff Writer

An amazing thing happened Tuesday: The nation's largest sugarcane grower said it would go out of business in six years, yet nobody expects the price of sugar to rise much, if at all, as a result.

The disconnect — between the loss of U.S. Sugar Corp.'s production and the price people pay for a candy bar — is a reflection of the highly regulated sugar industry in this country.

The good news is that U.S. Sugar's output, more than 600,000 tons of refined sugar this year, will likely be absorbed over time by another domestic producer, either in Florida or Louisiana. The bad news is that the long-standing federal system of price supports and import quotas on sugar means American consumers already pay about double the world price for the commodity. According to the Government Accountability Office, sugar supports cost American consumers \$1.9-billion a year.

So if growing and refining sugarcane is so profitable, why is U.S. Sugar calling it quits and selling out to the state of Florida after nearly eight decades in the business?

Robert E. Coker, U.S. Sugar's senior vice president, acknowledged some accumulating frustrations over government regulations but denied Tuesday that the Clewiston company was throwing in the towel. He described it as paving the way for posterity.

"When you own something for 77-plus years, it's more than a business," he said of the company founded by Charles Stewart Mott in 1931 and still controlled by his family and related foundations. "For us, it was not all about the money. It's about what's going to happen to that land.

"Our company can go down in history as the missing link in Everglades restoration. It provides sustainability for everybody who stays and recognizes the value of our assets for our shareholders. It's something we can be proud of."

Coker, who has been with U.S. Sugar since 1982, sounded both exuberant and exhausted about the pending deal to sell the company's assets, including 187,000 acres in Glades, Hendry and Palm Beach counties, to the state for \$1.75-billion.

If the deal is completed as hoped by year end, shareholders in the privately held company will receive about \$350 a share. That's a good deal higher than the \$180 to \$204 price range that private shares have been trading for in recent years.

Through a lease-back agreement with the state, U.S. Sugar will also reap the rewards from at least six more years of harvests on its lands. In addition to providing about 8 percent of the nation's sugar supply, the company's Southern Gardens is one of Florida's largest citrus operations. Though the company does not disclose revenues, several outside sources estimate its sales in 2007 revenues at \$398-million, down from a high of \$557-million in 2000.

Coker said the landmark decision to sell was spurred by Gov. Charlie Crist's bold suggestion during a November meeting with company lobbyists.

"We wanted to clear the deck with him about a lot of issues," said Coker, ticking off a list of perennial environmental and regulatory hurdles faced by the company. "We wanted to make sure our business was sustainable.

"Halfway through the discussion, I understand the governor asked, 'Why don't we just buy you out?' When I heard about it, I just about passed out."

But U.S. Sugar's decision to take Crist up on his offer doesn't suggest cane-growing is no longer sustainable in South Florida, Coker said.

"This ensures a future for sugarcane in Florida, with the additional storage and treatment (of water through the restoration project)," he said. "And we're taking hundreds of tons of phosphorus (from fertilizer) out of the supply chain. The ones that remain will clearly benefit from these things."

The state's representative in the transaction, the South Florida Water Management District, said Tuesday that it will assess how much of U.S. Sugar's land is needed for Everglades restoration and how much can be spun off.

Among the surplus assets will be U.S. Sugar's newly renovated sugar refinery in Clewiston as well as its new citrus processing plant.

"This is an awful lot of money and we need to divest ourselves of the assets we don't need for restoration to begin paying for the construction," the water district's executive director, Carol Ann Wehle, said. "We support the remaining agriculture to stay in a very viable capacity."

Land could be leased to other companies or swapped for property that fits in better with the restoration, she added.

Gaston Cantens, vice president of Florida Crystals Corp., which has vied with U.S. Sugar for leadership of the state's sugar industry, said it will be exploring opportunities for possible acquisitions as the dust settles.

"Until they engage in deeper negotiations and get some stuff set in stone, we don't know what our role is, but we want to be helpful," Cantens said of the West Palm Beach company which is owned by the Fanjul family. "If this deal creates long-term, sustainable agriculture and resolves lingering environmental issues, then that's great. We want to continue farming."

Coker said it's possible that some of U.S. Sugar's 1,700 employees could be absorbed by other growers once the six-year transition period ends. The company is offering an incentive for employees to remain during the phase-out, then a severance package of one year's salary for hourly workers and two years' pay for salaried employees. The state will also assist in economic development and job creation in the area.

William "Butch" Wilson, 57, worked for U.S. Sugar for 32 years and is now the director of the Clewiston History Museum

"This is hard," Wilson said. "Sugar was the town and the town was sugar. But you know, I'm an optimist by nature. I see the glass half full. I think there will be new opportunities."

Times staffers Jeff Klinkenberg, Caryn Baird and Alex Leary contributed to this report. Kris Hundley can be reached at hundley@sptimes.com or (727) 892-2996.

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**With this deal, governor cements his legacy**

06/25/2008

Sarasota Herald-Tribune

Follick, Joe

[Return to](#)  
[Top](#)

By Joe Follick H-T CAPITAL BUREAU - Sarasota Herald-Tribune

TALLAHASSEE — Humility has long been the centerpiece of Gov. Charlie Crist's political image, marked by tireless one-on-one chats with average Floridians and his mission statement mantra that "the people" are his boss.

#### A LAND DEAL OF

#### HISTORIC PROPORTIONS

The state's plan to buy 187,000 acres from U.S. Sugar Corp. for \$1.75 billion would rank as the largest and most expensive in Florida history.

Here are some other major public land purchases:

2006: Babcock Ranch, Charlotte County, 73,000 acres, \$350 million.

1999: Fisheating Creek, Glades County, 41,000 acres, \$37 million.

1994-2003: Tate's Hell State Forest, Franklin County, 128,000 acres, \$89 million.

1987: Big Bend Coast Tract, Taylor County, 64,000 acres, \$20 million.

1975: Everglades, Collier County, 135,000 acres, \$37 million.

#### RELATED NEWS:

Big deal, not done deal But even Crist succumbed to the historic magnitude of Tuesday's announcement that the state's South Florida Water Management District will pay \$1.75 billion for 187,000 acres of Everglades from U.S. Sugar, marking a major step toward eliminating pollution after decades of battles.

"It's monumental," Crist said in an interview. "It is breathtaking in its scope. I am overwhelmed with joy about the possible benefits."

History will tell if Crist can succeed where generations have failed in restoring the Everglades. But his move cements his legacy as one of the state's most ambitious governors, willing to leverage his personal popularity to scale mountainous issues.

"I have been in Tallahassee since the end of 1986. I have never personally participated in nor do I recall anything of greater magnitude in terms of an initiative by a governor," said J.M. "Mac" Stipanovich, a lobbyist for U.S. Sugar who has worked closely with every Republican governor in the past two decades.

Former Gov. Jeb Bush "understood the power of ideas and had a quite fertile imagination," said Richard Scher, a University of Florida political science professor and gubernatorial scholar. "Charlie, if anything, has gone beyond that. This could turn out to be one of those remarkable moments in Florida history that could change the future of this state."

Those involved with the move said Crist suggested the virtual buyout of U.S. Sugar last year. But the momentum for the deal came from his decision to replace five of the seven members of the South Florida Water Management District with more environmentally friendly votes.

Crist said the district's vote last year to bar the "back pumping" of polluted agriculture water into Lake Okeechobee sent the signal that the environment would trump business as usual. That vote followed a federal judge's ruling in favor of Earthjustice and the Florida Wildlife Federation last June in their lawsuit arguing that the back pumping violated the Clean Water Act.

"The 'Crist five' voted in a bloc against the sugar industry on back pumping," said Eric Draper, a lobbyist for the Audubon Society in Florida. "I think at that moment when sugar lost the first decision of the water management district, they probably said, 'Life has become much less certain now. We're not going to get the easy ride we had with previous governors.'

"This governor and the people working for him understand how to use the process to make things easier or harder for people," Draper said.

In 18 months on the job, Crist has made historic proposals.

But the Everglades move may be his legacy moment. Environmentalists, the sugar industry and state and federal agencies have battled ferociously for a seemingly unobtainable d?tente that would remove pollution from the River of Grass while allowing the sugar industry to continue operating.

Crist said Tuesday's announcement was difficult to compare with his other actions.

"It's hard to draw a parallel to," he said. "This has to rise heads and shoulders above them all so long as we're successful at the end of the day. This is honoring God's work. What a magnificent testament to our creator and future generations of Floridians and Americans to witness it."

But questions remain about the purchase, by far the largest land deal in state history. Other sugar producers will have to swap land to complete the envisioned restoration of the natural southward flow of the Everglades. The state will buy a railroad, rock mines, a juice processing plant and hundreds of acres of farmland in other parts of the state to manage.

And the project, to be funded by the water district with no expected tax increases, comes as the state faces an unprecedented budget crisis. Even with the expectations that the investment will result in overall savings by replacing more expensive environmental endeavors in the Everglades, the image of a \$1.75 billion takeover of a business may rankle some.

"Everyone in our state understands the depth of our budget crisis," said Sen. Dave Aronberg, D-Greenacres, who represents much of the area around Lake Okeechobee. "It's difficult to see how a \$1.7 billion state purchase will play not just in north Florida but throughout the state."

And Aronberg said thousands of residents face a loss of work and a lifestyle with the shutdown of U.S. Sugar.

"It's not so easy to tell a farmer whose family has plowed the land for generations that he has to find somewhere else to live and something else to do," Aronberg said.

"Gov. Crist has always liked big ideas and he's willing to pay a political price for them. I credit him for the agreement. I want to make sure the deal is good for the taxpayers and for the families in the region."

Crist's move came a week after his decision to support the lifting of the federal moratorium on oil drilling in the Gulf. Republicans and Democrats alike slammed Crist for reversing his long opposition to drilling.

But Draper said Crist's environmental credentials were secure regardless of the Everglades move.

"I don't think he needed it," said Draper, who criticized the oil drilling shift. "He had plenty of green capital to spare last week and no one was going to doubt his environmental credentials."

Crist's reach for sweeping change contrasts with his public image as an amiable leader of the people more interested in shaking hands than analyzing issues.

"What's happening is the governor's personal skills, and his personal level of sincerity, lulls more cynical observers into expecting him to have a fairly low quantity of activity on major issues," said Stipanovich. "People invariably underestimate this governor."

Scher, of UF, said it was hard to separate Crist's political ambition for a shot as John McCain's running mate from the Everglades decision:

"I think Charlie really understands that making a big statement is the way to attract the attention of those who can help get where he wants to be, which is vice president."

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## **Editorial: Farm buy helps save estuaries**

06/25/2008

News-Press

[Return to  
Top](#)

The state's pending purchase of about 185,000 acres from U.S. Sugar Corp. fills a huge hole in the Everglades restoration plan and offers Southwest Florida the best hope yet of protecting its estuaries from polluted farm runoff.

It also threatens an entire farm economy, with thousands of livelihoods dependent on sugar.

Restoring a more natural flow of clean water in the Kissimmee River-Lake Okeechobee-Everglades system down through the heart of South Florida is the key to environmental restoration, and to protecting Southwest Florida's priceless coastal waters and beaches from polluted runoff diverted through the Caloosahatchee River.

That diversion takes place in part to protect the hundreds of thousands of acres farmed by agribusinesses smack-dab in the middle of the ancient "river of grass" south of the lake.

The six-year, \$1.75 billion buyout will remove U.S. Sugar from the sugar business. The company produces about 40 percent of the sugar grown on 400,000 acres in the 700,000-acre Everglades Agricultural Area south of the lake.

Returning some of the EAA to natural purposes as part of the slow movement of water south toward Everglades National Park was an original part of the restoration concept, but was dropped to win the support of farm interests.

Now, we have a chance to put back in place that key to successful restoration - and we have a much better chance of protecting coastal estuaries from being overwhelmed as they were in 2004 and 2005 with excess nutrient-laden lake water. That water triggered explosions of algae, fouling our coastal waters and beaches.

The buyout could also cut billions from the \$10 billion-plus cost of restoration by providing less expensive ways to store and cleanse water.

But the future of towns around Lake Okeechobee, where sugar is a major

employer and taxpayer, is gloomy.

Tom Nowling, commenting on news-press.com, said, "As a life-long resident of Clewiston and now a full-time resident of St. James City (on Pine Island), I have mixed feelings about this. Obviously I see the need for clean water and restoring the Glades but I have to feel bad for the many families whose lives depend on sugar cane to make a living."

The cost of the buyout is also high, given the state's budget crunch. Taxes collected by the South Florida Water Management District may be needed to back bonds for some of the money.

But with all the costs, this historic purchase is right.

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## **Florida megadeal aims to restore fabled wetlands, close US Sugar**

06/25/2008

Yahoo! News

[Return to  
Top](#)

Florida has reached a tentative 1.75-billion-dollar deal to buy the largest US sugar producer and turn its vast swaths of farmland into reservoirs to protect the fabled Everglades wetlands, US media reported Wednesday. 'The plan, described by Governor Charlie Crist as the largest conservation purchase in Florida's history, envisions restoring some of the natural flow of water to the Everglades from Lake Okeechobee,' The Washington Post reported. The amount of land involved is some 187,000 acres (75,678 hectares).

Crist has been named as a potential running mate for Republican presidential nominee John McCain.

The announcement by Crist Tuesday capped months of secret negotiations with US Sugar. He called the deal as 'monumental' in scope. Spanning 1.5 million acres, the Everglades is the third-largest national park in the lower 48 US states, after Death Valley and Yellowstone.

For decades water from areas north of the massive wetlands has been diverted to fast-growing cities and for farming. Pollution has taken a growing toll.

The deal with US Sugar would help restore more of the pre-development ecosystem; water could move from Lake Okeechobee into marshes that filter it and then on to the 'sea of grass' at the southern end of the Florida peninsula. A direct lake-Everglades connection has been a dream of environmental groups. 'It was a really well-kept secret. I think the Pentagon would be jealous of how well it was kept,' Susan Kennedy, executive director of the Everglades Coalition, was quoted by the Post as saying.

Under part of the deal still to be negotiated, the South Florida Water Management District, a state agency will make the purchase in part with property taxes earmarked for Everglades restoration.

Since US Sugar landholdings are not contiguous, the state will try to swap land with other sugar cane companies to forge a corridor for water to flow into the reservoirs to the Everglades. 'Acquiring this large swath south of Lake Okeechobee will be an historic turning point for the largest watershed project in the world,' Interior Secretary Dirk Kempthorne said.

Of what is being described as the biggest land acquisition ever by the state of Florida, Crist said: 'I can envision no better gift to the Everglades, the people of Florida and the people of America, as well as our planet, than to place in public ownership this missing link that represents the key to true restoration.' It was not immediately clear if US Sugar workers would approve the deal, or seek to derail it. US Sugar, operating in this location since 1931, technically is owned by the workers.

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## Saving the 'glades

06/25/2008

Tallahassee Democrat

[Return to  
Top](#)

It's difficult to overstate the importance of the Florida Everglades to the lower half of our state's environment, economy and survival.

Tuesday's announcement of a pivotal and historic plan for Florida to buy 300 square miles of this vast River of Grass is key to restoring its health and signature role in the ecology of our state. It's an extraordinary possibility, but one that faces significant challenges.

The Everglades, in its unspoiled state a century ago, was a 4,000-square-mile miracle of nature that was home to 2 million wading birds. Today it's less than half its original size, drained, diverted and polluted by development and agricultural operations. The population of wading birds is 10 percent of its former size.

The oversized wetlands was like a high-performance human kidney, filtering the bad from the good. And its seemingly endless supply of water allowed modern-day South and Central Florida to evolve from backwater to bustling metropolis.

But like a human body laid low by decades of an unhealthy diet and lack of exercise, the Everglades have suffered terribly at the hand of man. Despite multibillion-dollar restoration efforts, its future remains in doubt — in part because U.S. Sugar Corp., the largest producer of cane sugar in the United States and a well-documented major polluter, has been firmly entrenched in the heart of this ecological wonder.

That's why statements about the proposed but not yet final deal are not mere hyperbole.

"As monumental as the creation of our nation's first national park, Yellowstone," Gov. Charlie Crist said of what would be Florida's largest conservation purchase ever.

"It's like the Louisiana Purchase for the Everglades," said John Marshall, of the Arthur R. Marshall Foundation, which champions Everglades restoration.

As breathtaking as the proposed sale is for its potential to reverse decades of Everglades destruction, it also is breathtaking in cost. The proposed sale price is \$1.75 billion, and 1,700 Floridians now employed by U.S. Sugar would lose their jobs over the six years that the company would be permitted to continue farming. Florida's entire sugar industry would be cut roughly in half if the deal goes through.

It is still unclear how the state and the South Florida Water Management District would pay for the 187,000 acres, no small concern in the midst of the current economic downturn and reduced revenues.

So, while this news is undeniably exciting, there's also reason to be cautious. The financial aspects must be carefully vetted, and state government will have a responsibility to those who lose their jobs and to the communities where they live.

But if Florida succeeds, it will be a stunning victory illustrating the ability to undo long-term environmental damage and simultaneously cushion the economic blow — if there's a will.

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## **Crist Shows Vision, Good Sense With Ambitious Everglades Deal**

06/25/2008

Tampa Tribune

The Tampa Tribune

For all his nice-guy, never-say-a-mean-word ways, Gov. Charlie Crist has managed to do what no other Florida governor has dared to attempt.

He is sending Big Sugar packing from Florida and putting a plug on agricultural operations that have steadily polluted the Everglades, Lake Okeechobee and coastal waters.

And he did it in a way that leaves the industry's biggest player whole.

Because of a deal initiated by Crist, the state will buy out U.S. Sugar and use most of its 187,000 acres to restore natural water flow to the River of Grass.

The tract is Florida's biggest land purchase, by far. It measures 292 square miles and stretches across three counties. The company says the acreage is three times the size of Orlando.

The \$1.75 billion deal needs close scrutiny, of course, but this purchase looks to be a remarkable accomplishment for Crist, one that will help repair the Everglades and protect south Florida's water supply. It requires no tax increases, since it will be funded by a bond-like mechanism repaid by property taxes levied by the South Florida Water Management District, which oversees water policies in 16 counties. The district is Florida's lead agency on the \$8 billion Everglades restoration project, a state-federal venture.

South Florida's financial commitment deserves matching support from Washington, which has been sluggish in providing its share of restoration funds. With this purchase, the repair work becomes less complicated and the outlook for quick results far brighter.

While other Florida governors have championed the Everglades' revival, none has been successful in challenging the politically powerful sugar industry, which a few years back even managed to persuade state lawmakers to lower water-quality standards in the Everglades.

The low-key Crist did what others could not.

The time was right for negotiations. U.S. Sugar faced the need to upgrade aging mills. The water district began prohibiting the back-pumping of polluted runoff into Lake Okeechobee. And Washington subsidies have become increasingly hard to get.

It helped, too, that U.S. Sugar has tried to be a good corporate citizen and is

[Return to  
Top](#)

cooperating with the clean-up efforts.

The deal calls for the state to purchase the company's assets, though farming operations will continue for at least six years. Much of the tract borders Lake Okeechobee, whose overflow once fed the Everglades. Now the lake is diked and heavily polluted by agricultural operations.

The state may swap a few outlying parcels for more environmentally valuable land, but it expects to use the bulk for restoration work, including the construction of reservoirs that can store and filter water before release.

No deal comes without a downside, though. Roughly 1,700 U.S. Sugar employees will eventually lose their jobs. And Clewiston, where the company is based, will have to adjust to no longer being "America's Sweetest Town." Affected communities will need assistance during the transition.

Still, the restoration work will create thousands of jobs. And cleaning Okeechobee and the Everglades should dramatically enhance the appeal of lakefront communities.

No legislation apparently is needed to complete the deal, just the approval of the water-district board after appraisals are completed and details scrutinized.

Gov. Crist often says he has gained inspiration from President Theodore Roosevelt, who fought to preserve American wilderness for future generations.

With this visionary but sensible conservation deal, Crist has done Roosevelt and the people of Florida proud.

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## State To Buy U.S. Sugar Land In Everglades

06/24/2008  
WPLG-TV

[Return to  
Top](#)

GLADES COUNTY, Fla. -- The nation's largest producer of cane sugar is set to go out of business in a deal to sell its land to the state of Florida for Everglades restoration.

Gov. Charlie Crist and Robert Buker, chief executive officer of U.S. Sugar Corp., signed a tentative agreement Tuesday near Belle Glade to buy the company's 187,000 acres -- nearly 300 square miles -- in the Everglades south of Lake Okeechobee.

The deal, which still must be finalized, calls for the state to pay about \$1.7 billion for the land. 'Sixty years ago, President Harry Truman came to South Florida to dedicate the Everglades National Park,' Crist said. 'Today, we follow in footsteps and in a tradition of the great conservationist, President Teddy Roosevelt. We continue their legacy of permanent preservation of one of the most unique landscapes in our country and on our planet.' U.S. Sugar has been operating since 1931. But in the face of increased regulation and years of drought, Buker said it was in the best interest of shareholders to accept the state's offer.

Once the deal is official, U.S. Sugar would be allowed to farm the land for six more years before shuttering its business. 'I don't think you can overstate the importance of what we're doing here today at all,' Buker said. 'It's (a) watershed event in national conservation history. It's a paradigm shift for the Everglades and it's one for the environment in Florida that would have

been inconceivable in past years. 'But not everyone thinks the deal is so sweet, mainly the 1,700 workers, family farmers and dozens of rural communities that U.S. Sugar supports.

Ardis Hammock's family owns a small cane field in Glades County and has been selling their cane to U.S. Sugar for generations. 'I think coastal people -- when they think 'Hurrah,' that agriculture is going to be out -- need to think that anybody living west of (Interstate) 95 is living on old Everglades,' Hammock said. The South Florida Water Management District said it would not increase its portion of property taxes to pay for the land acquisition. Instead, the SFWMD will issue bonds, or borrow against the tax money it already collects.

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## Swamped by developers, but now there is hope for the Everglades

06/25/2008

Independent - Washington DC Bureau, The  
Doyle, Leonard

[Return to  
Top](#)

Return to the state of nature planned for Florida's unique 'River of Grass'

By Leonard Doyle in Washington

The Everglades of southern Florida, which have been under siege from development and farming for more than a century, have been offered a new lease on life with a plan to restore large areas to a natural, swampy state.

Some 187,000 acres of sugar plantation will be gradually returned to nature under the plan. The hope of environmentalists is that the slow-moving "river of grass" will flow north to south once again, restoring a delicate ecosystem that supplies fresh water to the aquifers of southern Florida.

Yesterday's deal was described as "an unprecedented opportunity to completely rewrite the course of Everglades," by Jeff Danter of the Nature Conservancy. The long-planned restoration effort is the largest of its kind in the world, an attempt to undo and reroute decades of flood-control projects that have diverted water to make way for growth.

Until yesterday, the prohibitive cost meant the plan was moribund. According to the author Michael Grunwald, half of the original Everglades has been lost, and the rest is polluted and no longer flowing naturally.

Just 100 years ago southern Florida was America's last frontier, a watery wilderness of slow-moving, shallow rivers. It had the largest mangrove ecosystem in the western hemisphere and was home to panthers, alligators and manatees.

Then came Napoleon Bonaparte Broward who hatched a plan to drain the Everglades for his 1905 campaign to become governor of Florida. He was so successful that a real-estate boom soon turned much of the sub-tropical wilderness into a long vista of strip malls with seven million residents.

What the estate agents couldnot sell was turned into sugar plantations, irrigated by pumps from decommissioned submarines. They sucked fresh water away from cities such as Miami.

The plan, announced yesterday by Governor Charlie Crist, may be the most

optimistic environmental act by a US political leader in generations. The deal is for the state to spend \$1.75bn (£900m) buying out farmland blamed for the decline of the Everglades from the US Sugar Corporation.

Mr Crist, who calls himself the "Everglades governor", has high hopes of being named John McCain's running mate for the election. His plan to roll back decades of mismanagement could work wonders for the poor environmental image of Republicans.

Praise for Mr Crist's initiative was almost universal. "It's mind-blowing," said Kirk Fordham, of the Everglades Foundation. "Who would have thought we'd see this in our lifetimes?"

The deal was described by Mr Crist as, "as monumental as the nation's first national park, Yellowstone". The state of Florida should now gain control of 200,000 acres of sugar plantations in what is known as the Everglades Agricultural Area, south of Lake Okeechobee. Environmentalists are hopeful that, as the area returns to its natural state, the original north-to-south movement of the "river of grass" will be restored. They also hope to end the outpouring of fresh water into estuaries, which is destroying coral reefs.

Florida is famous for its sunshine, but the southern part of the state is among the wettest places in North America, getting more rain than Seattle. All that rain used to end up in Lake Okeechobee and ran into the Everglades, a 100-mile long, shallow river flowing through serrated sawgrass from the lake to Florida Bay, between the southern tip of the state and the Florida Keys.

The Everglades are almost flat, so the wetlands remained waterlogged all year, creating underground aquifers which supply drinking water to Florida's cities. For many Floridians, their protection and restoration is of the highest priority.

They are just as worried about farm effluent that pollutes drinking water from the Everglades as they are about plans to start drilling for oil off the Florida coast. Governor Crist and Mr McCain have both changed position and said it is time to start drilling off the coast and yesterday's Everglades announcement may be designed to remove some of the sting for environmentalists.

The first efforts to subdue the Everglades were with canals dug in the 1880s. Map-makers did not know whether to draw them as land, water or swamp. Explorers dismissed the area where Indians had lived for centuries as "abominable," "godforsaken" and "hideous".

At home in the wetlands of the Sunshine State

#### FLORIDA PANTHER

These are a primarily solitary species and, with a top speed of 35 mph, they are formidable hunters. In the 1980s their population was thought to be below 50.

#### WOOD STORK

These birds feed by waiting for fish to swim into their bills, before snapping them shut. Their population in America dropped from 20,000 pairs in the 1930s to 5,000 in the late 1970s – attributed to the loss of their wetland habitat.

#### WEST INDIAN MANATEE

Known as sea cows, these ugly but loveable marine creatures can grow up

to 13ft long. An estimated 1,865 live in Florida and they are endangered. Many die in collisions with boats.

## BURMESE PYTHON

In 2005, 95 pythons were captured in the wild after they had been dumped by owners taken by surprise when cute baby snakes they had brought as pets needed more food than themselves once fully grown. The snakes feasted on the small animals of the Everglades – one exploded after trying to swallow an alligator.

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## Rich Campbell Sugar offer couldn't leave sweeter taste

06/24/2008

Jupiter Courier

Rich Campbell

[Return to  
Top](#)

The shock and surprise among environmentalists was universal, according to David Guest of Earthjustice, an environmental advocacy group.

This is the most stunning development in the history of Everglades restoration, Guest said. This is inexpressibly wonderful.

That may sound a bit exaggerated and hyperbolic.

It isnt not when you consider the long-term implications of Tuesdays historic agreement between the state of Florida and U.S. Sugar. Floridians who care about the Everglades and the health of our rivers will be discussing and dissecting this watershed event for years to come.

What has caused environmentalists to rejoice and left them grappling for words? U.S. Sugars decision to sell the state 187,000 acres of land in the Everglades Agricultural Area.

The price? \$1.7 billion.

The significance? The natural flow of water will be restored from Lake Okeechobee to and through the River of Grass.

The results? There are too many positive benefits to enumerate in this limited space. But two deserve special mention:

The revitalization of the Everglades.

Improved water quality in the St. Lucie and Caloosahatchee rivers and estuaries.

I contacted Guest because few people understand Floridas natural and troubled ecosystem, and the political and economic entanglements that have hastened its demise, better than he does. And Guest never minces his words.

For the past century, at least up to the 1990s, the policy of the state of Florida was to ditch and drain and pump and exploit the Everglades, he said. About 50 years ago, people started looking at this and saw the horrific consequences. Conscientious people began articulating the need for a flow-way through the Everglades Agricultural Area. We never believed it was possible to undo all the damage that had been done and that the Everglades could be restored.

Guest is now a believer. And he gladly adds his voice to the chorus of environmentalists praising the deal Gov. Charlie Crist negotiated with U.S. Sugar.

There are a number of questions that remain to be answered:

Why did U.S. Sugar suddenly decide to sell its EAA operation?

Is \$1.7 billion a fair price for the companys property and assets?

What effect will this blockbuster deal have on the Comprehensive Everglades Restoration Plan?

For now, suffice it to say, environmentalists are more hopeful about the future of the Everglades than theyve been for ... well ... ever. And those who care about the health of the St. Lucie River are delighted about the waterways long-term prospects.

Tuesday was a big and really good day for Florida environmentalists.

rich.campbell@scripps.com

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## For Crist, a sweet deal too

06/25/2008

Orlando Sentinel - Tallahassee Bureau  
Kennedy, John

[Return to  
Top](#)

John Kennedy | Tallahassee Bureau Chief

A week after reversing his long opposition to offshore oil drilling, Charlie Crist may have repaired his image as Florida's "green governor" Tuesday by shrinking the sugar industry's damaging footprint in the Everglades.

For Crist, the move had an immediate payoff, with environmentalists roundly praising a governor they had blistered just days earlier.

But whether it burnishes his reputation enough to win him a vice-presidential nomination, or helps Republican John McCain carry Florida in November, remains a question as densely tangled as the swamp itself.

"You've got to think it's good news for Sen. McCain whenever Charlie Crist is able to do something as momentous as redirect a 30-year debate over the future of the Everglades," said Brian Ballard, a major fundraiser for both McCain and Crist.

Florida Everglades: Take an interactive tour and gain insight into Florida's unique "river of grass." Multimedia

The Sugar Mill Industry in South Florida Photos U.S. Sugar Corp., the nation's largest cane-sugar producer, announced Tuesday that it would sell its nearly 300 square miles of land to the state for \$1.75 billion and shut down in six years, eliminating a force that was a powerful player in state politics as well as a big Everglades polluter.

The company gave more than \$1.2 million to the Florida Republican Party and almost \$400,000 to state Democrats during the past 12 years, records show. During nearly 80 years of growing and processing sugar cane near the shores of Lake Okeechobee, it also has been a potent player in Congress, where federal price supports helped strengthen the sugar industry for decades.

The agreement among Crist, the South Florida Water Management District and company officials was unveiled in Loxahatchee, at the edge of the Everglades. It's the largest conservation land deal in Florida history and likely gives new life to a troubled \$2 billion state-federal effort to revitalize the Everglades.

Eric Draper, policy director for Audubon of Florida, called it as "climactic as the fall of the Berlin Wall." But Draper and many other conservationists cautioned that Crist and his party's presidential nominee still would pay a price for supporting offshore drilling.

McCain told an audience of oil executives last week that he supported an end to the 27-year federal moratorium on offshore drilling. Crist, until then an adamant supporter of the moratorium, quickly announced his agreement.

And even before that, McCain was drawing heat in Florida for not voting to override President Bush's veto of funding for Everglades restoration. The \$2 billion Everglades package was stuffed into a water bill that McCain had derided as "full of political pork."

McCain's Democratic rival, Barack Obama, ridiculed him for his Everglades vote and, while campaigning last week in Jacksonville, reaffirmed his own opposition to offshore oil drilling, saying it will do nothing to lower gas prices.

Environmentalists agree.

"I think the governor should get a lot of credit for the U.S. Sugar deal," said Linda Young, director of the Clean Water Network of Florida. "But people are still wary, and those upset about the governor and McCain are still going to be upset."

Although the Governor's Office said the agreement with U.S. Sugar was developed over seven months, Tuesday's announcement seemed timed to soften the criticism over oil drilling -- a point Democrats were quick to make.

"The timing of all this cannot be ignored," said Mark Bubriski, a spokesman for the Florida Democratic Party. "I think it's becoming very clear that people can no longer see Charlie Crist as someone above the partisan fray. People see him as pathetically campaigning to be McCain's vice president."

Crist, whose endorsement of McCain in January helped the Arizona senator win Florida's primary, is among a half-dozen officials frequently mentioned as possible running mates.

Although polls show the second-year governor continues to command lofty approval ratings statewide, a Miami Herald survey of South Floridians released Tuesday showed signs of trouble.

More residents -- 52 percent -- said he was doing a fair-to-poor job of handling regional issues than the 43 percent giving him high marks. It's the first time in Crist's 18 months as governor that his negatives have exceeded his positives, with his handling of property taxes the basis for the most frequent complaints.

Tuesday's pact, however, may warm Crist's welcome among environmentalists and scientists attending his second annual climate-change summit, which opens today in Miami.

And his allies said the U.S. Sugar agreement deserves to be viewed as what Allison DeFoor, an environmentalist and former GOP candidate for lieutenant governor, termed "an historic environmental deal."

Added DeFoor, "I don't think anybody in our lifetime ever would have thought they'd see sugar's place in the Everglades so reduced."

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## **OF FARMLAND IN THE EVERGLADES TO HELP RESTORE THE**

06/24/2008

Headline News - CNN Headline News

Headline News - CNN Headline News

THE STATE OF FLORIDA, HAVE YOU HEARD ABOUT THIS, MAKING A REALLY BIG PURCHASE HERE. CHARLIE CRIST SAYS IT'S BUYING 187 ACRES OF FARMLAND IN THE EVERGLADES TO HELP RESTORE THE WETLANDS. THE U. SUGAR CORPORATION SOLD IT AROUND \$1. THE CONSERVANCY CALLS IT THE OPPORTUNITY TO REWRITE THE COURSE OF EVERGLADES RES TOR RATION.

[Return to Top](#)

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## **FARM OPERATIONS IN THE EVERGLADES AND RESTORE 300 SQUARE**

06/24/2008

NBC Nightly News with Brian Williams - NBC News Network

NBC Nightly News with Brian Williams - NBC News Network

NEWS FROM FLORIDA. THE U. HAS REACHED AN AGREEMENT WITH THE U. SUGAR, THE LARGEST SUGAR PRODUCER TO END FARM OPERATIONS IN THE EVERGLADES AND RESTORE 300 SQUARE MILES OF LAND TO ITS NATURAL STATE. FLORIDA HAS AGREED TO PAY USSUGAR \$1. 7 BILLION AND IN EXCHANGE FOR THE MONEY, THE COMPANY WILL ENDS ITS OPERATION SIX YEARS FROM NOW. ENVIRONMENTALISTS ARE CALLING THE MOVE THE BIGGEST ECOLOGICAL RESTORATION IN THE NATION'S HISTORY.

[Return to Top](#)

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## **Pigs fly! Hell freezes! U.S. Sugar sells out!**

06/24/2008

Seattle Post-Intelligencer - Online

[Return to Top](#)

Hard to believe, but it's true: U.S. Sugar, the granddaddy of Florida sugar companies, is selling all of its holdings to the government. It's a major development in the nation's largest and arguably most ambitious ecological restoration project, allowing reconnection of the Everglades to its historic headwaters in Lake Okeechobee. Everglades sunset Photo/Everglades National Park

Here's an early version of a story from Craig Pittman of the St. Petersburg Times, and here is a reasonably complete story by Carole Williams at the LA Times.

There's something of a Nixon-goes-to-China quality about the whole deal, with ultra-conservative-but-green Florida Gov. Charlie Crist being the lynchpin for the deal.

But, having covered Everglades restoration since before there was such a thing, I have to take issue with a statement made to Pittman by Stu Appelbaum of the U.S. Army Corps of Engineers, who has captained a lot of the effort (but wasn't party to the land deal between Crist and U.S. Sugar and in fact didn't learn of the negotiations until they were just about a done deal.) Appelbaum said such a land deal is 'not something that was ever contemplated or suggested.' Beg pardon. Maybe Stu wasn't thinking that way, but plenty of enviros in the Everglades Coalition were, including Charles Lee of Florida Audubon and any number of folks in Marjory Stoneman Douglas's Here's one example (third item).

But I would not disagree with Appelbaum's overall assessment of the development:

The whole landscape has changed.

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## Quotes on U.S. Sugar deal 'Bigger than anyone's imagination'

06/24/2008

Palm Beach Post - Online

[Return to Top](#)

'It is bigger than anyone's imagination. If Gov. Crist is able to pull this off and make it work, it will probably be the biggest thing to ever happen in Everglades restoration.' - Eric Draper, policy director for Audubon of Florida  
'This is like the Louisiana Purchase.' - John Marshall, founder of the Arthur R. Marshall Foundation  
'It's sort of breathtaking in its significance and scope, if this is actually true. It would be a once-in-a-generation opportunity that would move Everglades restoration forward beyond anyone's expectation.' - Kirk Fordham, chief executive, Everglades Foundation  
'It certainly would be easier to restore the natural flow (of the Everglades) over undisturbed land, rather than if the land is filled with residential, commercial, and industrial buildings.' - Bob Graham, former U.S. senator and Florida governor who long has advocated a state initiative to purchase sugar cane land  
'In politics, secrets are usually difficult to keep. I guess this was an exception. I don't know much about the deal. I'm looking forward to having it revealed.' - State Sen. Dave Aronberg, D-Greenacres, alternating chairman, Joint Legislative Committee on Everglades Oversight

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## **Everglades deal's impact would be huge - for all of us**

06/24/2008

Orlando Sentinel - Online

[Return to  
Top](#)

During the past century, engineers have carved it up into a Frankenstein concoction of canals, dikes and dams.

Undoing this mess into something resembling nature has been Florida's greatest environmental challenge.

All seemed lost until the news broke Monday that U.S. Sugar was willing to sell its 187,000 acres to the state.

That land sits in the heart of the Everglades. You could no more save the Everglades and leave Big Sugar intact than you could save a cancer patient and leave the tumors intact.

There simply is not enough room in South Florida to accommodate the farms, 4 million people, 1 million alligators, one alleged skunk ape and an ecosystem so delicate that birds live or die by the smallest fluctuations in water levels.

Puzzle for engineers

The engineers could not design their way out of that reality no matter how many billions of tax dollars they burned trying.

The lack of room to store water has long been the 8,000-pound gorilla in the Everglades restoration project. For years water managers have compensated by piling more water into Lake Okeechobee, putting the lake's rickety dike at risk of catastrophic failure.

To relieve pressure on the dike, they dump water from the lake into canals draining out to the coast.

This is destroying brackish-water bays. It has been blamed for fueling devastating red-tide outbreaks in the Gulf of Mexico.

And it's why environmentalists in Martin County opposed a plan to restore Kissimmee's Lake Tohopekaliga back in 2003. Draining much of the lake, as planned, would send a huge slug of polluted fresh water flowing into their section of the Indian River.

You see, with the Everglades, what happens in one place affects other places hundreds of miles away.

And what is happening is crazy. We dump all this fresh water in the rainy months, only to go begging for it when the dry months arrive.

We are a hydrological basket case, bouncing back and forth from flood to drought.

The most likely solution always has been located south of Lake Okeechobee, where Big Sugar tills more than 400,000 acres.

But the demands of hydrology have always run into the reality of politics.

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## **Palm Beach County: New Web site offers tips in Spanish for saving water**

06/25/2008

South Florida Sun-Sentinel

[Return to  
Top](#)

A new Web site offers water saving tips in Spanish.

The South Florida Water Management district this month launched the site, which includes tips about positioning sprinklers for optimal effect, using low-flow faucets and ways to cut water use in the kitchen.

To reach the Web site, go to [www.savewaterfl.com](http://www.savewaterfl.com) and click on en espanol.

The site includes information for residents, businesses and agricultural interests.

South Florida water supplies remain strained by back-to-back years of drought.

Most of the region is under twice-a-week landscape watering limits.

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## **Water rates to rise sharply for Manalapan residents starting July 1**

06/24/2008

Palm Beach Daily News

DAVID ROGERS

[Return to  
Top](#)

MANALAPAN Residents with large, thirsty lawns will feel a sharper sting when they pay their water bill in August.

With irrigation restrictions shrinking revenue needed to operate the water treatment plant and pay for plant improvements, the Town Commission voted Tuesday to raise water rates.

Starting July 1, the monthly demand charge based on meter size will go up about 35 percent. The monthly usage charge will increase from \$1.75 per thousand gallons to \$1.85 per thousand gallons.

For a resident with a 1.5-inch water meter, the monthly demand charge will go from \$112.18 to \$151.47 according to an analysis by engineering consultant Henry Glaus of Mock, Roos & Associates.

In addition to the demand charge, a customer who uses 50,000 gallons of water a month will pay \$92.50 a month instead of \$87.50.

The town's water customers in Hypoluxo would continue to pay a surcharge of 20 percent on monthly demand and usage charges.

Resident Suzi Goldsmith said it would be 'very unfair' to raise water rates without first notifying residents by mail. 'That's outrageous,' Goldsmith said while walking out of commission chambers after the vote.

Sewage rates were not changed.

Finance Director Linda Stumpf expected to collect \$1.28 million in water revenue by now. Instead, the town has taken in \$903,455, Stumpf said.

In 2007, when the South Florida Water Management District first imposed water restrictions because of drought, water sales dropped 36 percent from the previous year, according to Glaus.

In the first six months of the 2008 budget year, there was a 16.4 percent decrease in water sales from the same period in 2007.

Replacing a failed deep well needed as a backup for the reverse-osmosis water treatment system is projected to cost \$1.2 million. That expense, coupled with water main replacements and other capital improvement projects expected to commence in the near future, will cost the town about \$2.8 million, according to Glaus.

The rate increases Glaus suggested would allow the town to pay for the work through added revenue and a 20-year loan.

Converting the plant to an all-reverse-osmosis system and adding water storage capacity would cost an additional \$886,000. The latter project most likely cannot be done in the next few years, according to Glaus. 'The out-of-pocket expenditures, (taken) out of your funds to try to evaluate that well and fix that well, has had a tremendous impact on your budget,' Glaus said. Well 14, at the town's treatment plant on U.S 1 in Hypoluxo, began drawing sand and taking in salty water upon start-up in the summer of 2006.

Last year, the town hired hydrogeologist Jim Andersen to determine whether the well could be repaired. He recommended replacement. The town then hired engineering firm Kimley-Horn to identify ways to make the plant more efficient.

Earlier this month, the town sued the West Palm Beach hydrogeology firm that designed and supervised the construction of Well 14.

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## **U.S. Sugar employees' lawsuit claims they were underpaid for stock shares**

06/24/2008

Jupiter Courier

PETER FRANCESCHINA Sun

Peter Franceschina - South Florida SUN-Sentinel

Even as U.S. Sugar Corp. pursues a \$1.7 billion deal to sell its roughly 187,000 acres of South Florida farmland to the state for Everglades restoration, it faces a federal lawsuit alleging employee shareholders have been shortchanged on their retirement stock payouts.

In January, three former U.S. Sugar employees filed a federal lawsuit in West Palm Beach seeking class-action status, alleging the privately held company's board kept secret two \$575 million buyout offers in recent years that were rejected.

An attorney for the employees said on Monday that the lucrative state deal shows employees were getting less for their stock than it was worth.

U.S. Sugar employees own about 35 percent of the company through an Employee Stock Ownership Plan, or ESOP, according to the suit. The employee stock plans are a common ownership structure for thousands of

[Return to  
Top](#)

American companies.

U.S. Sugar bought back employee-owned shares in recent years for about \$200 per share as employees retired, according to the suit. The two \$575 million offers rejected by the board valued the shares at \$293 apiece, the suit says. As the number of outstanding shares were reduced, the suit alleges that increased the value of the remaining shares, including those controlled by directors, officers and descendants of the company's founder.

U.S. Sugar and the other individual defendants, including board chairman William S. White, have filed motions to dismiss the suit. The company has said the suit has no merit.

About 4,000 former and current employees are affected.

The suit also names as a defendant the \$2.5 billion Charles Stewart Mott Foundation of Flint, Mich., which owns 19 percent of the shares and donates millions of dollars annually to combat poverty, promote social causes and protect the environment.

Coral Gables attorney Curtis Miner, who represents the plaintiffs, said the \$1.7 billion public buyout of U.S. Sugar bolsters the contention that employees were paid below fair value.

'The bottom line is, I think this just triple underscores that the U.S. Sugar employee shareholders were being vastly underpaid for shares,' he said.

One of the nation's largest privately held agricultural firms, U.S. Sugar employs roughly 1,700 people and farms almost 200,000 acres in Hendry, Glades, and Palm Beach counties, according to its Web site. The company expanded into orange juice production in 1985 and produces about 700,000 tons of sugar and more than 20 million boxes of oranges a year for sales topping \$100 million, according to Hoover's, a business information service.

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## **Clewiston The town U.S. Sugar built**

06/24/2008

Palm Beach Post - Online

Lantigua, John

[Return to  
Top](#)

CLEWISTON The 'Sweetest Town in America' will soon be sugar free.

Clewiston, the town that the U.S. Sugar Corporation built on the south shore of Lake Okeechobee some 75 years ago, is about to lose the company that made it a 'company town.' Tuesday, the firm agreed to sell itself to the state of Florida for Everglades restoration and to shut down within six years. Some 1,700 employees would lose jobs, many of whom live in this town of about 7,000 people.

The town is literally built around U.S. Sugar's stately, two-story brick headquarters and the historic Clewiston Inn that the firm built to house visitors. 'Big Sugar' will fold in South Florida after a colorful, not always pretty history. It will leave behind distinctive images - acre after acre of cane bending in the wind, billowing clouds of smoke on the flat landscape caused by harvest burns, armies of machete-wielding cane cutters from the rural South and the West Indies, who were later replaced by harvesting machines, old accusations of worker neglect and newer accusations of Everglades pollution.

But in this town you don't hear too many knocks on Big Sugar. 'I'd say at one point almost every last family in Clewiston had people working for U.S. Sugar,' says Butch Wilson, director of the Clewiston Museum. 'Some families had generation after generation - grandfather, father, son - working for Sugar.' Many people in this town refer to the company that way - just 'Sugar.' The marvelously fertile soil in and around Clewiston - known as 'muck'-was first discovered in 1915 by a dozen families of Japanese immigrants, who planted vegetables. Sugar growers moved in about a decade later and by 1931 U.S. Sugar was cutting cane.

It was also laying out the grid of the town which was surrounded by the lake on one side and sugar and vegetable land on every other. Over the years the firm hired executives from all over the country. 'But they had to live and work here in this town,' says Wilson. 'They came from California, Wisconsin, New York. And they became involved in civic life. They were commissioners and mayors here.' Wilson worked for 'Sugar' for 32 years before he was laid off last November. In that sense he is an artifact in the museum he runs. He says sugar was a decent business from the 1930s to the 1950s. 'Then in the 1960s and 1970s it boomed,' he said. 'That was after Castro took over Cuba.' Trade embargos against Cuba ended the import of sugar from that island, which had been the United States' largest supplier. U.S. suppliers later pushed price supports through Congress that made sugar very profitable. 'Back then sugar was like gasoline today. The price just kept going up,' Wilson says. Along the way, the firm helped invent the cultural life of the town. 'After the harvest every year there was a big dance and a barbecue,' he says. 'The company also donated money to the Sugar Festival and the Sugar parade.' Photos of the festival feature floats and teenage girls dressed up as 100-pound bags of sugar.

But the last several years have not been as quaint. New management took over not long after the signing of the North American Free Trade Agreement. Employees were warned that 'Sugar' would have to battle with foreign competitors. Soon, long time employees started losing their jobs and moving away. 'Over the past five to seven years the community really hasn't understood some of the decisions,' said Wilson. He says he believes that the town will find a way to rebound. 'You don't have much of a choice do you?' he asks. 'You either find a way or you become a ghost town.'

