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With Everglades Tract Sale Approved, Water District Looks to Next Step

12/20/2008
Engineering News Record
Thomas F. Armistead

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After two days of public hearings and debate, the South Florida Water Management District's governing board still hesitated to approve an agreement to purchase 180,000 acres of land in the Everglades Agricultural Area from the United States Sugar Corp. for \$1.34 billion. As it stood, the board feared, the agreement could expose the district to penalties for conditions over which it had no control. Finally, the board approved a modified agreement with a 4-3 vote, knowing that the Clewiston, Fla., agribusiness might refuse to accept the amendment. But late on Dec. 16, after the water district's vote, U.S. Sugar issued a statement saying the amendment "was a non-material modification within the authorized scope" of the sale agreement that the company already had approved. And with that, the parties began looking ahead.

The agreement was the culmination of a process that broke into the news June 24, when Florida Gov. Charlie Crist (R) announced that U.S. Sugar and the state had reached an agreement in principle for the sugar-cane grower to sell the state all its land and assets in the Everglades and go out of business after seven years. The terms subsequently were modified to include only a land transaction, reducing the proposed sale price from \$1.75 billion to \$1.34 billion. By Nov. 12, when negotiations were concluded, the condition of the economy had substantially changed and many stakeholders were voicing doubts about the proposal's wisdom and viability.

Following the approval, U.S. Sugar now has 60 days to solicit and entertain alternative bids, including seeking further clarification from the Lawrence Group, Nashville, Tenn., which has offered \$300 per share for U.S. Sugar's stock. That offer "is subject to numerous uncertainties," said Robert H. Buker Jr., president and CEO in a Dec. 10 letter to employees and stockholders.

The water district too has work to do. "We have a Feb. 6 court hearing to have certificates of participation validated by the circuit court to preapprove financing" for the purchase, says Eric Buermann, chairman of the SFWMD governing board. Buermann expects the district to receive financial assistance for the purchase from other sources, including the federal government, which is committed under the 2000 Comprehensive Everglades Restoration Plan to share equally in the costs of restoring the ecosystem. "This is America's Everglades, a World Heritage site," he says. "Here we have the state showing tremendous commitment," he says. To date, the state has put far more money into the program than the federal government has.

Some opponents of the agreement expressed concern that the commitment of \$1.34 billion for the land purchase would harm the rest of the Everglades restoration program by diverting funds that are needed for projects already on the drawing board. Buermann says he expects to be able to sell surplus land once the water district has determined how much is required to establish the land link to move water from Lake Okeechobee into the lower Glades to replicate the historic sheetflow of water necessary to maintain the ecosystem. The proceeds from that sale can be applied to fund the other work, he says.

EVERGLADES LAND DEAL MIGHT PROVE TOO COSTLY

12/20/2008

Sun Sentinel

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On Tuesday, yet another South Florida buyer nervously agreed to an expensive real estate deal knowing the mortgage payments could be too much to afford.

But this time the buyer was the South Florida Water Management District, and the 180,000-acre, \$1.34 billion deal was the largest public land buy in state history.

While the district may write the checks for the deal, the money to buy U.S. Sugar Corp.'s land for Everglades restoration comes from taxpayers in a 16-county region from Orlando to the Keys.

Project backers say safeguards are in place for taxpayers' dollars and the deal still must overcome a series of hurdles that include:

The district intends to borrow the money and must fend off a legal challenge to its financing plan. The case goes to court in February.

Contract loose ends must also be addressed, such as ongoing leases for proposed rock mines on U.S. Sugar land that could stand in the way of restoration.

To help defray the \$1.34 billion cost, state negotiators plan to continue talks with other buyers interested U.S. Sugar land not needed for restoration.

The plan hinges on whether state tax revenue projections expected next summer show the district will have enough money to pay for the deal without making deep cuts to water supply and flood control operations.

The district's board approved the land deal in a 4-3 vote, knowing that sliding tax revenues due to a worsening economic crisis could ultimately make the purchase too expensive to afford.

Keeping the costly deal alive was worth the potential reward of acquiring land that would help reconnect Lake Okeechobee water flows to the Everglades, district board Chairman Eric Buermann said.

"This is a visionary move. It takes faith," Buermann said. "Yes we are going to encounter issues, but we just have to work through them."

The contract allows the district to back out of the deal before the September closing deadline if it determines the long-term costs would be too high.

However, taxpayers already have paid a steep price just to get to this point in the deal.

The district invested an estimated \$16 million so far to hire a team of lawyers, appraisers, environmental consultants and

financial advisers to work on the proposed land buy. That figure could rise to more than \$26 million, agency spokesman Randy Smith said.

Also, since June taxpayers have been paying \$1.9 million per month for contractors to stand by while the district decided if a reservoir under construction in western Palm Beach County fit into Everglades restoration plans being reshaped by the U.S. Sugar deal.

Before construction stopped, the district already had spent \$250 million to start building the 16,700-acre reservoir west of U.S. 27.

With the U.S. Sugar deal moving forward, the district begins to negotiate a final payment for an "exit contract" with the reservoir contractors, Smith said.

The reservoir project can be converted to a stormwater treatment area - a man-made marsh that filters pollutants - that fits in with plans for water storage on U.S. Sugar land, Buermann said. "Tax dollars won't be wasted at all," he said.

But the cost of the U.S. Sugar deal, coupled with the state's economic downturn, threatens to leave the district without the money it needs to build other reservoirs and projects vital to Everglades restoration, board member Michael Collins said.

"We have got to keep a balanced perspective on our ability to get something done in this generation," said Collins, who voted against the deal.

The district plans to borrow the money to pay for the U.S. Sugar deal, with taxpayers paying off a debt expected to exceed \$3 billion due to long-term interest payments.

On Feb. 6, the district goes to court to defend that financing plan against Florida Crystals, U.S. Sugar's chief competitor. Florida Crystals contends that sale and a provision that allows U.S. Sugar to lease back its land for at least seven years gives a "state-backed, unfair, competitive advantage" to U.S. Sugar over other growers, Florida Crystals Vice President Gaston Cantens said.

During the months to come, the district plans to try to strike deals with Florida Crystals, the state's other large sugar grower, and other potential buyers interested in U.S. Sugar land not needed for restoration.

The district "can't afford to do this on its own," board member Jerry Montgomery said.

"There's a lot of political wrangling," Montgomery said about the land deal. "There is going to be a lot of second-guessing."

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Another big concern

State tax revenue projections expected next summer must show the district will have enough money to pay for the deal.

A possible obstacle

The district intends to borrow the money and must fend off a legal challenge to its financing plan. The case goes to court in February.

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U.S. SUGAR LAND DEAL MUST HELP RESIDENTS

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Sun Sentinel

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The South Florida Water Management District has an epic opportunity to restore the Everglades. To make this happen, the district needs to work to improve the terms of the contract.

It is important that impacted people around Lake Okeechobee be treated fairly. Right now, the land has been determined to be about \$300 million over market (according to consultants hired by the district). Why not create a trust fund that benefits the community, operated by a nonpolitical, independent board with \$100 million or \$200 million to offset losses directly related to the land purchase? This would go a long way to alleviate the anxiety of the communities in the area.

The land needs to be cleaned up so that it is ready for restoration. U.S. Sugar should be returning the land in the condition it was in when it began farming. Restoration of the Everglades needs to begin now, not in seven or 10 years.

The district needs to adopt a plan that supports the creation of connectivity and gravity flow from the lake to Everglades National Park. It is time to accept sheet flow south as the ultimate solution. It is the only way to truly relieve pressure on the estuaries. Because the district will not make a definitive statement, the Palm Beach County Commission continues to make poor planning decisions, opening areas of critical concern to unnecessary and poorly planned development that will block flows to the south.

Also, Florida Crystals needs to be included now. Florida Crystals is willing to negotiate. The district promised to talk to them. It is time for the district to negotiate the proper land swaps. Waiting will cause market dislocation and prevent the proper restoration of the Everglades.

The final issue is that the lease agreement undercuts existing landowners and creates market inequity. U.S. Sugar should not drive the negotiating process. The state has the power to drive a fair bargain for all parties.

This is an epic opportunity, but it needs to be done right to truly save the Everglades.

Drew Martin is conservation chair of the Loxahatchee group, Sierra Club.

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We think: The state gave away too much in deal with Big Sugar

12/19/2008

Orlando Sentinel

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We think: The state gave away too much in deal with Big Sugar
December 19, 2008

Talk about your hollow victories. The one that has Gov. Charlie Crist jumping up and down -- the state's agreement this week to buy 181,000 acres from U.S. Sugar to help restore the Everglades -- already is taking on water and struggling to stay afloat. It didn't have to be this way. The state could have negotiated more-sensible terms. Gov. Crist managed that in September, rejecting a separate \$37.5 million, 386-acre land buy needed to build the Wekiva Parkway because it exceeded an appraisal by \$9.5 million. The seller eventually unloaded it to the state for less. But in his haste to seal the \$1.34 billion deal for U.S. Sugar's property, Mr. Crist got a review board on Tuesday to ignore appraisals showing the state paying up to \$400 million more than the land's worth. He'll find it far more difficult getting credit houses to finance so bloated a land buy -- and at a rate that won't sap the state's ability to fund other critically important restoration and flood control projects in Central and South Florida. So worried, in fact, are officials who approved the deal of its power to undermine those projects that they attached an opt-out clause -- just in case. In the off-chance they net a credible financing package, here's another case they and Mr. Crist need to build: one that gets the federal government to pay its share of the restoration. Since 2000, it has shirked its responsibility to pay half the money that's supposed to help clean the wetlands polluted by agriculture and development. Mr. Crist's purchase of U.S. Sugar's 181,000 acres would appear even more dubious and potentially a debacle if after spending billions to acquire it, the state can't get Washington to spend billions more to help restore it.

Crist joins water board chairman in celebrating 'historic' sugar deal

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Crist joins water board chairman in celebrating 'historic' sugar deal

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By MICHAEL C. BENDER

Palm Beach Post Staff Writer

Thursday, December 18, 2008

In the days leading up to his vote on the U.S. Sugar deal, Eric Buermann escaped to Biscayne National Park, where he anchored a 31-foot outboard motor boat in calm water and sat alone with his thoughts.

The chairman of the South Florida Water Management District, Eric Buermann, supported the priciest conservation deal in state history.

U.S. Sugar deal

"I had gone down there to be a little closer to my maker," Buermann said today, "and to find guidance in what was the right thing to do."

The chairman of the South Florida Water Management District ultimately supported the priciest conservation deal in state history, which the agency's board approved Tuesday in a 4-3 vote.

Buermann joined Gov. Charlie Crist at the Capitol today to celebrate.

Crist called the deal "truly historic and truly amazing" and defended the \$1.34 billion price tag, which was about \$400 million more expensive than what one of the district's hired financial advisers said the deal was worth.

"I know there were some who feel it was not a perfect deal," Crist said.

"Well, I don't think I've ever seen a perfect deal, to be honest with you.

"And if you're waiting for perfection, you may wait forever."

Crist said the final price was in the "sweet spot" between two state appraisals and also \$400 million less than the original \$1.75 billion estimate he had announced in June. The price dropped when U.S. Sugar's mill, refinery, rail lines and other properties were not included in the deal.

Appraisers hired by the water district valued the land-only deal for the company's 180,000 acres at \$1.3 billion to \$1.34 billion. But they later reduced their estimates to between \$1 billion and \$1.1 billion, taking into account the favorable terms that U.S. Sugar would be allowed to enjoy while leasing the land back from the state.

Meanwhile, a New York-based financial adviser told the district last month that a fair price for the land would be around \$930 million.

"It's not cheap, but neither is Florida and neither are the Everglades," Crist said today. "And nor should they be."

Crist also spoke directly to residents in U.S. Sugar's home city of Clewiston during his news conference, saying, "We're sensitive to your needs."

He said the company's 1,700 jobs could remain in place if the company remains in the area at the end of seven-year lease with state. Jobs in the ethanol industry could be available by then, he said.

"These are the types of new technologies and new economies we can develop during this time period, because this great vote was taken in order for people to be employed not just for the next seven years, but for the rest of their lives," Crist said.

Florida Governor Celebrates Everglades Land Purchase Vote

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Florida Governor Celebrates Everglades Land Purchase Vote
TALLAHASSEE, Florida, December 18, 2008 (ENS) - Governor Charlie Crist today joined the chairman of the South Florida Water Management District, state environmental and economic officials, and environmentalists to applaud the SFWMD Governing Board's approval this week in favor of an historic land acquisition for Everglades restoration.

By one vote, the seven-member Board of the South Florida Water Management District Tuesday narrowly approved a plan for the nation's largest sugar company to sell some 180,000 acres of land - about 285 square miles - to the state of Florida.

The \$1.34 billion land-only agreement with the U.S. Sugar Corporation is one of the largest environmental land acquisitions in American history. Proponents view the deal as the cornerstone of environmental efforts to restore natural water flow to the Everglades after decades of farming and development.

Florida lawmakers have voiced concern about the deal when the state is gripped by an economic crisis and is cutting services to citizens.

Some environmentalists have also expressed their disapproval, while others approve of the opportunity to restore water flows to the giant wetlands that is the Everglades.

A view over part of the U.S. Sugar property the state of Florida proposes to purchase (Photo courtesy U.S. Sugar)

"This land acquisition is the most important, most historic step taken toward true Everglades restoration. It creates unprecedented possibilities for the River of Grass and for our environment," said Governor Crist at a news conference today.

"I am grateful to the members of the South Florida Water Management District Governing Board for their support, which came after thoughtful and deliberate consideration. This land purchase reflects the courage and tenacity of so many people who, like the late Marjory Stoneman Douglas, have worked to protect this unique environmental treasure."

Marjory Stoneman Douglas (1890-1998) was an American journalist, writer and environmentalist known for her defense of the Florida Everglades against draining and development. In 1947, she published the book "The Everglades: River of Grass," which redefined the Everglades as a treasured river instead of a worthless swamp.

If completed, the land purchase will be used to reestablish a part of the historic connection between Lake Okeechobee and the River of Grass through a managed system of storage and treatment. The land also will be used to safeguard the St. Lucie and Caloosahatchee rivers and estuaries.

"This is a once-in-a-lifetime opportunity to acquire land in the Everglades Agricultural Area for restoration. The immense environmental benefit of these lands and their value to Florida's unique Everglades ecosystem cannot be overstated," SFWMD Governing Board Chairman Eric Buermann told reporters today.

"Without losing sight of Governor Crist's bold vision for restoration, the board has evaluated the details of the proposed acquisition and listened carefully to the input of Floridians, the Florida Legislature and local elected leaders," he said.

"Amending the contract before us is an important step for delivering an agreement that not only meets South Florida's environmental needs but also better protects the interests of the taxpayers. This is good government and the public process at work," said Buermann. "We are hopeful that U.S. Sugar will agree to this essential and necessary improvement to the contract and accept the Board's revision."

Highlights of the purchase and lease agreements include:

The district would take ownership of a minimum of 180,000 acres land and its improvements for a purchase price of \$1.34 billion.

Under a separate agreement, U.S. Sugar would lease and manage the land for agricultural operation for seven years, avoiding more than \$40 million in land management costs to the district over the

life of the lease.

The lease arrangement would allow the release of the first 10,000 acres of property to the district at any time after the first year with appropriate notice. An additional 30,000 acres may be released in year six, on or after December 30, 2015.

The lease agreement would also allow for the release of up to 3,000 acres in connection with land transfers to municipalities or other governmental entities.

The company would retain ownership of its major assets, including a sugar mill, refinery, railroad and citrus processing plant.

Subject to court validation and suitable market conditions, the district would issue certificates of participation to fund the land acquisition. The parties must close on the purchase within 90 days of bond validation and no later than September 25, 2009. Robert Coker, U.S. Sugar's senior vice president, public affairs, said in a statement Tuesday, "Governor Crist not only had the vision to take this bold step toward true Everglades restoration, but he and the South Florida Water Management District Governing Board had the courage to actually make it happen."

"This has been a time of uncertainty, but now that the agreement has been signed, it should provide a greater degree of certainty for our employees, our stockholders and our communities," Coker said. "We believe this deal serves the best strategic, long-term objectives of the company and its stockholders.

"Some have criticized the transaction as not providing a sufficient return to U.S. Sugar stockholders while others have criticized the transaction as being too generous to U.S. Sugar stockholders. Without a doubt, we would not be doing this if we didn't believe it was a fair deal for our stockholders," Coker said.

"In addition, this is a tremendous opportunity for our state and her people, and the government would not be doing this if they did not feel it was fair to them," he said. "This is a monumental opportunity to save the Everglades, and after many months of negotiations, we can now move forward."

Although the company will continue to farm the land and operate its businesses for at least seven years as defined in the contract, Coker said U.S. Sugar intends to work "quickly and diligently with state and federal interests" to put together an economic transition plan for the local communities.

Florida House leaders have called for a review by the Agriculture and Natural Resources Policy Committee, chaired by Representative Trudi Williams, an environmental and civil engineer. She is a Fort Myers Republican and a former chairwoman of the water district, who also chairs the House Committee on Environmental Protection. She is among several legislators who wrote water managers in opposition to the purchase.

Mike Sole, secretary of the Florida Department of Environmental Protection, acknowledged that the contract he wrote with U.S. Sugar will need broader political support state lawmakers and local communities to come to completion.

"This is just the beginning," Sole said. "We have a lot of work ahead."

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Get a deal; get on with Everglades restoration

12/19/2008

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The title of Sunday's front-page article, 'Everglades at Crossroads,' goes to the heart of this issue.

As a scientist working on microalgae in the Everglades and Florida Bay, I am keenly interested in seeing the Comprehensive Everglades Restoration Plan bring to fruition the concept of Everglades Forever. Now that the South Florida Water Management District Governing Board has approved the purchase of U.S. Sugar's land, the district should work out the needed land swaps to obtain the flowway path so water can flow to the Everglades.

As I teach my students, water, not energy, is the most pressing issue of the 21st century. We must rejuvenate the Everglades because it makes good economic sense in terms of water, ecotourism and capturing greenhouse gases. The subsidies that the American sugar cane industry has received over the years are staggering. All of that money has gone just to give sugar growers in America a huge leg up against foreign competition.

The latest issue of the Nassau (Bahamas) Guardian has an article that goes right to that point. If the American people are going to compete in a world market, then it is time to normalize relations. Buy sugar more inexpensively and have cheaper food or ethanol? Hmm? Caribbean and especially Cuban sugar competing on a 1:1 basis with sugar in America would settle the current problem of the Everglades needing these lands and not needing the nitrogen, phosphorous and sulfate that pollute its waters.

Complete the deal for the land, create the flowway, and let's get on with the restoration. Editor's note: Dr. J. William Louda is an environmental biogeochemist and senior scientist in the Department of Chemistry and Biochemistry and The Environmental Sciences Program at Florida Atlantic University in Boca Raton. Congratulations to The Post for the great coverage of the the Everglades/U.S. Sugar deal in Sunday's paper. The front-page map was especially helpful in deciphering the many properties that are to be included in the deal.

It is very clear that, as proposed, much of the land purchase is not needed for the flowway and is simply a bailout for U.S. Sugar. In addition, Florida Crystals' land directly south of the U.S. Sugar land in the flow way makes completion of the project extremely problematic. The best way to ensure completion of the project

would have been to buy only the land in the flowway from U.S. Sugar and Florida Crystals. Even factoring in the cost of moving Florida Crystals' mill and building several bridges across the flowway to allow traffic, the cost should have been well below the proposed \$1.34 billion buyout.

In addition, this would have preserved many jobs in the Glades by allowing both companies to continue to produce sugar longer than the seven years of the lease that is part of the sale the South Florida Water Management District board approved on Tuesday. Having read your front-page piece on Everglades restoration, my immediate inclination was to write you a letter, but then I read your lead editorial and found my intended letter already written. Bravo.

The only item you missed was supplied by the letter that questioned why the state doesn't just exercise eminent domain. We would pay a great deal less for the land that way. The South Florida Water Management District should have called U.S. Sugar's bluff. Almost weekly, we read of the worsening predictions for tax collections in Florida. Budgets in all programs are being cut, and there is talk of raising taxes. However, let's not forget the simplest tax reform of all: rescinding all the unfair sales-tax exemptions that lobbyists have managed to induce legislators to slip into our tax code.

The Florida Tax Handbook lists 246 exemptions to the sales tax, including stadium sky boxes, tickets to the ballet and satellites and space vehicles. Most new exemptions are for goods used by the wealthy. While some exemptions are fair, such as the ones on groceries and medicine, exempting the sales tax on dog food for greyhound trainers while requiring the tax to be paid on the average guy's dog's food is ridiculous. There's a break on chartered, deep-sea fishing boats, but for a regular Joe there's the sales tax on cane poles and fishing rods.

Other exemptions include ostrich feed and luxury yachts. The sales tax as originally enacted had just a few exemptions to help prevent it from being a burden to the poor. Too bad the sales tax wasn't put into the constitution so that legislators couldn't so easily alter it to not be a burden to the rich. A 21st-century Mark Twain might say: 'There are three kinds of lies: lies, damned lies, and Bush justifying his invasion of Iraq.' President Bush defends his record on using military force by saying that the United States must remain willing to 'take the fight to our enemies across the world.' That makes some sense for real enemies. Why did President Bush sacrifice thousands of American soldiers to remove a fictional enemy? Saddam Hussein was a despicable tyrant, but he was no threat to the United States.

What Mr. Bush actually did was protect us from imaginary harm. He also became the lead recruiter for Al-Qaeda.

So, how can Mr. Bush defend a river of blood that made our real enemies stronger? It takes more than mere lies. Friedman needs a clue; success in Iraq is Bush's New York Times columnist Tom Friedman has done it again with 'Won't irrational politics ever stop?' Now that the Iraq War looks like it could have a successful outcome, even though it was a bad idea to start it, Mr. Friedman now makes it Barack Obama's war and success. He gives no credit to President Bush for the surge or Gen. David Petraeus for carrying it out. Their names are omitted, and it is now Mr.

Obama's success story. I think Mr. Friedman needs a long vacation from his computer. After reading the columns by Thomas Friedman and Rhonda Swan, the only conclusion is that all those responsible for this financial mess are super-embezzlers and should be sentenced to returning all the stolen money and having their mansions go into foreclosure.

U.S. Sugar deal faces long road, competing offers

12/19/2008

South Florida Business Journal - Online

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A competing buyer for U.S. Sugar Corp. said it is still very much interested in the sugar giant, despite a state agreement to buy U. S. Sugars land. The governing board of the South Florida Water Management District voted 4-3 on Dec. 16 to buy 180,000 acres from U.S. Sugar for \$1.34 billion. It was hailed as a historic moment for Everglades restoration.

By law, U.S. Sugar is now obligated to investigate any other offers and take a better deal if it comes up. The sugar giant will have to pay a \$40 million breakup fee to the water management district, but a better deal might be worth it.

The Nashville, Tenn.-based Lawrence Group has already been making offers to buy U.S. Sugar outright. In a Dec. 17 statement, the Lawrence Group criticized the state deal. If you are already a South Florida Business Journal subscriber please create or sign into your bizjournals.com account to link your valid print subscription and have access to the complete article.

GOVERNOR DEFENDS U.S. SUGAR LAND DEAL

12/19/2008

Sun Sentinel

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"These are the types of new technologies and new economies we can develop during this time period, because this great vote was taken in order for people to be employed not just for the next seven years, but for the rest of their lives," Crist said.

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SFWMD Takes Next Step Toward Land Acquisition

12/18/2008

Glades County Democrat

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SFWMD takes next step toward Land Acquisition Water Managers accept contract to purchase vast agricultural land

INI Florida – After extensive de-liberation, due diligence and public input, the South Florida Water Management District (SFWMD) Governing Board today voted 4 to 3 to accept a proposal to acquire more than 180,000 acres of agricultural land for Everglades restoration from the United States Sugar Corporation, contingent upon a specific amendment to the negotiated purchase and sale contract.

The transaction, subject to financing and U.S. Sugar's concurrence with the revised contract condition, would provide water managers with the unprecedented opportunity to store and treat water on a scale never before envisioned for the benefit of the River of Grass, Lake Okeechobee and the St. Lucie and Caloosahatchee rivers and estuaries. The proposed purchase is the largest public land acquisition in Florida's history and the single most important action to protect the Everglades since the designation of Everglades National Park sixty years ago.

" This is a once-in-a-lifetime opportunity to acquire land in the Everglades Agricultural Area for restoration. The immense environmental benefit of these lands and their value to Florida's unique Everglades ecosystem cannot be overstated," said SFWMD Governing Board Chair-man Eric Buermann. " Without losing sight of Governor Crist's bold vision for restoration, the Board has evaluated the details of the proposed acquisition and listened carefully to the input of Floridians, the Florida Legislature and local elected leaders. Amend-ing the contract before us is an important step for delivering an agreement that not only meets South Florida's environmental needs but also better protects the interests of the taxpayers. This is good government and the public process at work. We are hopeful that U.S. Sugar will agree to this essential and necessary improve-ment to the contract and accept the Board's revision."

Highlights of the purchase and lease agreements include: The District would take ownership of a minimum of 180,000 acres land and its improvements for a purchase price of \$1.34 billion.

Under a separate agreement, U.S. Sugar would lease and manage the land for agricultural operation for seven years, avoiding more than \$40 million in land management costs to the District over the life of the lease.

The lease arrangement would allow the release of the first 10,000 acres of property to the District at any time after the first year with appropriate notice. An additional 30,000 acres may be released in year six, on or after December 30, 2015.

The lease agreement would also allow for the release of up to 3,000 acres in connection with land transfers to municipalities or other governmental entities.

The company would retain ownership of its major assets, including a sugar mill, refinery, rail-road and citrus processing plant.

Subject to court validation and suitable market conditions, the District would issue certificates of participation to fund the land acquisition. The parties must close on the purchase within 90

days of bond validation and no later than September 25, 2009.

To protect the agency's core mission in light of a fluctuating and challenging economic climate, the Governing Board strengthened financing conditions within the purchase and sale agreement offered by U.S. Sugar. Before closing, a newly proposed clause would allow the Governing Board to review the most current economic conditions – including interest rates and revenue streams – and verify the District's capacity to finance the purchase and accomplish its existing statutory mandates and legal obligations.

"Economic conditions and revenue projections have changed dramatically over the last five months since negotiations for this acquisition began and it is incumbent upon the Board to protect the agency's ability to achieve its mission as we move this acquisition forward," added Chairman Buermann. "It is our fiduciary responsibility to ensure that the District can both afford this purchase and accomplish its core flood control, water supply and emergency management mandates."

Today's Governing Board action was the culmination of more than five months of complex negotiations and due diligence that began after Florida Governor Charlie Crist first announced the opportunity to acquire the vast tracts of land from U.S. Sugar for environmental restoration on June 24, 2008. The District's extensive due diligence included multiple land appraisals, environmental assessments and engineering evaluations over more than 180,000 acres. The in-depth reports and data associated with the acquisition were presented to the Governing Board during a series of monthly public meetings and made available through the District's Web site at www.sfwmd.gov/riverofgrass as part of the public proceedings and deliberation.

Environmental goals of the acquisition include: Huge increases in the availability of water storage, significantly reducing the potential for harmful discharges from Lake Okeechobee to Florida's coastal rivers and estuaries when lake levels are high. The ability to deliver cleaner water to the Everglades during dry times and greater water storage to protect the natural system during wet years. Preventing tons of phosphorus from entering the Everglades every year. Significantly reducing the need for "back-pumping" water into Lake Okeechobee from the Everglades Agricultural Area to augment regional water supply needs. Additional water storage alternatives, relieving some pressures on the Herbert Hoover Dike while the federal government undertakes repairs. Significant flexibility in managing Lake Okeechobee levels in a more environmentally friendly way. "The Board is grateful to Governor Crist for his vision in seeing an extraordinary opportunity to revive the River of Grass and safeguard the Caloosahatchee and St. Lucie rivers. The Governor deserves our thanks for his courage in bringing once divergent interests together to fully explore this opportunity for the Everglades," added the Chair.

The Everglades:

America's Everglades once covered almost 11,000 square miles of South Florida. Just a century ago, water flowed down the Kissimmee River into Lake Okeechobee, then south through the Everglades to the Florida Bay – the ultimate destination of the pure sheet flow. Because of efforts to drain the marshland for

agriculture, development and flood control, the Everglades is today half the size it was a century ago.

Dubbed the River of Grass for the sawgrass that flourished throughout the marsh, the Everglades is a mosaic of freshwater ponds, prairies and forested up-lands that supports a rich plant and wildlife community. Known throughout the world for its wading birds and wildlife, the Everglades is home to more than sixty threatened and endangered species, including the Florida panther, American crocodile, snail kite and wood stork. The mix of salt and freshwater makes it the only place on Earth where alligators and crocodiles exist side by side.

About the South Florida Water Management District The South Florida Water Management District is a regional, governmental agency that oversees the water resources in the southern half of the state - 16 counties from Orlando to the Keys. It is the oldest and largest of the state's five water management districts. The agency mission is to manage and protect water resources of the region by balancing and improving water quality, flood control, natural systems and water supply. A key initiative is cleanup and restoration of the Everglades.

State Goes Forward With Purchase

12/18/2008

Clewiston News

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State goes forward with purchase
Save for a caveat, district asks for little changes
By Jose Jesus Zaragoza

Clewiston News An oftentimes contentious final meeting for the review of a contract to purchase U.S. Sugar carried over a day while proponents and opponents made their arguments.

A heated final few hours seemed to test the patience of even the most seasoned South Florida Water Management District board members on Tuesday in West Palm Beach, who could be seen agitatedly rubbing their faces, or grabbing their hair during some of the thicker moments of that meeting.

In the end, the board narrowly voted to approve the contract to purchase 180,000 of U.S. Sugar's land, almost all of that company's land used in production. It is one of the largest purchases of land in the state's 163-year history.

A provision allows the district to back out of the deal if obstructs their goal of water management, or if it carries the potential of wiping out the district's budget.

The 4-to-3 vote is the end of a months-long back-and-forth between the state and U.S. Sugar in delineating the terms of the contract. In essence, it called for the sale of the land for \$1.34 billion, and the lease of the land to U.S. Sugar at \$50 an acre for the next seven years -- a figure that was scrutinized by other

farming operations.

While a letter from Governor Charlie Crist acknowledged the detriment that the loss of such a large employer could create, and promised to urge along an economic transition plan, lo-cals echoed concerns of previous meetings.

The governor's remarks fo-cused on the creation of a nation-al resource mirrored only by the Grand Canyon and Yellowstone National Park. The governor's words were simple, but his ide-als were lofty -- the benefits of the purchase and subsequent water project would last more than 700 years into the future.

"Many people, including Mar-jory Stoneman Douglas, have looked forward to this day," the governor wrote.

The majority of the board members in favor seemed to hint at setting a legacy for posterity.

Audience members brought very little new information in op-position, but spoke passionately in defense of their community -- namely, that the lease price cre-ated an unfair advantage for U.S. Sugar, and that once the land is purchased, from where will the money come to fund the ambi-tious water project?

" When this deal breaks your back financially, you will still have the outcry from the public," said Karson Turner, newly elected Hendry County commissioner. " The vision is 100 percent (right), the process and manner of how it's being implemented, it stinks. When something stinks, you need to flush it."

Mali Chamness, Clewiston mayor, spoke softly about her community's intentions. She responded to accusations that "special interests" such as Florida Crystals was responsible for cart-ing locals to the meeting to im-plore board members to recon-sider the purchase.

"No one in our community has to spread lies, we know the facts," said Mayor Chamness. " We're coming because we're a community that loves our town. We want to live there generations after generations and continue to farm."

Mike Sole, secretary with the Department of Environmental Protection, hoped the deal would be approved.

" The Glades community, with-out question, needs the support, not only of this governing body, but also the governor, the legis-lature, the offi ce of tourism, trade and economic development," Mr. Sole said. " This is the beginning, but without the decision today, it will be the end."

At one point during the meet-ing, the discussion shifted to the possibility of making a counter-offer. The sense was that the lease price was far too low, when inde-pendent appraisers were valuing it much higher. Is the district pay-ing a premium, some asked?

But some on the board were fearful that a counter- offer would not be entertained by the sugar company, and that it might be the last offer the company would take a look at.

" We need to be very cautious about this issue of the price of the land and our concern about pay-ing for a premium -- which we do regularly, for getting the right land in the right place," said

Shannon Estenoz, district board member. " That could be the thing that causes this whole thing to fall apart."

Eric Bauermann, another dis-trict member, agreed.

" We're here at a momentous time," Mr. Bauermann said. "Like a piece of legislation, this is not a perfect deal. I'm not under any personal delusion that this is the perfect deal. This is our moment in time and our moment in his-tory."

Not everyone saw it that way.

Debra Van Sickle, chief credit officer for First Bank of Clewis-ton, mustered up the strength to speak, though she was visibly shaken.

She said the district was "cre-ating and economic Hiroshima," and pleaded for a change in opin-ion.

"I see this deal akin to swat-ting a bumblebee with a sledge-hammer," she said. " The odds of getting the bumblebee are slim to nil, but destruction is certain."

THE U.S. SUGAR SALE: Champagne-toast moment soured by lingering issues

12/18/2008

Palm Beach Post

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South Florida Water Management District Governing Board Chairman Eric Buermann asserted Tuesday that the board majority acted courageously by voting to buy U.S. Sugar's land for \$1.34 billion. In fact, demanding better terms at the risk of losing the land would have been courageous.

The four-member majority didn't address any of the contract's many weaknesses that they themselves acknowledged. Most notably, the district is paying too much while giving U.S. Sugar a bargain, seven-year land lease. The majority insisted on just one change, which makes it easier for the district to back out of the deal for financial reasons before closing next September. U.S. Sugar immediately accepted the change as a "nonmaterial modification," a reaction that shows how badly U.S. Sugar wanted this deal and how badly the public was represented during negotiations.

Even the board member casting the deciding vote, Disney World executive Jerry Montgomery, suggested that hard negotiations remain to "see if we can craft a deal that works." One issue will be whether the district could renegotiate the deal's central terms between now and September to avoid invoking its financial escape clause.

Mr. Montgomery made clear that he would not tolerate the key mistake of past negotiations. The district, not Department of Environmental Protection Secretary Michael Sole, must lead the new talks. Mr. Sole's role as lead negotiator of the contract would

have been understandable with state money at risk. But taxpayers in the water district's 16 counties will pay the cost, which is so high that the district might have to cut spending on other Everglades projects.

Given an opportunity to defend the terms of the deal, Mr. Sole instead read to the governing board a letter from Gov. Crist - his boss, and the deal's champion - that all board members had received. Mr. Buermann acknowledged Wednesday that the board never had asked district staff for a recommendation on the deal. "The board," he said, "did what the staff usually does."

Admittedly, U.S. Sugar's 180,000 acres around Lake Okeechobee would give the district Everglades restoration and urban water supply options that could not be delivered any other way. That depends on the district getting Congress to pay its agreed-upon 50 percent of restoration costs. Failing that, the district will face tough choices next summer about whether to complete the buyout.

But the deal has problems beyond price. To make Everglades restoration work, the district needs to swap U.S. Sugar land for land owned by surviving sugar giant Florida Crystals. The deal could give the district leverage. But under its sweetheart lease, U.S. Sugar can continue to farm its land for seven years, undermining the district's leverage. Can the district still get Florida Crystals to commit now to land swaps far in the future?

This historic deal was handled badly, souring what should have been a champagne moment. A non-district person led negotiations. The board learned Tuesday for the first time about "golden parachutes" for U.S. Sugar executives and split over key contract terms until the final hour. But the board couldn't make changes under a take-it-or-leave-it provision that benefits U.S. Sugar. A weak company may get top dollar for its land because the board couldn't resist the potential benefits, no matter the cost.

A deal this big requires unanimous, unequivocal support. Mr. Montgomery is right that more work needs to be done.

Glades gets thrown under the bus

12/18/2008

Palm Beach Post

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For six years, a 12-seat shuttle bus has run between the Hendry County city of Clewiston and Belle Glade and South Bay in Palm Beach County. The people who ride it can't afford a car to get to the store, the doctor or the community college.

This year, the state, Palm Beach County and Hendry County paid about \$200,000 combined to make sure that the bus ran six days a week, 16 hours a day. Ridership didn't compare well to coastal bus routes, and the state money ran out. On Tuesday, Palm Beach County voted to stop its support as well. In less than two weeks, the cross-county bus will make its final run.

Also on Tuesday, the South Florida Water Management District agreed to buy U.S. Sugar's land for \$1.34 billion. To Clewiston residents, who opposed the sale, the death of U.S. Sugar means the end of the town U.S. Sugar built. "It will annihilate our community," Deborah Van Sickle, senior vice president of First Bank in Clewiston, tearfully told the district board. "It will be our economic Hiroshima."

What does one small bus have in common with one giant land sale? Both show the state in action, or, in this case, inaction.

Could the state save Clewiston and the Glades communities, where unemployment rates hover at 25 percent and sugar jobs are among the best? If the state can't save a shuttle bus, how can it save a small town?

In his letter urging the district to buy the land, Gov. Crist threw Clewiston a bone. The governor said he would support an inland port, a warehousing district that could bring thousands of jobs. He is "keenly aware of the desire by the city of Clewiston to make this concept a reality" but didn't endorse a Hendry County site.

Gov. Crist's letter did nothing to remove the sting from his failure to appoint a Glades area representative to the water district's governing board. The seat has been vacant since June 25, the day after the governor announced the U.S. Sugar deal and board member Malcolm "Bubba" Wade, a U.S. Sugar vice president, resigned to avoid the obvious conflict of interest.

On Tuesday, Clewiston could have used that absent voice. A torn governing board voted 4-3 to buy U.S. Sugar's land. Would a Glades-area representative have insisted on more than a vague promise from the governor?

Just as the vacant seat loomed large, so will the void left by the shuttle. "The reason this is so crucial is that we use that route to get people to work, to the doctor and to school," Hendry Commissioner Janet Taylor said. "These are people who make the minimum wage. They have no other transportation."

She won over Palm Beach County Commission Chairman Jeff Koons, who calls the bus line "the canary in the coal mine." If the state can't help residents of an area with chronically high unemployment get to classes at a community college, how is the state going to fill the 80-year-old shoes of U.S. Sugar?

Hendry County offered \$60,000 to keep the buses rolling through June. Riders suggested raising fares and operating fewer buses. Commissioner Koons sought help from the state's Office of

Tourism, Trade and Economic Development. That's the group that Gov. Crist says will help Clewiston. But OTTED had no money. Commissioner Koons' proposal that Palm Beach County pitch in \$45,000 for now failed on a 3-3 vote because commissioners couldn't justify spending money in Hendry County when cutting in Palm Beach County.

"This is pretty symbolic of this whole area south of the lake," Commissioner Koons said, "how these people need these basic services to improve their lives and how they can't do it themselves and there has to be extra help."

As Clewiston residents think about life without U.S. Sugar, they have to be realistic about what they can expect from the state. Unfortunately, that looks too much like the same response the bus service got: Nothing.

Joel Engelhardt is an editorial writer for The Palm Beach Post. His e-mail address is joel_engelhardt@pbpost.com

Deal to buy land for Everglades restoration called 'momentous'

12/18/2008

Stuart News

Treadway, Tyler

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Treasure Coast environmentalists are calling the \$1.34 billion deal to buy 180,000 acres of land for Everglades restoration "momentous."

The Treasure Coast's representative on the South Florida Water Management District's governing board called her vote Wednesday to approve the deal "definitely the hardest professional decision of my life."

By a 4-3 vote, the board agreed to a counteroffer to buy the land south of Lake Okeechobee from U.S. Sugar Corp., land designed to restore a natural "flow-way" from the lake into the Everglades. Local environmentalists say the flow-way should bring about an end to discharges of dirty water from the lake that damage the fragile estuaries of the St. Lucie River and Indian River Lagoon.

"This is a huge step in solving our local environmental problems and restoring our estuaries and the Everglades to their natural state," said Leon Abood, chairman of the Rivers Coalition, a consortium of environmental groups, neighborhood associations and fishing clubs that banded together to fight the Lake O discharges. "And it's very gratifying to me personally that all the hard work done by the volunteers in the Rivers Coalition since 1998 has had at least a peripheral role in bringing this about."

Bob Bangert, a member of the St. Lucie County Conservation Alliance board, said the land deal "is going to help a heck of a lot. The Indian River Lagoon is the biggest asset we have on the Treasure Coast, and if this helps stop pollution on the lagoon like it should, it's going to mean a lot to everybody."

Melissa Meeker of Stuart, the local representative on the water management board, said she hesitated to vote for the purchase because of concerns for the agriculture-based economy of the communities south of the lake and the debt the district would incur — expected to exceed \$3 billion factoring in long-term interest payments — at a time when a sluggish economy is expected to result in decreased tax revenue.

But Meeker noted the deal worked out Tuesday includes an escape clause allowing the agency to back out of the contract before the proposed September closing deadline if economic projections show the long-term cost would cut into the district's core flood control and water operations.

Quote of the Day

12/18/2008

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'When Thomas Jefferson made the Louisiana Purchase, he was soundly criticized in the press.' - Eric Buermann, chairman of the South Florida Water Management District, defending the district's purchase of U.S. Sugar land for Everglades restoration

Editorial: Buying land from U.S. Sugar right decision

12/18/2008

News Press - Online

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The disagreements were sharp and the opposition impassioned, but the South Florida Water Management District did the right thing Tuesday when it voted 4-3 to buy 180,000 acres from U.S. Sugar for use in restoring the Everglades. This is very good news for Lee County. It offers the promise that, with the new land and other acreage secured through land swaps, a more natural southern flowway can be created for excess water from Lake Okeechobee to be stored and filtered.

That water, laden with agricultural pollutants, has been dumped in high-water years into the Caloosahatchee River, with devastating impact on the river and its priceless coastal estuary. The same happened to the St. Lucie estuary on the east coast.

But it also can mean the revival of Everglades National Park, Florida Bay and the Florida Keys - the entire battered natural system of South Florida, and the recreational and tourist economy based on it.

The \$1.34 billion purchase is not a done deal; the board gave itself an escape clause if financing proves too difficult. There are

also questions about spending so much when the state is strapped for cash, about whether the price is too high and a sweetheart deal for U.S. Sugar, about whether other agribusinesses will agree to land swaps needed for the flowway, and about the impact on the economy of the lake region and about whether there will be enough money left to actually implement restoration. Growing criticism of the deal forced Gov. Charlie Crist to intervene to save it.

But the cost of this purchase - maybe \$3.25 billion including interest or more, will be spread out over decades and the benefits over centuries.

The economy of the lake region will need help, but what it needs most of all is a new economy that doesn't rely on maintaining farming in a marsh, the natural functions of which are more economically important to the state than these crops.

The U.S. Sugar purchase is visionary, and like most visionary projects it raises plenty of concerns.

But our current economic woes will pass. What we must not miss is this great chance to restore the environment.

Crist to speak about Everglades Restoration deal

12/18/2008

Associated Press (AP) - Tallahassee Bureau

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WEST PALM BEACH, Fla._Gov. Charlie Crist is scheduled to speak about the ambitious Everglades restoration plan, which will cost the state \$1.34 billion.

The South Florida Water Management District this week approved a plan for U.S. Sugar Corp. to turnover some 180,000 acres of land _ or about 285 square miles. It would amount to the most expensive conservation land purchase in state history, the cornerstone of environmental efforts to restore natural water flow to the Everglades after decades of overdevelopment and farming.

Local lawmakers have expressed concern about making the deal when the state was in the midst of an economic crisis and cutting services to citizens. Environmentalists and students have also expressed their disapproval.

Crist will hold a press conference Thursday.

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Crist calls Everglades Restoration deal 'historic'

12/18/2008

Associated Press (AP) - Tallahassee Bureau

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WEST PALM BEACH, Fla._Gov. Charlie Crist says an ambitious Everglades restoration plan that will cost the state \$1.34 billion "creates unprecedented possibilities."

The South Florida Water Management District this week approved a plan for U.S. Sugar Corp. to turnover some 180,000 acres of land _ or about 285 square miles. If the deal happens, it would be the most expensive conservation land purchase in state history. Environmentalists have fought for years to restore natural water flow to the Everglades after decades of overdevelopment and farming.

Some have expressed concern about the cost of the deal when the state was in the midst of an economic crisis.

Crist said at a news conference Thursday it will be the "most historic step taken toward true Everglades restoration."

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THE EVERGLADES Hurdles remain for Florida-U.S. Sugar land deal

12/18/2008

Miami Herald

Morgan, Curtis

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The lead negotiator for the state's Big Sugar deal acknowledged Wednesday that serious hurdles remain, including figuring out whether water managers can afford to pay \$1.34 billion in the middle of the worst economic crisis in decades.

Mike Sole, secretary of the Florida Department of Environmental Protection, said he recognized the contract he crafted with U.S. Sugar also would need broader political support -- especially from Glades communities and state lawmakers -- to survive.

"We can either let the opportunity slip through our fingers or continue to pursue the opportunity," Sole said during a conference call with Eric Buermann, chairman of the South Florida Water Management District, which narrowly approved the controversial deal 4-3 Tuesday.

"This is just the beginning," Sole said. "We have a lot of work ahead."

Securing bonds, deciding on mining permits and -- perhaps most important -- winning over lawmakers who face a special session on a \$2.2 billion tax revenue shortfall.

"If you just close your eyes to everything happening we could do it. I don't know that we can do that," said Rep. Juan Zapata, chairman of the Miami-Dade legislative delegation, who last week urged postponing the deal.

House leaders called for a review by the Agriculture and Natural Resources Policy Committee, chaired by Rep. Trudi Williams, a Fort Myers Republican and former chairwoman of the water district. She also is among a handful of lawmakers who wrote water managers to oppose the deal.

Critics contend the state is paying too much, has no plans or money to build the promised Everglades projects and no economic transition plan for towns fearful about lost jobs.

Zapata said Miami-Dade taxpayers, as residents of the region's largest county, will pay the largest share of the deal, bankrolled by 30-year bonds, that will wind up costing more than \$3 billion. Miami-Dade's bill: an estimated \$700 million, with Broward at \$500 million.

The district, which gets about half its budget from property taxes in the 15 counties it oversees, technically doesn't need lawmakers' approval. But the state funds key district programs and legislative buy-in could be vital to the controversial deal.

One politically unpalatable option for paying for the land was raised, and quickly retreated from, during the call with Buermann and Sole: raising property taxes.

After Gov. Charlie Crist announced the deal in June, water managers insisted no tax rate hike would be needed. In response to a media question, Buermann called it an "option."

Sole chimed in, "At least from the governor's standpoint, there is no intent or desire to raise taxes."

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If I had a magic wand and if I were king, here's what I would do.

12/18/2008
Florida Trend

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Charles Dauray 'I'd walk. I'd call their bluff.' -- Charles Dauray, a South Florida Water Management District board member who voted no on the U.S. Sugar land deal.

Hurdles ahead for U.S. Sugar land deal

12/18/2008

United Press International (UPI)

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Florida's lead negotiator in the \$1.34 billion U.S. Sugar Corp. land deal said there were hurdles ahead financially and politically to keep the project viable.

"We have a lot of work ahead," said Mike Sole, secretary of the Florida Department of Environmental Protection, The Miami Herald reported Thursday.

The trickiest task will be to keep state lawmakers from undermining the 180,000-acre purchase, which could escalate to a \$3 billion deal once interest on loans are calculated, the newspaper said.

State lawmakers technically do not vote on the purchase, which was approved by the South Florida Water Management District Tuesday. But, several have criticized the project as too expensive.

Florida's legislators have called for the Agriculture and Natural Resources Policy Committee to review the deal, which has been touted as a huge environmental coup, tying in water flows between Lake Okeechobee and the Everglades.

Counties are also wary of raising taxes. Miami-Dade County's bill for the project was estimated at \$700 million. Broward County's bill could be \$500 million.

"At least from the governor's standpoint, there is no intent or desire to raise taxes," Sole said in a conference call Tuesday.

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EDITORIAL Crist Puts Name On Line With Huge Deal

12/18/2008

Tampa Tribune

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Dec. 18--A decade from now Gov. Charlie Crist will be credited with either overseeing the greatest conservation achievement in Florida history or orchestrating one of biggest boondoggles ever foisted on taxpayers.

We trust it will be the former, but the deal approved Tuesday by the South Florida Water District governing board to buy 180,000 acres from U.S. Sugar for \$1.34 billion is going to need to be monitored closely.

The land sits between Lake Okeechobee and Everglades National Park. It will be used to build huge reservoirs that will hold and filter polluted water before it flows on to the Everglades and Florida Bay. Restoring and cleaning its connection to Okeechobee should save the Everglades. And the acquisition should allow the water district to put a halt to the flow of polluted agricultural water to estuaries on both coasts.

Yet one can't help but be uneasy about the deal, which Crist announced last summer after secretly negotiating with the sugar company. It will be funded by the property taxes already levied by the South Florida Water Management District in the 16 counties where it manages water policies. It's not clear there is enough money to fund the purchase and the district's other chores.

Only about 100,000 acres may be needed for the reservoir. The price, some appraisers say, is high. And the state plans to lease much of the agricultural land back to the company for \$50 an acre, well below market value, for seven years.

And if state and federal governments fail to fulfill their promise to fund a comprehensive plan to restore the Everglades, then the purchase could end up being a monumental blunder, one that will forever taint Crist's legacy.

An attorney for Florida Crystals Corp., which opposed the deal and has its own interest in the land, told the South Florida Water District Board: "You're buying land to be a landlord to U.S. Sugar at subsidized prices."

We're hopeful that won't be the case. No deal is perfect, and the opportunity to buy such a tract is rare. Failure to obtain this key piece to the Everglades restoration puzzle could have doomed the River of Grass, which is critical to South Florida's water supply and the health of Florida Bay, even the reefs of Florida Keys.

As a scientist Thomas Van Lent, a scientist for the Everglades Foundation, put it, "The really risky vote is a no vote."

Moreover, the district added a provision that would allow the district to back out of the expenditure if it would compromise its ability to manage water supply and maintain flood control. It also refused to allow U.S. Sugar to lease 7,000 acres south of Lake Okeechobee to a rock-mining company.

Sugar company workers rightly worry about the loss of jobs, but no fields will be taken out of production for at least seven years. And the restoration work is going to create a lot of construction jobs and eventually should boost the tourism industry in the area.

Crist, who has a good record for both fiscal and environmental stewardship, has put his good name on the line with the largest land deal in state history.

We trust he knows what he got himself and the state into.

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CRIST GOD IS HAPPY AFTER EVERGLADES VOTE

12/18/2008

Sun Sentinel

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Returning from his honeymoon, Gov. Charlie Crist called a news conference today to wax poetic about the endangered, \$1.34 billion Everglades restoration plan to buy 180,000 acres owned by U.S. Sugar, a deal that the South Florida Water Management District conditionally approved Tuesday.

"There's no doubt in my mind, God is looking down on us and he is happy," Crist said. He added: "It's not cheap, but neither is this earth. And neither are the Everglades. Nor should they be."

The water management district chairman, Eric Buerman, compared the plan to Teddy Roosevelt's land-conservation program, the Louisiana Purchase and the decision to buy Alaska in 1867.

"Although this purchase is not as big as Alaska, it is to us here in Florida," he said. "This is Florida's Alaska and Florida's Louisiana Purchase."

Unsaid amid the lofty rhetoric: the buyout is far from a done deal. It barely survived Tuesday's vote with a 4-3 majority on the water management board, amid growing sentiment that the state simply cannot afford the price tag in a tightening economy. And the contract with U.S. Sugar now has a major caveat: the board can bail if the economy worsens.

(Not to mention stiffening resistance from legislators, sugar-dependent rural towns and the politically formidable competitors to U.S. Sugar, the Fanjul family's Florida Crystals).

"There are all sorts of things that could happen," Buerman acknowledged after the press conference. "We have a contract, that's not a closing. There's a long row to hoe between a contract and a closing [planned in September]. The board is going to do another snapshot look-see before we finally commit to financing and commit the taxpayers' money."

Crist, who was married last Friday to Manhattan businesswoman Carole Rome, said he worked the phones during his honeymoon to make sure he had the votes, including talking with Buerman at length Sunday.

"I am committed to steadfastly preserving these Everglades --

even interrupting a honeymoon with a wonderful lady and an incredible first lady and the love of my life," Crist said.

The arm-twisting was needed. It passed, the governor noted, "by a 4-3 vote -- God bless the four. And Godspeed to the three...I look forward to their enlightenment."

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Company owes communities

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The South Florida Water Management District may pay \$1.34 billion to buy U.S. Sugar's land, but the state has little money to help the communities that depend on the company's 1,700 jobs and less interest in doing so. Where will the help come from? Here's an idea.

If the sale closes, the public will have paid between \$200 million and \$260 million too much because of U.S. Sugar's double-dealing. In April, the company got Palm Beach County to grant mining rights on roughly 7,500 acres where the district wants to send water to the Everglades. Obviously, mining isn't compatible with Everglades restoration, and the district won't allow the mining.

According to appraisals of the U.S. Sugar land, however, that mining lease and another granted for a smaller parcel in 2006 jacked up the value of those roughly 13,000 acres. U.S. Sugar was talking secretly to the state about selling when it sought the lease in April.

By our calculations, U.S. Sugar is getting an undeserved premium of between \$116 million and \$150 million for those 7,500 acres. Call it \$125 million. That could create a nice economic stimulus fund for the Glades communities. U.S. Sugar once prided itself on being a good corporate citizen. If the company cashes out, it should use some of what would be ill-gotten money to leave something besides bitterness.

