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U.S. Sugar's land purchase will be historical landmark

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The Feb. 11 Sun Sentinel story on a state senator's attempt to derail Florida's purchase of U.S. Sugar lands for Everglades restoration detailed the latest controversy surrounding this conservation land buy.

Readers may find themselves asking : Is it worth the headaches and the cost to buy this huge chunk of South Florida land? I believe it is cheaper, faster and smarter to buy U.S. Sugar's land than it is to spend taxpayer money on what engineers have been planning: giant pumps and pipes and waterworks to carry water around the industrial farm fields. Buying this vast tract between Lake Okeechobee and Everglades National Park is a better deal for taxpayers and a preferable way to put the Everglades back to rights. And, as naysayers come out of the woodwork, it is worth once again asking: Why are we restoring the Everglades?

First, because it's the right thing to do, we're in the middle of doing it, and we've already committed billions to make it happen. Second, because it will protect something priceless: South Florida's future clean drinking water supplies.

Are some people queasy about doing business with Big Sugar? Yes. But the fact is, U.S. Sugar has the land, in the right location, and the company is willing to sell the whole chunk at a price Florida is willing to pay. There are no comparable sales because there has never been a deal this big in state history. Whenever leaders make a big, bold leap, critics follow, as they should in a democracy. But I think it's worth looking back to 1867, when the United States purchased the Alaska territory from Russia. Secretary of State William Seward had pushed for the deal, even though critics called it 'Seward's Folly' and complained that the United States had foolishly bought a wasteland that would be difficult to defend against America's enemies. The New York Tribune called it 'a frozen wilderness,' and others derisively called it a 'Polar Bear Garden' unsuitable for raising food and livestock.

In the last year of his life, someone asked Seward which of his public acts he believed would live longest in the memory of the American people. 'The purchase of Alaska,' he said. 'But it will take another generation to find it out.' Seward's Day is now celebrated as a holiday in Alaska on the last Monday of March in honor of the purchase.

As someone who has been involved in protecting Lake Okeechobee and the Everglades for 25 years, I believe the purchase of U.S. Sugar's land will be seen as a historical landmark.

David Guest is an attorney for Earthjustice in Tallahassee.

U.S. Sugar looks at other bids for land state wants for Everglades work

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Sun Sentinel - Online

Andy Reid

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Rival bidders for farmland targeted for Everglades restoration have turned the state's game of Deal or No Deal with U.S. Sugar Corp. into the Amazing Race.

First with the cash to the finish line might win. The contract approved in December calls for the South Florida Water Management District to pay U.S. Sugar \$1.34 billion for 180,000 acres, but it gave the company until today to shop for a better offer. U.S. Sugar now has 'several' interested parties and will continue negotiating with those potential buyers to see whether a better offer emerges, said Senior Vice President Robert Coker.

That opening remains for U.S. Sugar because the district has yet to secure financing for what would be the largest public land buy in state history. Also, the company will consider any unsolicited offers that come in until the district gets court approval for its bond financing, Coker said.

If U.S. Sugar finds a better deal before the district shores up its financing and if the district won't up its offer, the company could pay a \$40 million 'break-up' fee and walk away. 'We have been surprised by the level of activity,' Coker said about the bids. He would not discuss specifics about whom U.S. Sugar is negotiating with or what has been offered.

The state proposes using U.S. Sugar's land to build reservoirs and treatment areas to reconnect water flows from Lake Okeechobee to what remains of the Everglades.

Opponents question the cost and the threat to agricultural jobs from sacrificing farmland for restoration.

The district plans to borrow money to buy the land. Property taxes in the 16-county region from Orlando to the Keys would pay off a debt expected to grow to \$3 billion with interest over 30 years.

U.S. Sugar's other known suitors have included sugar producer Florida Crystals and The Lawrence Group, which manages farmland in the South and Midwest.

Florida Crystals has gone to court to oppose the district's financing plan. It also has jockeyed to buy U.S. Sugar's Clewiston mill and surrounding farmland.

Florida Crystals Vice President Gaston Cantens said the district could need as much as 40,000 acres of his company's land, in addition to the U.S. Sugar property, to re-create the connection between the lake and the Everglades. It would be better to scrap the current deal and work out a new arrangement, Cantens said.

A Feb. 6 court hearing failed to resolve the financing challenge, which was delayed until March 16. Whatever ruling emerges in March still could be appealed to the Florida Supreme Court.

The district contends it needs its financing approval by July to meet the September closing deadline. 'The district has a contract with U.S. Sugar and is moving forward,' spokesman Randy Smith said.

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EVERGLADES RESTORATION Sugar shift Rival seeks a cut in deal

02/22/2009

Miami Herald

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If you can't beat them, buy them.

That sums up the emerging dual strategy of Florida Crystals, the most formidable foe of Gov. Charlie Crist's controversial land deal with rival grower U.S. Sugar.

At the same time its lobbyists and lawyers are working to derail the \$1.34 billion proposal, Florida Crystals is quietly stepping up negotiations to cut itself in.

Florida's two largest sugar growers acknowledged they met last week in Clewiston to explore a deal for U.S. Sugar's high-tech mill and other assets. Crystals executives and lobbyists also have discussed land swaps with the Crist administration and pressed for contract revisions if Crystals acquires the mill, possibly including land leases that could extend for decades.

The move surprised even Crystals' industry allies.

Barbara Miedema, vice president of the Sugar Cane Growers Cooperative of Florida, which co-owns refineries with Crystals, said the company disclosed its interests only in the past week.

"We don't know what they're doing yet," Miedema said. "We don't know if it's good, bad or ugly."

State negotiators and water managers declined to discuss details or gauge the seriousness of the overtures.

But Eric Eickenberg, Crist's chief of staff, said talks were progressing with "multiple partners," including Florida Crystals, with the primary goal of securing the best swath of land for restoring linkage between Lake Okeechobee and the Everglades.

"The first order of business was negotiating with U.S. Sugar," Eickenberg told The Miami Herald. "Now, this is the second phase."

That next phase will prove critical to the fate of Crist's landmark bid to buy 180,000 acres of sugar fields and citrus groves that environmentalists say are key to resolving the Everglades' water supply and pollution problems.

IMPROVING THE ODDS?

Cutting in Florida Crystals, second to U.S. Sugar in size but equal in political clout, could improve the dicey odds of closing a deal under attack from lawmakers, the Miccosukee Tribe and other Glades farmers and businesses. Critics contend the land sale is designed more to bail out debt-ridden U.S. Sugar than to save the Everglades.

Executives from both companies confirmed Crystals entered formal bidding in the waning weeks of a 60-day "go shop" period ending Monday. During that 60-day window, U.S. Sugar was required under corporate law to solicit offers.

Citing a confidentiality agreement, executives would not say how much of U.S. Sugar's sprawling agricultural empire might be on the table. In addition to its lands and mill, the company owns a citrus-processing plant, 200 miles of railway and 12,000-plus pieces of equipment.

Robert Coker, a U.S. Sugar vice president, called the interest from the company's rival "ironic" given the "aggressive opposition" Crystals lobbyists have expressed to lawmakers.

"At some point," he said, "they need to figure out what road they want to go down."

Gaston Cantens, a vice president for Florida Crystals, said the company remains opposed to the purchase but is planning for contingencies.

"The current deal as it stands, where U.S. Sugar cashes out and continues farming, it's not something we can live with," he said. "It's not just us. Every other farmer in this region is at risk."

Other growers argue that a provision allowing U.S. Sugar to lease back its fields for seven years or more at \$50 an acre -- a quarter of market rates -- will hurt their businesses.

DOUBLE-DEALING

Crystals has gone to court to challenge plans by the South Florida Water Management District to bankroll the deal with bonds and to Tallahassee to make its case to lawmakers. But it also has simultaneously been working on Plan B. In November, it hired the Tallahassee lobbying firm Southern Strategy Group with specific marching orders, Cantens said.

"The reason we hired them was to help us make a deal, not to kill a deal," he said.

The cooperative's Miedema called it "smart business" for a company to cover its options, though smaller growers had been kept out of the loop. The cooperative, which includes 48 growers farming 60,000 acres, intended to meet with Crystals to discuss plans, she said.

"God is not making any more land," she said. "If there is going to be some sort of shakeout of land, you would want to put yourself in the best position."

Making a deal could serve the purposes of both Crystals, controlled by the influential Fanjul family, and the governor.

With U.S. Sugar's mill and adequate acreage to feed it, Crystals would dominate the regional market. And as owner of prime tracts for Everglades restoration, it could make profitable swaps for a sizable chunk of its rival's fertile fields.

For the Crist administration, struggling to protect a landmark deal that would cement the governor's "green" image, giving Crystals a vested interest could help ease job concerns in the Glades and quiet

the deal's most powerful critic.

U.S. Sugar's Coker said several parties had signed confidentiality agreements to explore purchases of parts or all of the company during the go-shop period.

NOTHING IN STONE

Though the window closes Monday, Coker said, "there won't be any letting go of doves and angels blowing horns." Any decision, he said, will take weeks and the company retains the option of accepting offers deemed superior to the state's up until water managers receive court approval to seek bonds.

Though Florida Crystals is now formally in the mix, another potentially pivotal player apparently isn't -- The Lawrence Group, a Tennessee-based concern that has twice made unsuccessful runs at U.S. Sugar. Coker said the Lawrence Group had submitted only nonbinding offers and rejected several drafts of confidentiality agreements.

Ron Book, a Miami-based lobbyist hired by the Lawrence Group, said U.S. Sugar has frustrated efforts by insisting on clauses forbidding the company from making a bid directly to shareholders, rather than its board.

Book said he was skeptical about the extent of Florida Crystal's interest and insisted The Lawrence Group could make a better, cheaper deal with the state.

Despite being shut out of the "go shop," Book said, "I'm very confident we are going to own the company."

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Crist Gives Glades Empty Feeling

02/22/2009

Palm Beach Post

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In recent days, Gov. Crist has filled an opening on the Early Learning Coalition of the Big Bend Region. He's filled two slots on the Miami River Commission Policy Committee. He's chosen five people for the Children's Services Commission of Martin County.

After nearly eight months, however, Gov. Crist still hasn't filled a seat on the South Florida Water Management District board.

It's true that the governor requires a separate staff to screen applicants for the thousands of such appointments. Obviously, the governor wants to make sure that he picks the best people. But meaning no disrespect to all those other organizations, that water district board seat is not just another appointment. And not filling it is just one more sign to a group of Floridians that they don't matter.

The South Florida Water Management District includes 16 counties. The nine board members represent all areas of the district and are supposed to represent all of the major interest groups: utilities, farmers, environmental groups. In June, the board member from the Glades resigned because he is a vice president of Clewiston-based U. S. Sugar. The district had announced the deal that began as a \$1.75 billion purchase of the company itself and now is a \$1.34 billion purchase of U.S. Sugar's 180,000 acres for Everglades restoration.

It really annoyed the Lake Okeechobee farm towns that Gov. Crist didn't fill the seat by December. That month, the board approved the sale, which many Glades residents believe will suck the life out of their communities. The vote was 4-3. One member had to recuse himself. If the Glades seat had been filled, the vote might have been 4-4, and the deal would have died.

If you sense that the Glades folk believe that the failure to fill the seat was deliberate, you're right. A group of Clewiston residents vented to The Post just before the vote.

Clewiston Mayor Mali Chamness was in that group. She and some of the others were in Tallahassee last week for a Senate committee hearing on the sugar deal. Since June, Glades leaders have tried to find out what the state has in mind to replace the jobs - U.S. Sugar has 1,700 employees; Clewiston has about 7,000 people - that will be lost to the sale. On Wednesday, Mayor Chamness sounded wearier and more resigned than ever. "They wanted to hear our concerns," she said of the senators. "I know the speech pretty well by now."

Mayor Chamness also is feeling more used than ever. Two weeks ago, lakeside mayors got phone calls asking them to be part of the governor's visit to the Port of Palm Beach. Mayor Chamness expected a big announcement about the proposed inland port, a cargo distribution/warehouse center that could create lots of jobs in the Glades. Instead, the mayors were part of the backdrop. For that she drove 70 miles from Clewiston?

Then there's that vacancy. "There always, always has been someone from the farm areas," the mayor said. "I know some of the people who have applied. They care about our area and Lake Okeechobee. I don't know why it's taking so long." Gov. Crist says he wants to fill Mary McCarty's seat on the Palm Beach County Commission quickly because "the people in that district deserve representation." McCarty resigned six weeks ago.

In March, the water district board will start dealing with a lot of big issues related to the sale, which is supposed to close in September, and Everglades restoration. To make a statement, the board will hold its March 11-12 meeting in Clewiston, in an auditorium named for a former president of U.S. Sugar. Mayor Chamness says that the town is setting up the John B. Boy Auditorium to ensure trouble-free video streaming of the meeting. Youth groups are preparing to cook hamburgers and make a statement of their own as they welcome the visitors who hold the town's fate in their hands.

And if that one board member's chair still is empty, well, that will be a statement from the governor.

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U.S. Sugar, Florida Crystals seek deal

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US_Sugar_Florida_Crystals_seek_deal/UPI-77191235335974/](http://www.upi.com/Business_News/2009/02/22/US_Sugar_Florida_Crystals_seek_deal/UPI-77191235335974/)

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TALLAHASSEE, Fla., Feb. 22 (UPI) -- Florida Crystals, which is trying to block a proposed land deal that would benefit rival U.S. Sugar, is seeking to buy its rival's assets, the companies say.

Despite employing lobbyists to work against a proposal by Florida Gov. Charlie Crist for the state to buy \$1.34 billion in environmentally important croplands from U.S. Sugar, Florida Crystals is hedging its bets by negotiating to buy key assets from its competitor, The Miami Herald reported Sunday.

Florida's two largest sugar growers acknowledged to the newspaper that they met last week in Clewiston, Fla., to explore a deal for U.S. Sugar's high-tech mill and other assets -- and that Crystals has discussed land swaps with the Crist administration should it enter into the governor's efforts to obtain the best swath of land for restoring linkages between Lake Okeechobee and the Everglades, the Herald reported.

Environmentalists say the 180,000 acres of sugar fields and citrus groves owned by U.S. Sugar are key to resolving the Everglades' water supply and pollution problems. Crist, however, is facing potent opposition from critics including lawmakers, the Miccosukee Tribe and other Everglades farmers.

Putnam Too many questions about Sugar deal

02/19/2009

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Saying the state already has a poor track record managing what they own, U.S. Rep. Adam Putnam, R-Bartow, said today that Gov. Charlie Crist's deal to buy U.S. Sugar includes too much land and too many questions.

Putnam, 34, said the state needs to consider whether the deal would jeopardize its partnership with the federal government in Everglades restoration. He also said the state needs a more detailed plan for the communities that could lose thousands of agricultural jobs.

While, over the long haul, renewable energy has great potential to be a part of the economic base, its not ready for prime time, Putnam said. So that increases the pressure if this is going to proceed to have in place plans for an inland port or something similar that will alleviate the economic harm that will be done to the communities.

Putnam, who was elected to the state House in 1996 at the young age of 22, is attempting to succeed Republican Ag Commish Charles Bronson, who must step down in 2010 because of term limits. Other Republicans interested in the seat are state Sen. Carey Baker of Eustis and former Rep. Marty Bowen of Winter Haven.

In interview with The Palm Beach Post this morning, Putnam said he will stress food safety and renewable energy issues in his campaign.

On other topics, he said that the backlog of concealed weapons permits in the state is partly due to a Democrat occupying the White House.

He also said having better trained individuals handing firearms is a good thing. Applicants are required to complete a training course from the NRA, Florida Fish & Wildlife Conservation Commission or other public or private groups.

Putnam voted against the federal stimulus package in Congress and said today that he was most concerned about a provision that could prevent the state from collecting education-related money. But the fifth-generation Floridians acknowledged spending for infrastructure and Medicaid was helpful.

