

ECONOMIC IMPACT OF GOVERNMENT PURCHASES OF LAND

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GOVERNMENT PURCHASES IMPACT

- Any time the government purchases land there is an economic impact.
- There is a loss of Ad Valorem Taxes.
 - The remaining tax payers have to make for the loss of taxes.
- There is the loss of economic activity.
 - This economic activity is often never replaced.

CURRENT REASONS FOR PURCHASE OF LAND

- Comprehensive Everglades Restoration Plan (CERP)
 - Originally, CERP called for several Water Reservoirs and Storm Water Treatment Areas.
 - It was also to solve the issues of Water Quality, Water Supply and Flood Protection.

CURRENT REASONS FOR PURCHASE OF LAND

- Panther Habitat Preservation
- The US and Florida Fish & Wildlife Services have identified large acreages of land that are to be purchased or protected for panther habitat.

COMPREHENSIVE
EVERGLADES RESTORATION
PLAN (CERP)

Comprehensive Everglades Restoration Plan (CERP).

- There have been a number of land purchases to accomplish the original intent of the CERP.
 - The Berry Grove Reservoir
 - The STA – 5
 - The STA – 6
 - The Prudential Grove Water Treatment Area
- All of them resulted in the loss of ad valorem taxes and economic activity.

CERP PURCHASES SINCE 1994

HENDRY COUNTY

	SITE	AD VALOREM
SITE	ACRES	TAXES
Berry Reservoir	12,346.01	\$ 568,728.78
STA – 5	5,716.02	103,809.12
STA – 6	11,436.30	244,954.63
TOTAL	29,498.33	\$ 917,492.53

CERP PURCHASES SINCE 1994

GLADES COUNTY

GLADES COUNTY		
	SITE	AD VALOREM
SITE	ACRES	TAXES
Prudential Grove	1,773.29	\$ 99,030.98

PROPOSED PURCHASE OF USSC LAND

- The purchase of all of the USSC land was never in the original CERP.
- This proposal includes land that is not needed to accomplish the original goals of CERP
- It will have a tremendous impact on the tax revenues for Glades, Hendry & Palm Beach Counties.
- It will result in tremendous loss of economic activity.

TARGETED PURCHASES U. S. SUGAR ENTITIES HENDRY COUNTY

OWNER ENTITY	ACRES	AD VALOREM TAXES
USSC	29,107.29	\$ 1,618,668.84
S. Gardens Groves	35,999.43	1,191,342.67
S. Gardens Process	157.00	334,380.83
SBG Farms	6,011.01	167,409.42
Grand Total	71,274.73	\$ 3,311,801.75
County Percentage	9.659%	16.190%

**TARGETED PURCHASES
U. S. SUGAR ENTITIES
GLADES COUNTY**

OWNER ENTITY	ACRES	AD VALOREM TAXES
USSC	5,585.12	\$ 100,821.10

TARGETED PURCHASE U. S. SUGAR ENTITIES GLADES, HENDRY & PALM BEACH COUNTIES

		AD VALOREM
COUNTY	ACRES	TAXES
HENDRY	71,274.73	\$ 3,311,801.75
GLADES	5,582.12	100,821.10
PALM BEACH	104,143.15	???
Grand Total	181,000.00	???

TOTAL POTENTIAL CERP PURCHASES HENDRY COUNTY

PURCHASED & PROPOSED	SITE ACRES	AD VALOREM TAXES
Purchased	29,498.33	\$ 917,492.53
USSC Purchase	71,274.73	3,311,801.75
TOTAL	100,773.06	\$ 4,229,294.28
County Percentage	13.656%	20.68%

TOTAL POTENTIAL CERP PURCHASES GLADES COUNTY

PURCHASED & PROPOSED	SITE ACRES	AD VALOREM TAXES
Purchased	1,773.29	\$ 99,030.98
USSC Purchase	5,582.12	\$ 100,821.10
GRAND TOTAL	7,355.41	\$ 199,852.08

WHAT IS THE IMPACT ON OUR
ECONOMY???

**Economic Impact of Agriculture in Southwest Florida
2000-2001 crop season**

**University of Florida
Institute of Food and Agricultural Sciences**

**Dallas Townsend,
Hendry County Extension, LaBelle**

**Fritz Roka,
Southwest REC, Immokalee**

**Alan Hodges,
Mohammad Rahmani,
David Mulkey,
Food and Resource Economics Dept., Gainesville**

October 2003

ECONOMIC IMPACT STUDY UPDATE

- The data from the 2003 study for Southwest Florida represented the crop year of 2000-01.
- This study was updated to reflect the acreage and market conditions as of 2007.
- The study was edited to include only Glades, Hendry & Palm Beach Counties.

AGRICULTURAL INVENTORY

AGRICULTURAL LAND INVENTORY SUMMARY

AGRICULTURAL LAND INVENTORY SUMMARY				
	COUNTY			
COMMODITY	GLADES ACRES	HENDRY ACRES	PALM BEACH ACRES	TOTALS
PASTURE	368,474	314,413	32,624	715,511
CITRUS	8,555	79,726	1,668	89,949
SUGARCANE	25,049	61,072	292,399	378,520
VEGETABLES	400	9,852	79,792	90,044
TOTAL ALL LAND	402,478	465,063	406,483	1,274,024

GLADES, HENDRY & PALM BEACH COUNTY FARM SALES

FARM GATE SALES BY COUNTY & COMMODITY 2006-2007 CROP YEAR

COUNTY	COMMODITY				TOTAL
	CATTLE	CITRUS	VEGETABLES	SUGARCANE	
	(\$1,000)				
Glades	18,170	32,359	839	32,145	83,513
Hendry	21,446	407,686	56,631	77,018	562,781
Palm Beach	689	12,852	408,991	326,126	748,658
Total	\$ 40,305	\$ 452,897	\$ 466,461	\$ 435,289	\$ 1,394,952

ECONOMIC IMPACT CATTLE

CATTLE ECONOMIC IMPACT ON REGIONAL SALES GLADES, HENDRY & PALM BEACH COUNTIES (2007)

	DIRECT	INDIRECT	INDUCED	TOTAL IMPACT
COUNTY	Output \$1,000			
Glades	18,170	5,651	1,775	25,596
Hendry	21,446	7,388	3,367	32,201
Palm Beach	689	258	251	1,198
Totals	\$ 40,305	\$ 13,297	\$ 5,393	\$ 58,995

ECONOMIC IMPACT CITRUS

CITRUS ECONOMIC IMPACT ON REGIONAL SALES GLADES, HENDRY & PALM BEACH COUNTIES (2007)

	DIRECT	INDIRECT	INDUCED	TOTAL IMPACT
COUNTY	Output \$1,000			
Glades	\$ 32,359	\$ 6,886	\$ 3,699	\$ 42,944
Hendry	407,686	150,762	91,607	650,055
Palm Beach	12,852	5,783	6,040	24,675
Totals	\$ 452,897	\$ 163,431	\$ 101,346	\$ 717,674

ECONOMIC IMPACT VEGETABLES

VEGETABLE ECONOMIC IMPACT ON REGIONAL SALES GLADES, HENDRY & PALM BEACH COUNTIES (2007)

	DIRECT	INDIRECT	INDUCED	TOTAL IMPACT
COUNTY	Output \$1,000			
Glades	\$ 839	\$ 117	\$ 92	\$ 1,048
Hendry	56,631	5,352	9,242	71,225
Palm Beach	408,991	81,798	151,327	642,116
Total	\$ 466,461	\$ 87,267	\$ 160,661	\$ 714,389

ECONOMIC IMPACT SUGARCANE

SUGARCANE ECONOMIC IMPACT ON REGIONAL SALES GLADES, HENDRY & PALM BEACH COUNTIES (2007)

	DIRECT	INDIRECT	INDUCED	TOTAL IMPACT
COUNTY	Output \$1,000			
Glades	\$ 32,145	\$ 9,579	\$ 4,044	\$ 45,768
Hendry	77,018	32,378	17,629	127,025
Palm Beach	326,126	130,451	65,225	521,802
Total	\$ 435,289	\$ 172,408	\$ 86,898	\$ 694,595

ECONOMIC IMPACT ALL COMMODITIES

ECONOMIC IMPACTS ON REGIONAL SALES

CATTLE, CITRUS, SUGARCANE, & VEGETABLES

GLADES, HENDRY & PALM BEACH COUNTIES (2007)

	DIRECT	INDIRECT	INDUCED	TOTAL
COUNTY	Output \$1,000			
Glades	\$ 83,513	\$ 22,233	\$ 9,610	\$ 115,356
Hendry	562,781	195,880	121,845	880,506
Palm Beach	748,658	218,290	222,843	1,189,791
Totals	\$ 1,394,952	\$ 436,403	\$ 354,298	\$ 2,185,653

AGRICULTURAL ECONOMIC IMPACT PER ACRE

TOTAL ECONOMIC IMPACT PER ACRE BY COMMODITY

GLADES, HENDRY & PALM BEACH COUNTIES

COMMODITY	ACRES	ECONOMIC IMPACT	IMPACT/ ACRE
PASTURE	715,511.00	\$ 58,995,000	\$ 82.45
CITRUS	89,949.00	717,674,000	7,978.68
VEGETABLES	90,044.00	714,389,000	7,933.78
SUGARCANE	378,520.00	694,595,000	1,835.03
TOTALS	1,274,024.00	\$ 2,185,653,000	\$ 1,715.55

ANNUAL AG ECONOMIC LOSS HENDRY COUNTY

CURRENT PURCHASES

SITE	LAND USE	SITE ACRES	ECONOMIC IMPACT/ACRE	TOTAL IMPACT LOSS
Berry Reservoir	Citrus	12,346.01	\$ 7,978.68	\$ 98,504,863.07
STA – 5	Pasture	5,716.02	82.45	471,285.85
STA – 6	Sugarcane	11,436.30	1,835.03	20,985,953.59
TOTAL	Mixed	29,498.33		\$ 119,962,102.50

ANNUAL AG ECONOMIC LOSS HENDRY COUNTY

PROPOSED USSC PURCHASE

	LAND	SITE	ECONOMIC	TOTAL IMPACT
SITE	USE	ACRES	IMPACT/ACRE	LOSS
USSC	Pasture	318.18	\$ 82.45	\$ 26,233.94
USSC	Citrus	30,705.15	7,978.68	244,986,566.20
USSC	Sugarcane	39,422.56	1,835.03	72,341,580.28
TOTAL		70,445.89		\$ 317,354,380.42
GRAND TOTAL	Mixed	99,944.22		\$ 437,316,482.92

ANNUAL AG ECONOMIC LOSS GLADES COUNTY

CURRENT & PROPOSED PURCHASES

SITE		SITE ACRES	ECONOMIC IMPACT/ACRE	TOTAL IMPACT LOSS
Prudential Grove	Citrus	1,773.29	\$ 7,978.68	\$ 14,148,513.46
USSC	Sugarcane	5,582.12	1,835.03	10,243,357.66
GRAND TOTAL		7,355.41		\$ 24,391,871.12

ANNUAL AG ECONOMIC LOSS PALM BEACH COUNTY

PROPOSED USSC PURCHASE

		SITE ACRES	ECONOMIC IMPACT/ACRE	TOTAL IMPACT LOSS
USSC	Sugarcane	104,143.15	\$ 1,835.03	\$ 191,105,804.54
GRAND TOTAL		104,143.15		\$ 191,105,804.54

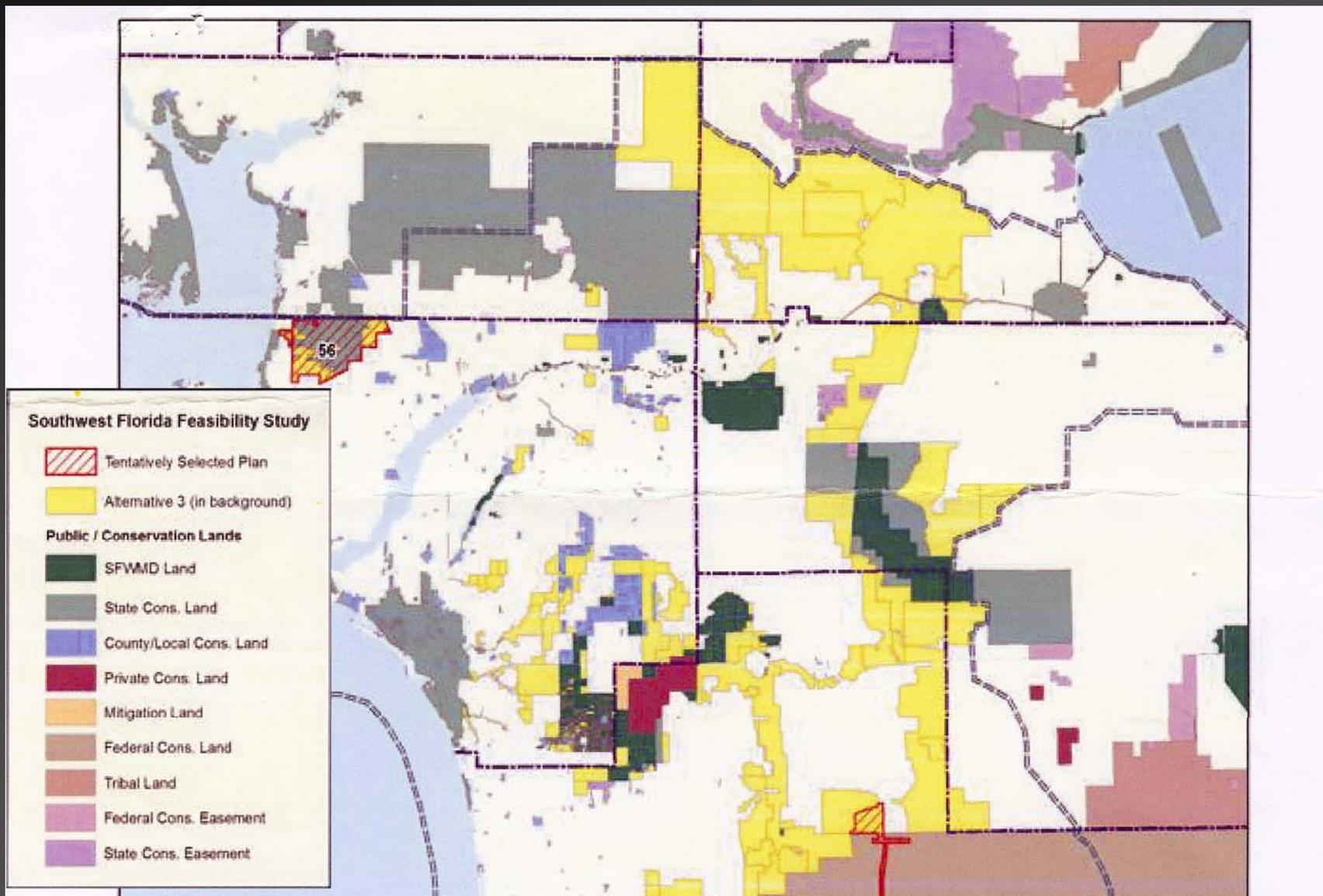
TOTAL AGRICULTURE ECONOMIC IMPACT LOSS

TOTAL ECONOMIC ACTIVITY LOSS USSC PURCHASE

COUNTY	SITE ACRES	TOTAL IMPACT LOSS
Glades	5,582.12	\$ 10,243,357.66
Hendry	70,445.89	317,354,380.42
Palm Beach	104,143.15	191,105,804.54
TOTALS	180,171.16	\$ 518,703,542.63

PANTHER HABITAT PURCHASES

SW FLORIDA FEASIBILITY MAP



PANTHER HABITAT PURCHASES TAX LOSS

		AD VALOREM
SITE	ACRES	TAXES
Okal. Slough - 1st	18,210.39	\$ 30,109.69
Okal. Slough - 2nd	11,637.30	18,541.48
Dinner Isl Ranch	21,765.59	130,464.47
A & M Ranch	7,538.45	21,171.70
Totals	59,151.73	\$ 200,287.34

PANTHER HABITAT PURCHASES ECONOMIC LOSS

PANTHER HABITAT PURCHASES ECONOMIC IMPACT LOSS

SITE	LAND USE	ACRES	ECONOMIC IMPACT/ACRE	TOTAL IMPACT
Okal. Slough - 1st	Pasture	18,210.39	\$ 82.45	\$ 1,501,446.66
Okal. Slough - 2nd	Pasture	11,637.30	82.45	959,495.39
Dinner Isl Ranch	Pasture	18,643.34	82.45	1,537,143.38
Dinner Isl Ranch	Sugarcane	2,521.45	1,835.03	4,626,936.39
Dinner Isl Ranch	Citrus	600.80	7,978.68	4,793,590.94
A & M Ranch	Pasture	7,538.45	82.45	621,545.20
Totals		59,151.73		\$ 14,040,157.96

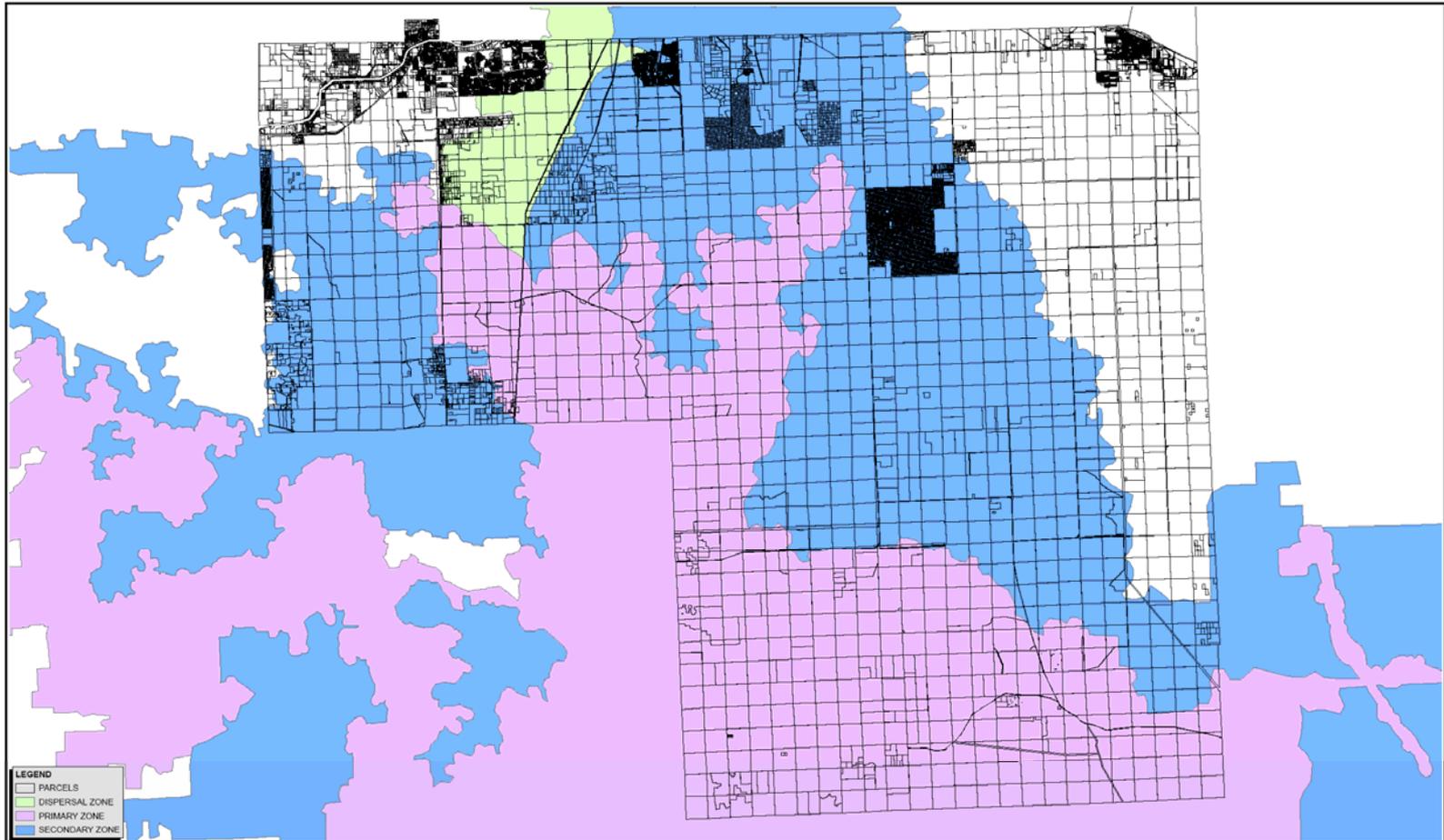
CURRENT PANTHER HABITAT PRESERVATION PLAN

- The panther map that follows indicates panther habitat as primary or secondary.
- Any developer in these areas must buy “Panther Credits” or transfer credits from their land to get a permit to develop.
- Primary areas require 2.5 credits per acre developed. Secondary areas require 0.5 credits per acre developed.

CURRENT PANTHER HABITAT PRESERVATION PLAN

- The land from which the credits are obtained will have a Federal Conservation Easement placed upon the title.
- A prime panther habitat area may yield 9.0 credits, but most will be about 6.0 credits per acre.
- For each 10 acres developed in a primary habitat area, a little over 4 acres would have to have a conservation easement.

HENDRY CTY PANTHER MAP



CONCLUSIONS

- Government purchases of land in Hendry County have a tremendous negative impact.
- This is particularly true of the USSC purchase.
- The following slides show the impact on tax revenues and the economic activity loss.

OVERALL TAX LOSS HENDRY COUNTY

CERP & PANTHER HABITAT PURCHASES SUMMARY

		AD VALOREM
SITE	ACRES	TAXES
CERP	29,498.33	\$ 917,492.53
CERP - USSC	71,274.73	3,311,801.75
Panther Habitat	58,151.73	200,287.34
Totals	158,924.79	\$ 4,429,581.62

AD VALOREM TAX IMPACT HENDRY COUNTY

- Since agricultural land only receives about one-third of the total taxes (\$4,429,581.62) back in services (\$1,476,527.21) the remaining \$2,953,054.41 that could be used for other services is lost.
- However, most of the demand for services for the land area remain.

AG ECONOMIC IMPACT LOSS HENDRY COUNTY

CERP & PANTHER HABITAT PURCHASES SUMMARY

	LAND		ECONOMIC
SITE	USE	ACRES	LOSS
CERP - Purchased	Mixed	29,498.33	\$ 119,962,102.50
CERP - USSC	Mixed	70,445.89	317,354,380.42
Panther Habitat	Mixed	58,151.73	14,040,157.96
Totals		158,095.95	\$ 451,356,640.88

ECONOMIC IMPACT LOSS IMPACT

- The agricultural industries of Glades, Hendry and Palm Beach Counties generated over **\$2.185 Billion** of economic impact in 2007.
- The Hendry County agricultural industries generated over **\$880 Million** or slightly under one-half of the total economic impact in 2007.
- If just the purchase of USSC in Hendry County occurs, over **\$317 Million** or over 36 percent of the total Ag Economic Impact is potentially lost from the Hendry County economy.

SUMMARY

- The purchase of the USSC property is reputed to be necessary to deal with the issues of water quality, water supply and flood protection.
- The recent reduction of the maximum storage level in Lake Okeechobee appears to be a major factor in this proposed purchase.

SUMMARY CONTINUED

- The perceived pollution of Lake Okeechobee with phosphorus is another major factor in this decision.
- Finally, the perceived damage to the estuaries at the mouth of the Caloosahatchee River and the St. Lucie Canal during periods of flooding is another factor.

SUMMARY CONTINUED

- These issues are in conflict with each other. Any action to solve any one of them impacts the ability to solve the other two.
- It must be remembered that virtually 100 percent of the perceived phosphorus pollution comes to Lake Okeechobee via the Kissimmee River.

SUMMARY CONTINUED

- The sugarcane industry contributes no phosphorus pollution to Lake Okeechobee since back pumping into the lake is prohibited.
- The sugarcane industry has vigorously implemented BMP's and reduced the phosphorus down to about 40 ppb and is not polluting the Everglades.

SUMMARY CONTINUED

- The water quality problem in Lake Okeechobee should be addressed in the area north of the lake
- It makes no sense to try solving a pollution problem coming from north of Lake Okeechobee by taking some of the most productive and economically important lands in the world out of production on the south side of the lake.

SUMMARY CONTINUED

- The water supply problem can best be addressed by reinstating the maximum Lake Okeechobee to 17.5 feet. **If the levee needs to be strengthened. DO IT!!**
- This will also help with the flood protection issue and excess water being sent down the Caloosahatchee River and the St. Lucie Canal.

SUMMARY CONTINUED

- It must be remembered that hurricanes Charley, Francis and Jeanne of 2004 and Wilma of 2005, as well as, Tropical Storm Fay of 2008 were rare but natural events.
- We will never be able to physically or economically build infrastructure that will completely mitigate the effects of these natural events.

SUMMARY CONCLUSION

- The environment and mankind will always have to suffer the consequences of catastrophic weather events.
- Finally, in light of the current economy and the tremendous negative economic impact, the purchase of USSC should not occur and other alternatives should be investigated.