

Subject: U.S. Sugar Stories for Dec. 13**SFWMD**

Compiled by: South Florida Water Management District
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Total Clips: 10

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Florida sugar giant decries rival's Everglades deal

12/13/2008

St. Petersburg Times

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Florida's two sugar giants slugged it out in public Friday, arguing over whether Gov. Charlie Crist's proposed buyout of U.S. Sugar is actually a sneaky government bailout of an ailing company.

Florida Crystals filed a legal challenge to the state's plan to borrow \$1.34-billion to buy 181,000 acres from rival U.S. Sugar for Everglades restoration. The problem, Florida Crystals contends, lies in a provision that allows U.S. Sugar to lease the land back for seven years and continue farming it.

Meanwhile, a new appraisal of the deal said the terms of the lease in the proposed contract are far too generous to U.S. Sugar, to the point where the state will lose some \$300-million.

The new developments come only four days before the final vote on whether the state will buy virtually all of U.S. Sugar's property to use for Everglades restoration. Although the deal has the backing of Crist and several environmental groups, the Florida Farm Bureau opposes it, and some lawmakers are calling for it to be put on hold.

State officials have made it clear that they need Florida Crystals' cooperation to make the buyout work, because they will likely need to swap U.S. Sugar land in exchange for Florida Crystals' property to create a man-made flow-way between Lake Okeechobee and the River of Grass.

The deal calls for the state to borrow \$1.34-billion so the South Florida Water Management District can buy U.S. Sugar's land and pay back the money with taxes on South Florida residents. The district would then lease the land back to U.S. Sugar while state officials plan the restoration.

"The issuance of these bonds is for an illegal purpose, specifically, use of the district's taxing power to bail out a private company, allowing that company to sell its assets to the district and then indefinitely remain on the sold land to farm and profit from it while the taxpayers support its private purpose," the legal challenge says.

The contract, already approved by U.S. Sugar, puts other sugar

companies "at a competitive disadvantage by allowing U.S. Sugar to lease back the land it sells at below market rates," Florida Crystals spokesman Gaston Castens said in an e-mail to the St. Petersburg Times.

Robert Coker of U.S. Sugar insisted the buyout is not a bailout but a legitimate way to jump start the Everglades restoration plan, which is already years behind schedule. He also accused Florida Crystals of opposing the buyout all along. But Castens said the company doesn't object to Crist's buyout plan, just the contract terms.

A new appraisal of the deal by a West Palm Beach company called Anderson & Carr says Florida Crystals is correct: the lease price is far below the market rate. Instead of \$50 an acre, the state should be charging about \$200, the appraisers said. The below-market lease rate results in a loss of \$300-million to the state over seven years.

Coker countered that the lease price was appropriate. After all, he said, it's not like there are a lot of other companies lined up waiting to lease that land.

Land deal faces barriers

12/13/2008

Palm Beach Post - Online

TONY DORIS and PAUL QUINLAN

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WEST PALM BEACH Florida's \$1.34 billion land deal with U.S. Sugar Corp. is facing two fresh obstacles: a legal attack from the company's biggest rival, plus two new appraisals suggesting the price may be more than \$300 million too high.

The twin setbacks emerged just days before water managers are set to vote on the deal, which has drawn international attention as a potential giant leap for Everglades restoration.

Clewiston-based U.S. Sugar has called Tuesday the final day for the state to OK the purchase, and insists it will not reduce the price.

But in court papers filed this week, rival grower Florida Crystals Corp. said the purchase would be an illegal 'bailout' for U.S. Sugar, not a boon to the Everglades. The deal's supporters 'paint a colorful picture of a new 'river of grass' flow way through the Everglades Agricultural Area,' Florida Crystals' attorneys wrote in papers dated Thursday in Palm Beach County Circuit Court. But they said the South Florida Water Management District has presented only 'vague conceptual visions' of how it might use the land. 'There's no flow way, there is no plan for restoration, there is no project that is planned,' Florida Crystals Vice President Gaston Cantens said Friday.

At the same time, he noted, U.S. Sugar would receive hundreds of millions of taxpayer dollars upfront and would get to lease the land back from the state at a low rate, allowing it to continue

farming for at least seven years. 'The issuance of these bonds is for an illegal purpose, specifically, use of the district's taxing power to bail out a private company,' Florida Crystals' motion says. U.S. Sugar and other supporters responded with swift criticism for Florida Crystals and its owners, the Fanjul family of Palm Beach. 'It's a relief for them to drop the pretense of any concern about the public's interests in truly restoring the Everglades,' U.S. Sugar Senior Vice President Robert Coker said Friday.

Florida Crystals also has been working behind the scenes, lobbying legislators to kill the deal, said Eric Draper, policy director for Audubon of Florida. 'They're acting on behalf of their own financial interest, in hopes that if they're able to scuttle the deal that they will be able to pick up parts of U.S. Sugar at a discount,' Draper said. 'Florida Crystals has aggressively resisted every major Everglades restoration project for 20 years.' The district is seeking a judge's approval to borrow up to \$2.2 billion to buy U.S. Sugar's 180,000 acres and pay for other project costs. Florida Crystals subsidiaries New Hope Sugar Co. and Okeelanta Corp. filed this week's paperwork to oppose that request.

Water managers will press ahead with their plans, a spokesman said.

Separately, the district released two appraisals Friday that said the deal is worth only \$1 billion to \$1.1 billion, as much as \$300 million less than the price agreed on.

The findings appeared to confirm suggestions last month by another state-hired financial analyst that the state might be overpaying by as much as \$400 million.

The latest appraisers' reports focus on terms of the proposed contract that would let U.S. Sugar lease back the land at a deeply discounted annual rate of \$50 per acre. That is about a quarter of the going rate, the reports said.

The appraisers, who originally valued U.S. Sugar's land at about \$1.3 billion, said those concessions reduce the deal's total value. The state negotiated the lease-back to generate income from the land while it devises plans for using it to restore the Everglades. Water managers have included such leases in previous land deals with growers, including U.S. Sugar and Florida Crystals.

Coker dismissed the notion that the reports suggest the district would be overpaying. He said the 180,000 acres are located in the only viable spot for Everglades restoration. 'You don't do Everglades restoration with land in Polk County,' Coker said.

Florida Crystals Objects to US Sugar Buyout Plan

12/12/2008

South Florida Business Journal
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The state funding plan to buy U.S. Sugar Corp.'s property in Clewiston has come under attack by fellow sugar giant Florida Crystals.

Two subsidiaries of West Palm Beach-based Florida Crystals Corp. on Friday filed a formal objection to the buyout plan, which envisions the South Florida Water Management District spending \$1.34 billion to buy U.S. Sugar property.

Florida Crystals' action comes as a formal objection in the court validation of bonds to be issued by the water management district. It was filed in the Fifteenth Judicial Circuit Court of Palm Beach County.

"The issuance of these bonds is for an illegal purpose, specifically use of the District's taxing power to bail out a private company" Florida Crystals' motion said.

Florida Crystals spokesman Gaston Cantens said the decision to challenge the bonding for the purchase was "not personal" and the company remains committed to working with the state on its goals for the area.

The water management district intends to stop cane production on much of the land and restore a natural flow-way of water between Lake Okeechobee and the southern Everglades. Florida Crystals' motion said the district's plans for the property are "ambiguous."

The water management district's governing board is set to consider the land purchase contract Monday and Tuesday.

U.S. Sugar could not be immediately reached for comment. The water district issued the following statement: "The District continues to believe it has the authority to issue Certificates of Participation for the public purpose of Everglades restoration and water resource development projects and is prepared to present its position to the Court in February."

Florida Crystals' objection was filed on behalf of the company by attorney Joe Klock of Epstein Becker & Green in Miami.

Everglades Cleanup First Benefits US Sugar

12/12/2008

Tallahassee Democrat

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Saturday's Editorial:

Next week the South Florida Water Management District is expected to vote on a contract that on the surface is intended to ultimately clean up Florida's wondrous Everglades. But beneath murky waters, the deal appears to be an overly generous buyout for U.S. Sugar, which has been losing money and has incurred enormous new debt.

If a proposed \$1.34 billion purchase of U.S. Sugar's 182,500 acres goes forward on Monday or Tuesday — and despite the fact that the water district needs just 40,000 to 45,000 of those acres for Everglades restoration — U.S. Sugar would lease the land back for the bargain price of \$50 an acre for six of a seven year contract. That's about one-fifth of market rate; hence, not much of a deal in lease payments for taxpayers.

During those years, systems for converting the farm land into water storage and filtration areas would be completed. And that's the part of the purchase plan that's critically important to environmentalists and the ecosystem south of the Everglades and vital to South Florida.

Yet given the current economic climate, and not knowing how much this restoration would ultimately cost — given long-term costs of bond financing on top of the \$1.34 billion purchase — a decision next week is dubious, rushed and arbitrary. To proceed with this approach, the district will also have to divert funding intended for other Everglades restoration projects.

The Miami-Dade legislative delegation, in whose backyard all this would take place, last week called upon the water management district to back off for the time being until a much fuller understanding of the situation can be aired.

"We are in the midst of one of the most severe economic recessions in the history of our region, our state and our Nation," Rep. Juan Zapata, R-Miami, wrote Chairman Eric Buermann, explaining the near panic of constituents over the losses in myriad services and needs that will go unmet due to the revenue shortfalls.

"Yet your agency, through an unelected board, is preparing to spend \$1.34 billion on land for what appears to be nothing more than a corporate bailout," he wrote, requesting an immediate and full briefing before the Miami-Dade as well as the Broward delegations before any contracts are signed.

Land beyond the U.S. Sugar property will also have to be purchased for the restoration and there is no clear plan for where that money would come from.

Nor is the water district sure what it would do with all the land it is contracting to buy from U.S. Sugar, but which isn't needed for the restoration. Some talk exists of trading some of the land with Florida Crystals to acquire the land still needed for the restoration project.

The concerns of the South Florida delegation, coupled with vote last week by the Florida Farm Bureau Federation to oppose the plan — should concern all Floridians. That includes those of us in

North Florida who also have a stake in the outcome with so many of our state tax dollars already invested in the Everglades and previous restoration attempts.

Most Floridians no doubt support continuing efforts to clean up the Everglades ecosystem. But all parties need to go back to the negotiating table until more certainty and clarity can be gained in this hugely expensive and vastly complex project.

Gov. Charlie Crist has expressed overall support for Everglades restoration, which started as the Everglades Forever Act of 1994. But he needs to re-enter the discussion to ensure a sounder, smarter deal for all. Elected leaders, not an appointed board, need to make sure that this historic deal does not go down in history as, above all, a bailout for U.S. Sugar rather than a rescue of vital natural resources.

Florida Crystals opposing state deal with US Sugar

12/12/2008

Associated Press (AP) Broadcast

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Florida Crystals opposing state deal with US Sugar
The Associated Press

WEST PALM BEACH, Fla. -- A major competitor of U.S. Sugar filed a complaint alleging its \$1.34 billion dollar deal to sell the state land won't advance Everglades restoration and only lines the pockets of U.S. Sugar, a spokesman for Florida Crystals said Friday.

Florida Crystals filed a motion in Palm Beach County Circuit Court opposing the financing of the project that allows the state to purchase nearly 300 square miles of farmland. U.S. Sugar would be allowed to lease back the farmland at \$50 per acre annually for seven years before turning it over to the state. The South Florida Water Management District must now approve the contract.

Officials want the land to clean water and restore natural flow to the Everglades, long polluted by farming and development.

Florida Crystals said they spent months negotiating with the state to buy some of the assets the state would gain from U.S. Sugar, but the deal suddenly changed, according to Gaston Cantens, vice president of corporate. Florida Crystals is owned by the Fanjul family of Palm Beach and is one of the largest competitors of U.S. Sugar.

"The current deal will jeopardize legitimate and planned projects to improve water quality and flow thereby delaying Everglades restoration for years, and it will put farmers in the EAA at a competitive disadvantage by allowing U.S. Sugar to lease back the land it sells at below market rates and with a right of first refusal," the company said in a release.

Some lawmakers have also voiced concerns about making the

deal while the state was in the midst of an economic crisis and cutting services to citizens.

"They've chosen to go all out in their opposition to Governor Charlie Crist's bold vision of Everglades restoration," U.S. Sugar Vice President Robert Coker told The Palm Beach Post. "They've clearly done so on the premise that anything that's good for U.S. Sugar is bad for the Fanjuls and the heck with everybody else."

A telephone call to U.S. Sugar from The Associated Press was not immediately returned after house Friday.

U.S. Sugar deal may be \$300 million too expensive, new appraisals say

12/12/2008

Palm Beach Post - Online

PAUL QUINLAN

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The state's \$1.34 billion offer to buy U.S. Sugar Corp.'s farmland may be more than \$300 million too high, according to the two appraisers the state commissioned to review the deal.

The findings appeared to confirm suggestions last month by another state-hired financial analyst that the state might be overpaying by as much as \$400 million.

Water managers are expected to vote on the deal Tuesday. U.S. Sugar calls that the final deadline and says it will not consider reducing the price.

The latest appraisers' reports focus on terms of the proposed contract that allow U.S. Sugar to lease back the land from the state at a deeply discounted annual rate of \$50 per acre to keep farming and processing sugar for the next seven years. Those terms reduce the total value of the deal to between \$1 billion and \$1.1 billion, according to the new appraisal reports.

The South Florida Water Management District released the reports without comment late today.

The state negotiated the lease-back as a way to generate some income from the 180,000 acres it is buying from U.S. Sugar while it devises plans on how to use the land to restore the Everglades. Restoration was the purpose behind the landmark deal that Gov. Charlie Crist first unveiled in June.

But the rent the state would charge U.S. Sugar under the proposed contract is about a quarter the going rate, estimated at between \$175 and \$250 per acre annually, the reports show.

The deal aims to reconnect Lake Okeechobee to the southern Everglades ecosystem by flowing water across the farmland through a system of reservoirs and filter marshes.

U.S. Sugar Senior Vice President Robert Coker dismissed the notion that the reports suggested the district was overpaying,

saying the 180,000 acres are strategically located in the only viable spot for useful Everglades restoration efforts. 'You don't do Everglades restoration with land in Polk County,' said Coker. 'If you want to restore sheet flow from Lake Okeechobee to the Everglades, you've got to use U.S. Sugar land.' Moreover he said the \$50 lease rate was fair because the district would be hard pressed to line up enough tenants to rent out 180,000 acres at fair market value. 'You can't lease 180,000 acres to just anybody,' he said. 'What's somebody going to do with it? Grow 180,000 acres of tomatoes?' Earlier reports from the same appraisers valued the property at \$1.37 billion or \$1.3 billion but did not take into account the lease-back arrangement, which was still under negotiation at the time, the new reports said.

Coker said the appraisers were being 'pushed and pulled like taffy.' The district's board will meet Monday and Tuesday to review the deal before taking a final vote Tuesday. Coker said U. S. Sugar would not return to the bargaining table if water managers rejected the currently negotiated deal.

Fanjuls file legal attack against U.S. Sugar sale

12/12/2008

Palm Beach Post - Online

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WEST PALM BEACH Florida Crystals Corp. says the state's proposed buyout of land for Everglades restoration would give competitor U.S. Sugar a windfall but fail to advance the ambitious ecological project the public envisions.

Florida Crystals subsidiaries New Hope Sugar Co. and Okeelanta Corp. filed a motion this week in Palm Beach County Circuit Court to oppose the financing that would let the South Florida Water Management District buy the 180,000-acre expanse south of Lake Okeechobee.

U.S. Sugar would get hundreds of millions of taxpayer dollars up front, get to lease the land back from the state at a low rate and continue to farm it for at least seven years - and the public would get no benefit, said Gaston Cantens, vice president of corporate affairs for Florida Crystals. 'There's no flow-way, there is no plan for restoration, there is no project that is planned,' he said. Florida Crystals, owned by the Fanjul family of Palm Beach, is U. S. Sugar's major rival in the state's sugar cane market.

Criticism of Florida Crystals and the Fanjuls came swiftly today from U.S. Sugar and other supporters of the deal. 'They've chosen to go all out in their opposition to Governor Charlie Crist's bold vision of Everglades restoration,' U.S. Sugar Vice President Robert Coker said. 'They've clearly done so on the premise that anything that's good for U.S. Sugar is bad for the Fanjuls and the heck with everybody else.' Coker added: 'It's a relief for them to drop the pretense of any concern about the public's interests in truly restoring the Everglades.' Florida Crystals also has been working

behind the scenes, lobbying legislators to kill the deal, said Eric Draper, policy director for Audubon of Florida. 'They're acting on behalf of their own financial interest, in hopes that if they're able to scuttle the deal that they will be able to pick up parts of U.S. Sugar at a discount,' he said. 'Florida Crystals has aggressively resisted every major Everglades restoration project for 20 years.' The water district hopes to borrow up to \$2.2 billion to cover the land and other project costs. It would finance the deal by selling certificates of participation, which are similar to bonds.

But that public borrowing requires a judge's approval. A bond validation hearing has been scheduled for Feb. 6.

State officials announced June 24 that they had struck a tentative deal to buy U.S. Sugar's land, lease part of it back to the company during an economic transition period, and arrange to swap parts of the land for tracts held by nearby growers that are better situated for projects to improve the flow of water toward the Everglades.

The approximately \$1.34 billion purchase, a centerpiece of Crist's political career, has drawn worldwide attention and support from environmentalists across the country.

But the Florida Crystals court motion says the proposed buyout goes against the public interest. 'The issuance of these bonds is for an illegal purpose, specifically, use of the district's taxing power to bail out a private company, allowing that company to sell its assets to the district and then indefinitely remain on the sold land to farm and profit from it while the taxpayers support its private purpose,' the motion says. The supporters 'paint a colorful picture of a new 'river of grass' flow way through the Everglades Agricultural Area,' but have presented only 'vague conceptual visions' with no defined plans for the land, according to the motion by attorneys Joseph Klock Jr. and Juan Carlos Antorcha. It's not just the big sugar companies butting heads over the deal. Opposition also has come from former U.S. Attorney Dexter Lehtinen, a longtime legal representative for the Miccosukee Indian tribe.

Lehtinen sued in August, alleging that the deal was hatched secretly and would supplant a more timely reservoir creation and water flow restoration plan that the district was already legally obligated to complete. President Clinton signed that state-federal restoration plan into law eight years ago Thursday.

Water managers conceded that the reservoir plan was delayed, but they have defended the U.S. Sugar buyout as one of the most important moves to protect the Everglades since the creation of Everglades National Park in 1947.

A water district spokesman said today that it will press ahead with its plan. 'The district continues to believe it has the authority to issue certificates of participation for the public purpose of Everglades restoration and water resource development projects and is prepared to present its position to the court in February,' spokesman Gabriel Margasak said.

Opponents Mount Last Stand on Everglades Plan

12/12/2008

Wall Street Journal

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By PAULO PRADA

CLEWISTON, Fla. -- Critics are trying to derail the proposed sale of former Everglades wetlands owned by U.S. Sugar Corp. to the state of Florida just days before an agency votes whether to approve the \$1.34 billion deal.

State legislators, company employees, area officials and businesses fear the sale will obliterate the local economy, long anchored by the sugar-cane industry.

Though the plan has managed to unite environmentalists and U.S. Sugar executives, opponents believe their complaints are being ignored. "If the middle lets these two extremes push this deal through, they're making a mistake that is bad for this town, bad for the Everglades, and bad for the taxpayers," said Christopher Shupe, president of Olde Cypress Community Bank in Clewiston.

Espoused by Gov. Charlie Crist as an historic opportunity to restore the land to its natural state, the purchase foresees the acquisition of about 180,000 acres from U.S. Sugar, the nation's largest grower of sugar cane. The transaction, approved by the board of U.S. Sugar last week, must also be endorsed by Dec. 16 by the board of the South Florida Water Management District. That is the agency that aims to purchase the land and oversee an ambitious project to try to restore some of the natural flow of waterways which used to run from Lake Okeechobee into the Gulf of Mexico.

Critics see the deal as rushed, costly, secretive and impractical. At a time when public coffers in Florida are dwindling, they argue, the plan will do little more than bail out a company under financial pressure. At the same time, the deal would load debt on the water agency, perhaps making it unable to afford engineering projects necessary for a restored waterway.

Privately held U.S. Sugar wouldn't comment on its finances, but profits at the company -- squeezed by foreign competition, higher fuel prices, and an investment of hundreds of millions of dollars in a new refinery -- have dwindled. Its 2007 annual report projected a loss for 2008.

"Your agency, through an unelected board, is preparing to spend \$1.34 billion on land for what appears to be nothing more than a corporate bailout," wrote Republican Rep. Juan C. Zapata in a letter to agency executives this week. He wrote on behalf of 25 state house and senate members from Miami-Dade County, whose taxpayers help fund the water district. On Friday a union representing refinery and other machine workers at U.S. Sugar urged the agency to reject the deal.

Eric Eikenberg, Mr. Crist's chief of staff, said in an interview the state transaction is not a bailout, but an important first step to protect fragile wetlands, while giving the state flexibility to work with growers. "This is a historic transaction that can restore the Everglades and protect the economics of the area," he said. "There is still plenty of work to be done with all the various partners."

In an interview at U.S. Sugar headquarters, Robert Coker, senior vice president for public affairs, said the outcry is the product of confidentiality required to negotiate a large land deal with a state agency. If the agency's interest in buying land were disclosed, that would quickly distort local real estate values, he said. "It's partially our fault," he added, "but we had to remain quiet until this thing was negotiated." The company has consistently said the proposed deal is good for its shareholders and employees.

Public officials, private citizens, and rival businesses have been calling for more time to analyze details they say they don't understand. The initial plan, announced by Mr. Crist to much fanfare in June, called for the state to acquire the company outright, including the refinery, railroads and other assets, for about \$1.75 billion. Since then, the deal morphed into a purchase of the land only, primarily because the state decided the company's assets were best left in private hands.

One of the most criticized provisions would allow U.S. Sugar to lease back much of the land for a seven-year period at nearly a quarter the price some farmers in the region pay. After that, the company could continue to lease some of the land or sell its assets and exit the business. Mr. Coker denied speculation that U.S. Sugar itself would sublet the land to other farmers at a higher price and said the lease terms are fair given what the company, amid the real estate downturn, sees as a low acquisition price. "You have to look at the whole deal," he said.

Also perplexing critics is the state's insistence on purchasing so much land when the agency itself has said it would only need a fraction of the 180,000 acres for restoration projects. The envisioned waterway also faces man-made obstacles, including a major U.S. highway and other croplands.

And some critics wonder why the state didn't respond to an offer from Florida Crystals Corp., another major cane farmer which owns about 150,000 acres south of the U.S. Sugar land. The company said it unsuccessfully tried to convince the state, after the initial proposal, to sell it the U.S. Sugar refinery and land that the water agency wouldn't need.

"We were on board," says Gaston Cantens, a Florida Crystals vice president. "We went from having an interesting environmental project to seeing a competitor get a big infusion."

Mr. Eikenberg said the state still may consider future transactions with the company.

Another rival, a Tennessee-based family farming company known as the Lawrence Group, has offered to pay shareholders of U.S. Sugar \$300 per share and assume up to \$600 million in liabilities -- an offer valued at roughly \$1.3 billion. U.S. Sugar says it is legally obliged to consider any rival offers for 60 days after any deal is reached, but so far it hasn't considered the Lawrence

proposal.

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

New appraisals State could be paying \$300 million too much for land

12/12/2008

Sun Sentinel - Online

Andy Reid

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New appraisals released late today show that the state could be paying \$300 million too much for farmland that would be used for Everglades restoration.

The South Florida Water Management District faces a Tuesday deadline to decide whether to spend \$1.34 billion on 180,000 acres owned by U.S. Sugar Corp. The land would be used to help reconnect water flows from Lake Okeechobee to the Everglades.

Previous appraisals estimated the value of the deal to be \$1.37 billion or \$1.3 billion - right at the price negotiated by the district and U.S. Sugar after five months of closed-door talks.

However, provisions in the proposed sales contract that allow U.S. Sugar to lease the land back at below-market rates for seven years decreased the value of the proposed deal, according to two independent appraisers hired by the district. Restrictions on farming practices that would be allowed on the land during that time, such as limits on pesticide use, also decreased the value. Anderson and Carr of West Palm Beach estimated a \$1 billion value for the land, based on the terms in the contract.

Sewell, Valentich, Tillis and Associates estimated the value at \$1.095 billion.

The district plans to borrow most of the money to pay for the land deal, with taxpayers in the 16-county region from Orlando to the Keys paying off the debt.

The district released a statement today in response to the new appraisals, saying that it 'conducted extensive due diligence' and will 'make the best informed decision for the environment and the taxpayers.'

Official Statement on Florida Crystals' Objections to Bond Validation for U.S. Sugar Deal

12/12/2008

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WEST PALM BEACH, Fla., Dec. 12 /PRNewswire-USNewswire/ -- Since Governor Charlie Crist's announcement of the purchase of U.S. Sugar's land for Everglades restoration last June, Florida Crystals has sought to work with the South Florida Water Management District and the Governor's office to ensure the deal would achieve the Governor's environmental objectives, while at the same time being financially sound and protecting sustainable agriculture.

Unfortunately, the terms of the deal currently proposed by the District not only do not achieve the Governor's goal of creating a connection between the Lake and the Everglades, but are also detrimental to agricultural interests other than United States Sugar Corp. The current deal will jeopardize legitimate and planned projects to improve water quality and flow thereby delaying Everglades restoration for years, and it will put farmers in the EAA at a competitive disadvantage by allowing U.S. Sugar to lease back the land it sells at below market rates and with a right of first refusal.

As a result, Florida Crystals was forced today to file objections in the hearing relating to the validation of the certificates of participation proposed to be issued by the District to finance the purchase of U.S. Sugar property. The transaction is so substantially different from how it was originally proposed, we must take this action to protect our rights.

While we cannot support the transaction in its current form, Florida Crystals remains supportive of Governor Crist's bold proposal to acquire U.S. Sugar and Florida Crystals stands immediately ready to work with the Governor and the District to enhance the public purpose of this project and bring forward a proposal that is better for the State of Florida, the environment and the taxpayers of the District.

SOURCE Florida Crystals

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