

Glades plan pricey, ineffective

By Mike Collins, Special to the Times

Published Monday, December 15, 2008 6:26 PM

When Gov. Charlie Crist unveiled a historic agreement to buy out the nation's largest sugarcane producer and resume the flow of water from Lake Okeechobee to the Florida Bay, I applauded like everyone else who wanted to believe it was our last and best chance to save the precious Everglades.

As one of seven sitting directors of the South Florida Water Management District — and the only one not appointed by Crist, who must approve the deal — I was eager to cast my vote in favor of an affordable, comprehensive plan that would bring new life to the River of Grass.

Unfortunately, the more we learn about the deal the stickier the details. To use a food metaphor, the onion that appeared so appetizing last summer has turned rotten as layer upon layer is peeled away. At its core, the proposed \$1.34-billion buyout of 181,000 acres of farmland owned by U.S. Sugar Corp. smells like another risky government bailout of a company in dire financial straits.

Crist deserves credit for launching a bold and innovative approach to rescue the Everglades. The program aims to jump-start a revival effort that has stalled in recent years because of a slew of unfunded federal mandates and broken promises. A joint federal-state partnership valued at \$8-billion has not lived up to expectations, in part because the federal government has reneged on its pledge to pay half the bills.

That leaves us with the Crist-U.S. Sugar deal to pump water through the Everglades' mangrove-lined creeks. Standing in the way, however, are all those pesky details:

The water district would pay \$1.34-billion for land valued by an independent appraisal firm at about \$930-million. That makes no sense, particularly when real estate values are plunging all over the nation and Florida is among the hardest hit states.

It turns out that only a small percentage of U.S. Sugar land is actually needed to restore the water flow. So why in a time of escalating government deficits — and Florida's own \$2.3-billion deficit — is a state water agency using depleted taxpayer funds to finance a \$1.34-billion deal?

Completion of the flow-way will require tens of thousands of acres owned by other sugar growers. Yet no one has initiated any serious negotiations to acquire the additional lands. Even worse, the water district admitted it hasn't even developed a plan to construct the flow-way.

If the district were to acquire the land as it needed it, it could buy 35,000 of the proposed 105,000 acres for water projects every seven years (the time frame to design and build a project). The land costs, including a 3 percent annual increase in value, would be about \$612-million. It would not be hard for the district to come up with cash to cover those costs. Throw in all of the financing and debt costs of the existing proposal and the total price tag will exceed \$3.4-billion. Where will we get the money to pay for any other programs? Commitments to local governments, court-ordered or statutorily required programs will simply die. My take is we are not going to have any money left to do anything else.

The revised deal announced last month allows U.S. Sugar to lease its farmland back from the state at \$50 per acre — at least four times *below* the market rate. The proposed lease runs six years with a seventh year at no cost. Very little of the land will be available before that time. In reality, if the history of similar farmland acquisitions is any guide, it could be decades before anything is built on the land.

U.S. Sugar desperately needs an economic rescue. A closely held financial report shows that U.S. Sugar is saddled with about \$700-million in debt and is projected to lose money this year.

Neither U.S. Sugar nor the governor's office appears remotely interested in an intriguing offer by a Nashville company to acquire U.S. Sugar for \$300 per share. A sale to Lawrence Group could lead to a slimmed-down proposal that would save the state hundreds of millions of dollars to restore the Everglades and would maintain jobs for 10,700 people who rely on the sugar industry for employment.

I still can't figure out why the governor and U.S. Sugar set a deadline for today to vote this deal up or down. It makes no sense to approve the largest land purchase in Florida history at a time when the nation's and Florida's economies are teetering. The only possible vote, given the current financial situation, is down.

The destruction of the Everglades took generations and its restoration will take generations more. Approving this proposal will ensure very little gets done during the generation we are responsible for.

Mike Collins is a member of the board of the South Florida Water Management District.

© 2008 • All Rights Reserved • St. Petersburg Times
490 First Avenue South • St. Petersburg, FL 33701 • 727-893-8111
[Contact Us](#) | [Join Us](#) | [Advertise with Us](#) | [Subscribe to the Times](#)
[Privacy Policy](#) | [Standard of Accuracy](#) | [Terms, Conditions & Copyright](#)