

A white egret is captured in mid-flight, its wings fully extended, against a background of lush green grass. The bird is positioned on the left side of the frame, facing right. The text 'Reviving THE river OF grass' is overlaid on the right side of the image.

Reviving
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Everglades Land Acquisition Project

Governing Board Update
August 13, 2008

**Everglades Land Acquisition Project
Governing Board Update
August 13, 2008**

Everglades Land Acquisition Update:

1. PowerPoint Presentation - Governing Board Workshop
2. Project Controls
3. Consultants

Community, Legislative & Public Outreach:

4. Community Meetings & Briefings
5. Local Government Resolutions
6. Florida Congressional Delegation Briefing and Follow-up Letter
7. Public Information
 - a. Open Government and Public Information Fact Sheet
 - b. Acquisition Fact Sheet
 - c. Questions and Answers
 - d. Governor's Press Release, June 24, 2008
 - e. Statement by SFWMD Governing Board Chair, June 24, 2008
 - f. Press Release - Negotiations for Historic Everglades Land Acquisition Move Forward, June 30, 2008
 - g. Ripple Effect Newsletter - July 3, 2008

Economy:

8. Rural Economic Development Initiative (REDI)
9. Inland Port
10. Payment in Lieu of Taxes Summary

External Analysis, Proposals & Recommendations:

11. IFAS - Economic Impacts of the U.S. Sugar Corporation Buyout in Florida
12. Everglades Foundation/Everglades Coalition - Everglades Agricultural Area Recommendations
13. Initial Observations and Recommendations - Chris Doolin
14. EAA Economic Opportunities - 1000 Friends of Florida

1. Presentation Introduction and Overview



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“River of Grass” Land Acquisition Update

Governing Board Workshop
August 13, 2008

Presentation Overview



- Process Timeline
- Restoration Project Needs and Goals
- Outreach & Economic Transition Activities
- Implementation Activities
 - Due Diligence Status
 - Post-Agreement Planning
- Financial Milestones



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Process Timeline

Sheryl G. Wood, Esq.
General Counsel

Process Timeline

- March – June, 2008: Executive Director and staff had exploratory meetings with U.S. Sugar Corporation representatives to discuss potential acquisition options that may be acceptable to both parties.
- June 24, 2008: Governor Crist announcement of Everglades land acquisition opportunity. Statement of Principles signed by Vice Chair.
 - (A) Is Non-Binding on Either Party, and
 - (B) Sets forth a proposed path and scope of consideration.

Process Timeline, cont.

- June 30, 2008: Statement of Principles brought to SFWMD Governing Board for consideration.
 - (A) Governing Board, staff and public have initial discussion about acquisition opportunity
 - (B) Governing Board authorizes staff to begin negotiations.
- Executive Director must bring any proposals to Governing Board for consideration – no delegation of authority to act on behalf of Governing Board.

Process Timeline, cont.

- July 2008: Governing Board reviews fiscal resources and proposed fiscal year 2009 budget. Public comment received.
- August 2008: Governing Board receives information on process, acquisition goals and financing information.

Process Timeline, cont.



- September 2008 (75 days): If staff and U.S. Sugar are able to propose acceptable terms and conditions, staff will present a contract to Governing Board for public discussion at board meeting or special meeting. If approved, District will continue due diligence reviews, including surveys, title review, engineering, environmental and financial assessments.
- Contract will be contingent upon specific terms and conditions, including but not limited to availability of financing.

Exempt Records



- In accordance with state law, documents relating to the offer, counteroffer and appraisals that are completed will be available to the public subject to Florida Statutes.
- Appraisal Reports, Offers and Counter Offers are Exempt from Public Records Disclosure – §373.139(3)(a), Florida Statutes.

Process Timeline, cont.



- October 2008: Governing Board receives updates on financing issues. Public discussion continues.
- November – December 2008: Public discussion continues.
- Plan is flexible and subject to change.



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Restoration Project Needs and Goals

Kenneth G. Ammon, P.E.

Deputy Executive Director, Everglades Restoration

Restoration Project Needs

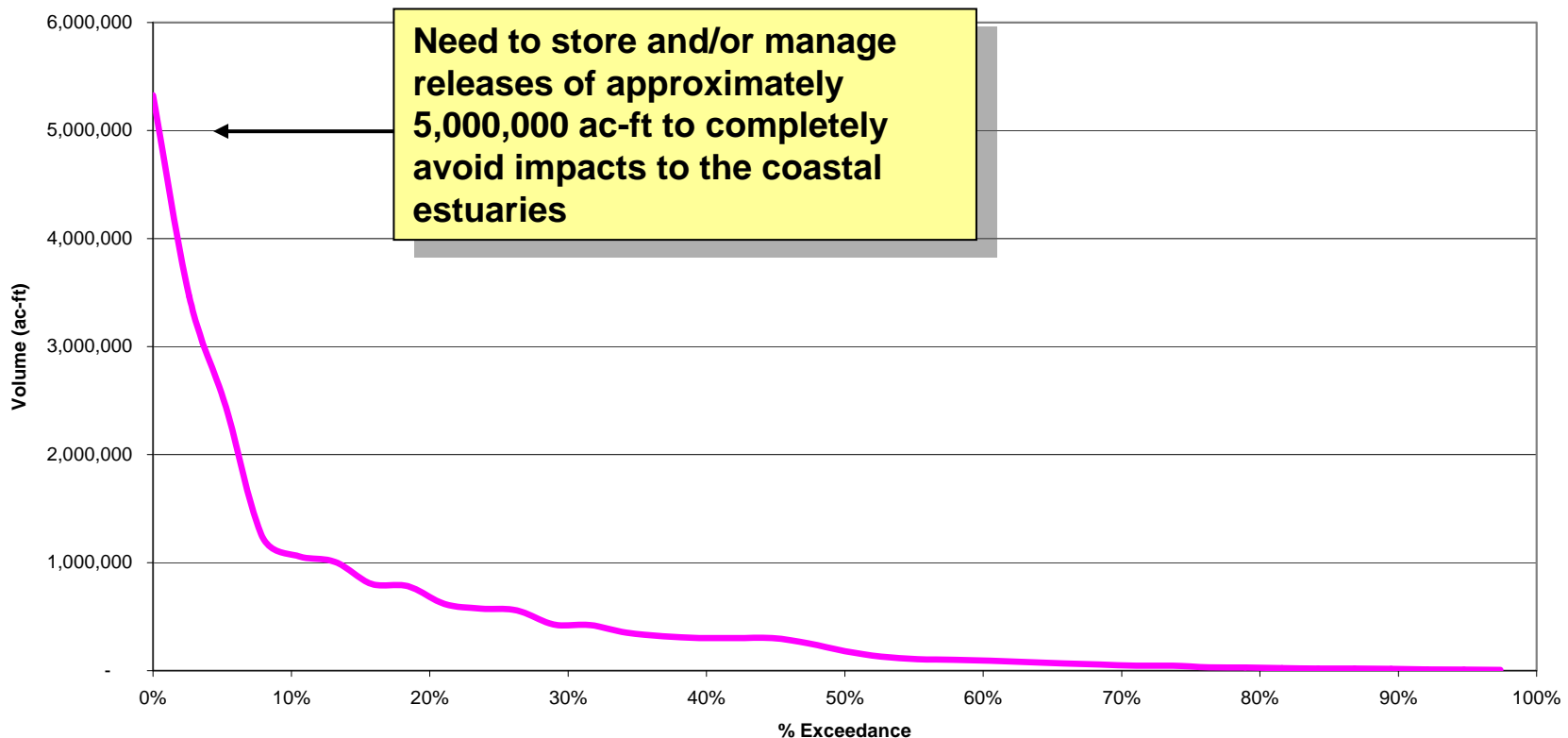
Lake Okeechobee Regulatory Releases

- Major releases currently occur on a frequency of approximately once every 5 to 7 years
 - Estuaries require ~10 years to fully recover from high flow events
 - Continued degradation over time is documented
- Typically, when Lake Okeechobee stages are high, the Water Conservations Areas are also high
 - Additional discharge to WCAs will cause some degree of immediate ecological impact
 - Emphasizes importance of federal restoration projects
 - Modified Water Deliveries to Everglades National Park
 - Comprehensive Everglades Restoration Plan Decompartamentalization (DECOMP)

Restoration Project Needs

Defining the magnitude of the problem

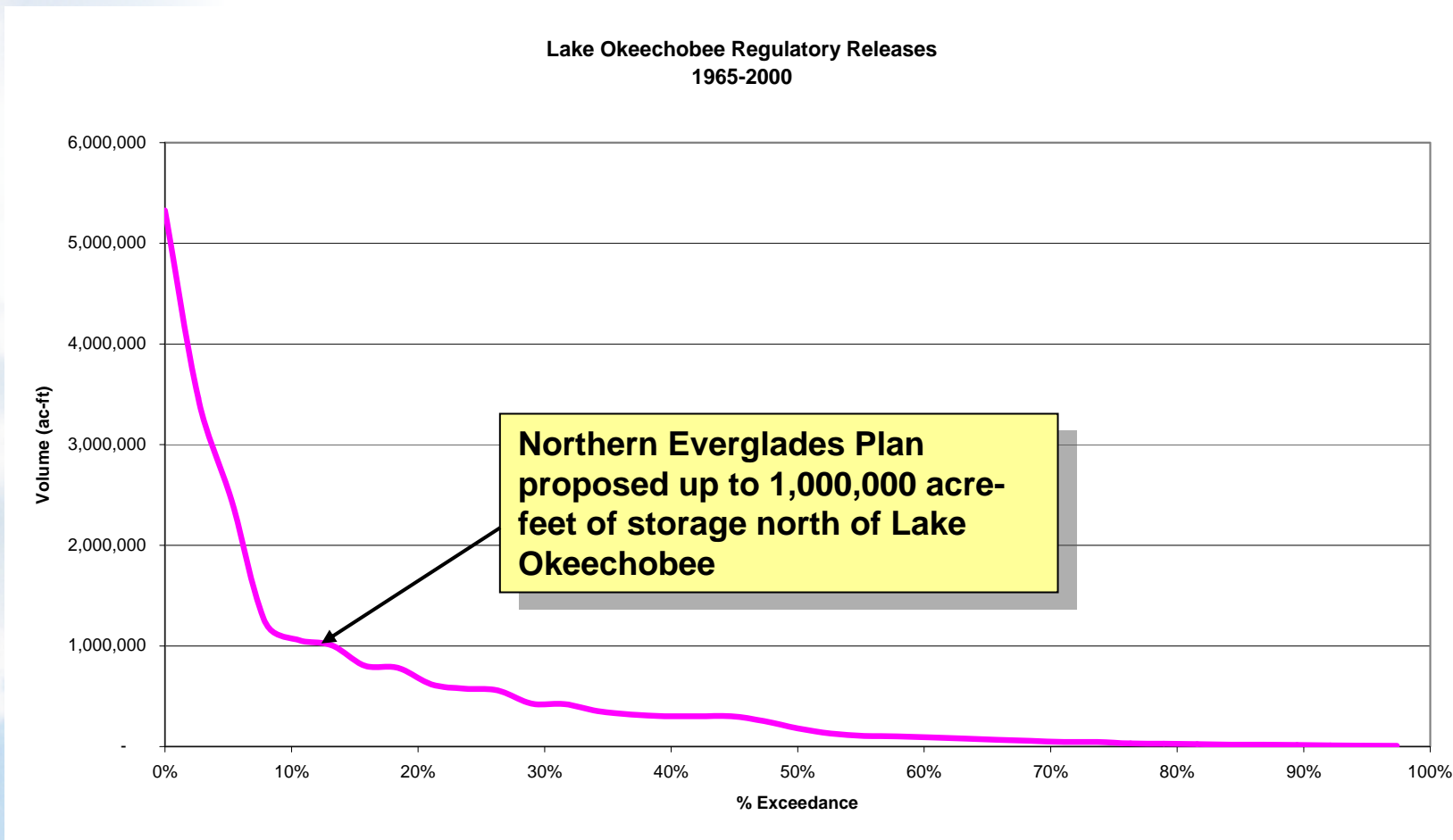
Lake Okeechobee Regulatory Releases
1965-2000



Lake Okeechobee regulatory releases based on
Restudy 2050 Future Base

Restoration Project Needs

Defining the magnitude of the problem

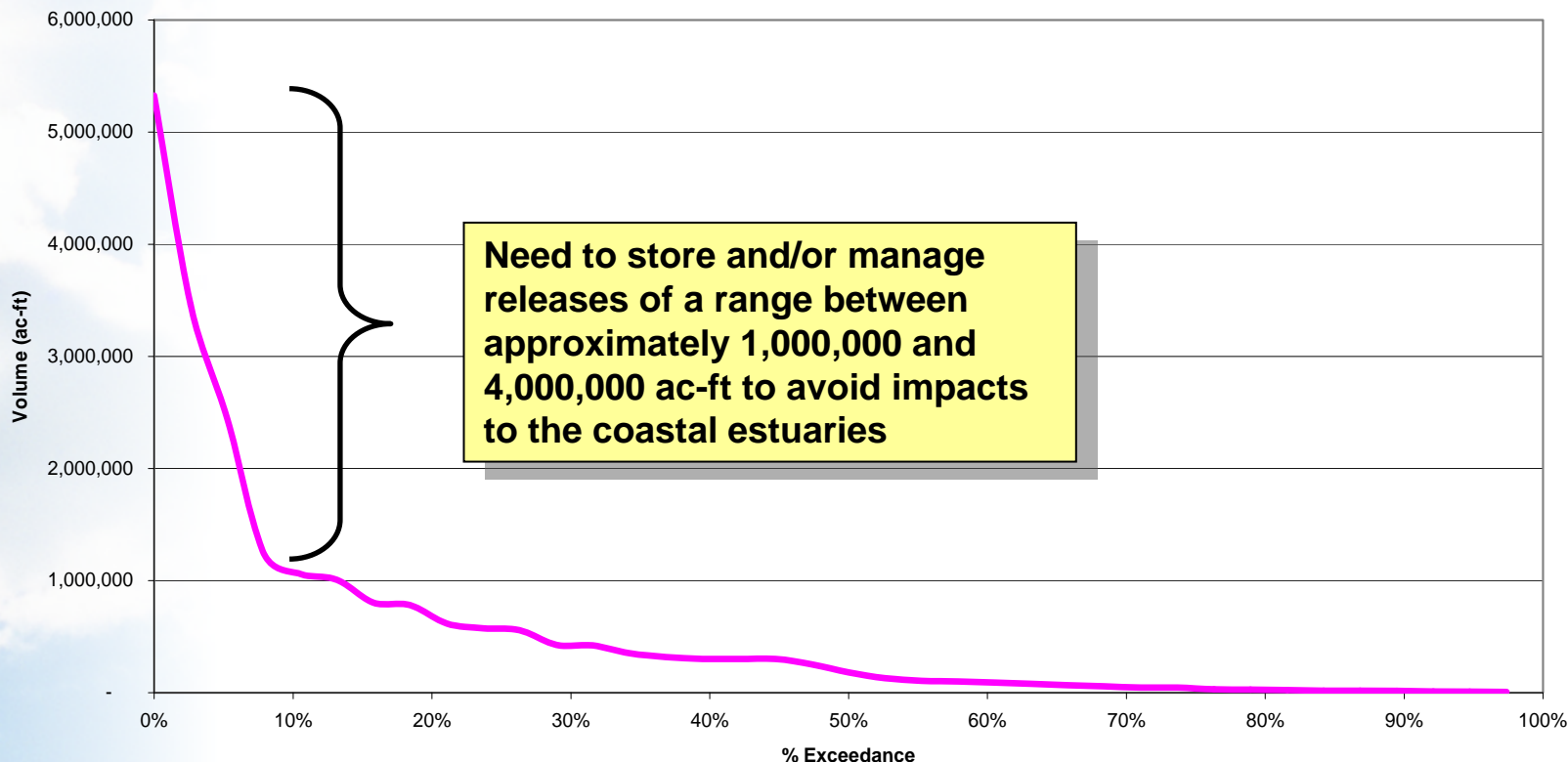


**Lake Okeechobee regulatory releases based on
Restudy 2050 Future Base**

Restoration Project Needs

Defining the magnitude of the problem

Lake Okeechobee Regulatory Releases
1965-2000



Lake Okeechobee regulatory releases based on Restudy 2050 Future Base

Restoration Project Goals

Storage & Treatment Estimates South of Lake Okeechobee

- ~1,000,000 ac-ft of managed reservoir storage
 - Temporarily stores excess water from Lake Okeechobee

- ~1,000,000 ac-ft/year of water quality treatment capacity on an average annual basis
 - Manages water deliveries south to meet Everglades flow targets

- Recognizes continued need for storage in Lake Okeechobee
 - Emphasizes importance of Herbert Hoover Dike Rehabilitation

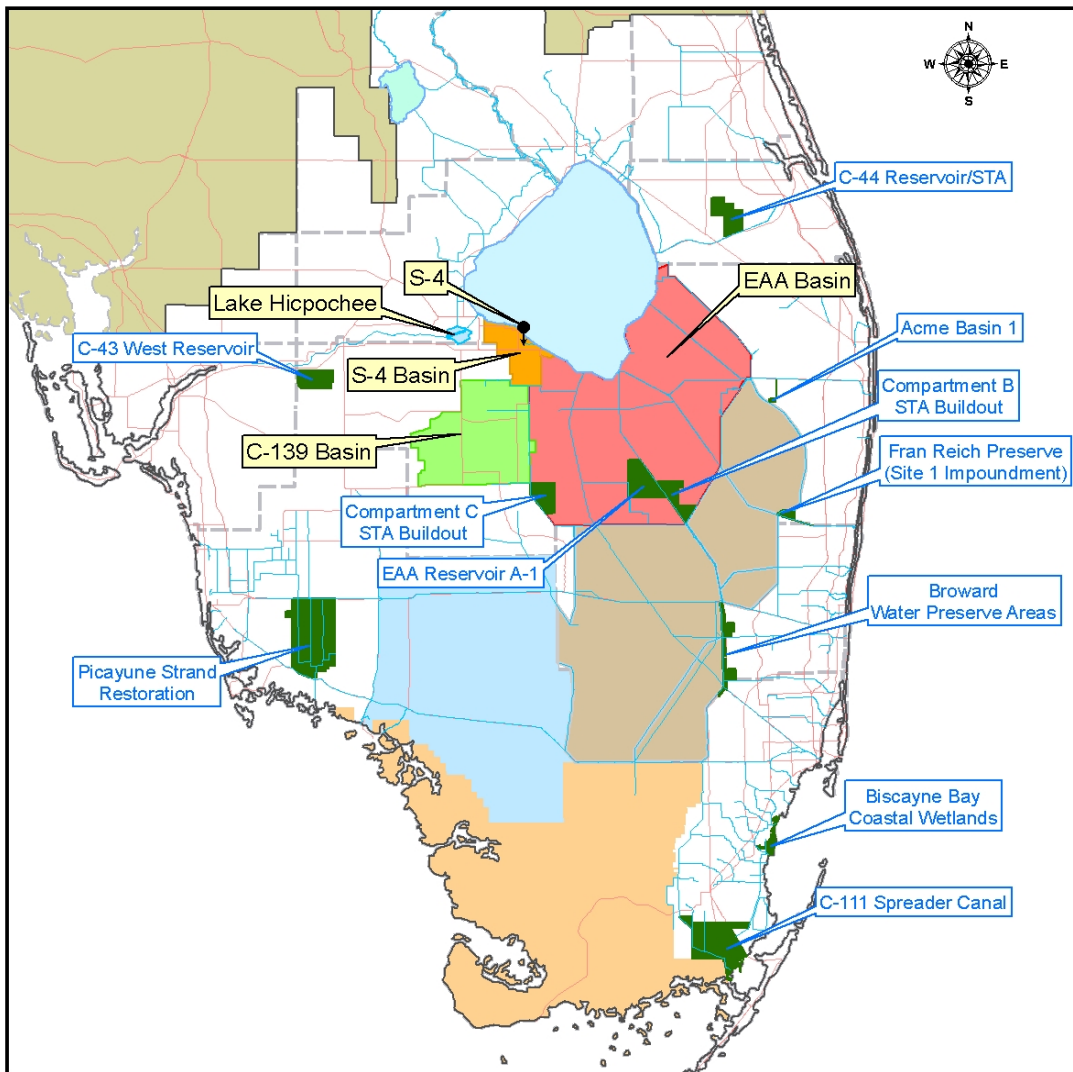
Restoration Project Goals

Storage & Treatment Considerations in Other Basins

- C-139 Basin
 - Increase storage and treatment capability
- S-4 Basin
 - Redirect and treat inflows to Lake Okeechobee
- Lake Hicpochee
 - Storage, treatment and restoration

Restoration Project Goals

Storage & Treatment Considerations in Other Basins





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Outreach & Economic Transition Activities

Kenneth G. Ammon, P.E.

Deputy Executive Director, Everglades Restoration



Outreach Activities



Since June 24, 2008

Media Hits

470 state
388 national
59 international

Community/Government Meetings

102

Local Government Resolutions

23 (19 in support; 4 economic concerns)

River of Grass Web Site

2,232 hits

E-Newsletter

12,337 distribution
River of Grass special edition July 3, 2008
Governing Board July update July 20, 2008

Economic Transition Activities



District support of Rural Economic Development Initiative (REDI)

- REDI Community Meetings
 - Provide support for a series of meetings in the Glades communities August 25-29
 - Fund meeting facilitator
- REDI Communications
 - Developing REDI web site
 - Supporting meeting web-casting/video conferencing
- Economic Impact Study

A white egret is captured in mid-flight, its wings fully extended, against a background of lush green grass. The bird's long neck is curved forward, and its yellow beak is pointed. The overall scene is bright and natural.

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Implementation Activities

Kenneth G. Ammon, P.E.

Deputy Executive Director, Everglades Restoration



Implementation Activities Due Diligence – Asset Evaluation

- Engineering assessments of all assets
 - Standard of Care
 - Transition Plan
 - Assessment Report
- Major infrastructure includes:
 - sugar mill, sugar refinery, citrus plant, railroads, buildings, equipment



Implementation Activities

Due Diligence – Water Budget Analysis

- Evaluate regional implications to:
 - Northern Everglades projects
 - Lake Okeechobee operations
 - Flow conveyance (Tamiami Trail & DECOMP projects)
- Evaluate frequency and magnitude of storage utilization
- Evaluate treatment area performance
- Footprint configuration options

Implementation Activities

Due Diligence – Water Budget Analysis

- Ability to increase flows to Everglades
- Ability to treat increased flows to the Everglades
- Ability to reduce harmful regulatory discharges to the estuaries
- Ability to manage Lake Okeechobee within an acceptable ecological range
- Ability to maintain water supply for Lake Okeechobee service area

Implementation Activities Due Diligence – Land Evaluation



- Appraisals
- Land surveys
- Environmental assessment
- Land assessment for crop utilization

Implementation Activities

Post Agreement Planning



- Ensure broad public and stakeholder participation in development of restoration project plans for the land
- Utilize Water Resources Advisory Commission (WRAC)
- Include affected communities
- Provide regular updates to Governing Board
- Provide updates at other meetings that offer opportunities for public comment



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Financial Milestones

Paul E. Dumars, Sr.
Chief Financial Officer

Financial Milestones

PHASE I

- ✓ Plan of Financing Strategy

PHASE II

- Draft Rating Agency Presentation (in progress)
- Distribute Letter of Credit / Liquidity RFP
- Draft Financing Documents

Financial Milestones



PHASE III

- Rating Presentations
- Rating Agency / Insurer Review
- Board Approval

PHASE IV

- Market Certificates of Participation (COPs)
- Sell COPs
- Closing



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Discussion/Recommendation

Sheryl G. Wood, Esq.
General Counsel

Recommendation

- A Resolution of the Governing Board of the South Florida Water Management District addressing its actions in approving the nonbinding Statement of Principles approved on June 30, 2008 for a potential acquisition by the District of land and assets from the United States Sugar Corporation; reaffirming its commitment to full and complete public disclosure and discussion of any proposed transaction; providing general policy guidance regarding this acquisition; providing for severability; and providing an effective date.

2. Project Controls

Controls & “protections” regarding the negotiations between the SFWMD with the United States Sugar Corporation, Inc. for the acquisition of company assets include:

- **Outside Legal Counsel:** Sidley Austin LLP, Washington D.C., a full-service firm with a strong transactional practice particularly with corporate mergers & acquisitions; tax & employee benefits, public finance, real estate, project finance and intellectual property expertise all of which are specifically on point for this particular negotiation.
- **Independent “Fairness Opinion”:** Definition: *The professional opinion of an investment bank, provided for a fee, regarding the fairness of a price offered in a merger or takeover.* To be obtained through an independent Investment Bank providing corporate strategic advice; preferably with specific experience in agriculture and possibly even in the sugar industry.
- **Two Independent Appraisals:** The District follows the processes outlined with Florida Statute 259.041 Acquisition **of state-owned lands for preservation, conservation, and recreation purposes.** (7) (b) *Each parcel to be acquired shall have at least one appraisal. Two appraisals are required when the estimated value of the parcel exceeds \$1 million. However, when both appraisals exceed \$1 million and differ significantly, a third appraisal may be obtained. ...*” The two appraisal firms are: Robert Banting, MAI and Larry Sewell, MAI, both of whom have extensive experience in South Florida agricultural lands. A number of other firms firm with specific experience in the field, have also been hired to place a market values on many of the unique assets in particular the Sugar Processing Mill and the Citrus Processing Plant. The two appraisal reports will also be reviewed by the District’s Review Appraiser.
- **Independent Financial Auditor:** Business Valuation Services for the U.S. Sugar Acquisition are being recommended to be accomplished by SFWMD Independent Financial Auditor; Sharpton Brunson & Company, P.A. The contract for all outside audit work is managed by District Independent Inspector General; John William’s who answers directly to the Governing Board of the District.
- **Outside Bond Counsel:** The firm of Bryant, Miller & Olive, listed in the *Bond Buyer Municipal Marketplace* since 1973, has one of the strongest public finance records in the State of Florida, and specifically in the area of Certificates of Participation. The firm will represent the District in any certificate validation hearings and will be responsible for preparing all of the legal documents necessary for the Governing Board and the Not-for Profit leasing corporation to conduct a sale of certificates.
- **Inspector General:** The Chairman of the Governing Board has asked that the Inspector General’s Office review any proposed contract language particularly from an asset valuation, inventory control and disposal perspective, prior to the Governing Board being presented any contract for review.
- **Environmental Assessments:** Ten firms have been hired who will be conducting both a phase one and phase two environmental audit for all 392 square miles of property being considered for acquisition. Any required remediation is the responsibility of the seller.
- **Equipment Condition Analysis and Valuation:** Aside from the independent appraisals referenced above, Shaw Engineering Inc. has been hired to conduct an analysis of the condition of all significant, plant and equipment. Should the District retain farming operations and equipment after a closing, a separate firm will also be engaged to conduct an annual assessment of the plant and equipment condition and provide a proposal for any required repairs or preventative maintenance.

3. Consultants

Appraisal Consultants

John Gillott, MAI
Larry Sewell, MAI
Robert Banting, MAI
Brent Gabler
Geraldyn Contini
Carl Chrappa
Lazaro Seijo, ASA

Survey Consultants (US Sugar is contracting with all surveyors listed below)

Johnson Engineering
Johnson-Prewitt
GCY, Inc.
Wantman Group
PAG Surveying
Cooner Assoc.

Environmental ConsultantsTechnical Consultants

Professional Service Industries, Inc.
URS Corporation
Tetra Tech EC
WRS Compass, Inc.
ECT, Inc.
Newfields, LLC
HSW Engineers, Inc.
Ecology and Environment
Metcalf and Eddy
Levine Fricke Recon

Laboratories

Columbia Analytical Services
Accutest
ELAB
Spectrum Analytical Services
DB Environmental Laboratories
Test America, Inc.

Tractor and Equipment

R.E. Motes
Glades Planting
Everglades Farm Equipment

4. Community Meetings & Briefings

August 11, 2008

Government & Public Affairs

EVERGLADES LAND ACQUISITION OUTREACH UPDATE

- Activity beginning June 24, 2008 through August 8, 2008 -

Media

Media Hits	<u>State</u>	<u>National</u>	<u>International</u>
To date	470	388	59
This week	166	4	
News Interviews	<u>State</u>	<u>National</u>	<u>International</u>
	98	25	
News Releases		2	
Press Conferences		1	

Local/State/Federal Government Outreach

Local Government	24	
State Briefings	29	
Federal Briefings	33	
Resolutions	22	(eighteen in support)

Stakeholder Meetings/Citizen Requests

Stakeholder Meetings	16
Citizen Info Line calls	17
E-mails Received	14
Public Records Requests	7

River of Grass Website

Hits to date	2,232
Hits this week	279

Materials Distributed

Information Packages	70
E-Newsletters	
The Ripple Effect	1 (12,337 distribution)



sfwmd.gov

August 2008

Government & Public Affairs

EVERGLADES LAND ACQUISITION OUTREACH UPDATE

- Activity beginning June 24, 2008 -

Local Government Outreach

- 7/1 Hendry County, City of Clewiston and City of LaBelle Joint Commission Meeting
- 7/1 Hendry County Board of County Commissioners
- 7/8 St. Lucie County Board of County Commissioners
- 7/8 Glades County Board of County Commissioners
- 7/14 City of Clewiston City Manager Wendell Johnson and Hendry County Commissioner Kevin McCarthy
- 7/16 Tri-Cities Meeting - South Bay
- 7/18 Belle Glade Town Hall Meeting
- 7/21 Mick Denham, Mayor of Sanibel
- 7/21 Clewiston City Council
- 7/21 Special Board Meeting of the Florida's Heartland Rural Economic Development Initiative (FHREDI) and Florida's Freshwater Frontier Inc.
- 7/22 Glades County Board of County Commissioners
- 7/23 Palm Beach County Zoning Board
- 7/24 Okeechobee County Board of County Commission
- 7/28 Glades County Board of County Commissioners
- 7/28 Clewiston City Council
- 7/29 Palm Beach Commissioner Jeff Koons/Solid Waste Authority
- 7/31 Hendry County Administrator Judy Kennington-Korf
- 7/31 Sustainable Glades - Coalition of Palm Beach Economic Development Agencies
- 8/4 Palm Beach County/Port of Palm Beach District
- 8/5 Lee County Board of County Commissioners
- 8/5 Okeechobee City Council
- 8/5 Clewiston Mayor Mali Chamnesse and Clewiston Chamber
- 8/6 City of Pembroke Pines
- 8/6 Okeechobee Economic Council



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State Legislative Outreach

- 6/23 Representative Mary Brandenburg
- 7/2 Representative Maria Sachs
- 7/3 Senator Ted Deutch
- 7/8 Representative Carl Domino
- 7/8 Representative Julio Robaina
- 7/8 Representative David Rivera
- 7/8 Representative Oscar Braynon
- 7/1 Representative Kelly Skidmore
- 7/11 Senator Nan Rich
- 7/14 Mike Hansen (Representative Ray Sansom)
- 7/18 Representative Priscilla Taylor
- 7/21 Representative Denise Grimsley
- 7/21 Senator J.D. Alexander
- 7/25 Representative Joe Gibbons
- 7/25 Representative Ari Porth
- 7/11 Representative Matt Hudson
- 7/29 Senator Paula Dockery
- 7/29 Senator Lee Constantine
- 7/29 Representative Baxter Troutman
- 7/29 Senator Lee Constantine
- 7/29 Representative Baxter Troutman
- 7/29 Senator Jeff Atwater
- 8/1 Representative Gary Aubuchon
- 8/1 Representative Michael Grant
- 8/4 Representative Will Weatherford
- 8/6 Representative Bogdanoff Airboat Tour
- 8/6 Representative Ken Jenne
- 8/7 Senators Ken Pruitt and Dave Aronberg; Representative William Snyder
- 8/8 Representatives Anitere Flores and Carlos Lopez Cantera



Federal & Tribal Outreach

- 6/24 Senator Bill Nelson
- 6/24 Congressman Timothy Mahoney
- 6/24 Congressman Connie Mack
- 6/24 Congressman Alcee Hastings
- 6/24 Congresswoman Ileana Ros-Lehtinen
- 6/24 House Sub-Committee Fisheries
- 6/24 Congressman Adam Putnam
- 6/25 Congressman Vern Buchanan
- 6/25 Congressman Lincoln Diaz-Balart
- 6/25 Congressman Ron Klein
- 6/25 House Transportation Committee
- 6/24 Senator Mel Martinez
- 6/25 Congressman John Mica
- 6/25 White House CEQ
- 6/27 Senator Mel Martinez
- 6/27 Senator Bill Nelson
- 7/2 Congressman Timothy Mahoney
- 7/2 Senator Mel Martinez
- 7/2 Congressman Mario Diaz-Balart
- 7/28 Miccosukee Tribe Representatives
- 7/30 Congressman Robert Wexler
- 7/30 Congressman Lincoln Diaz-Balart
- 7/30 Congressman Alcee Hastings
- 7/30 Congressman John Mica
- 7/30 Congressman C.W. Bill Young
- 7/30 Congressman Ron Klein
- 7/30 Congressman Mario Diaz-Balart
- 7/30 Congressman Adam Putnam
- 7/30 Congressman Dave Weldon
- 7/30 Congresswoman Debbie Wasserman Schultz
- 7/30 Aide to Senator Bill Nelson
- 7/30 Congressman F. Allen Boyd
- 7/30 Congressman Timothy Mahoney



Other

- 6/25 The Washington Group
- 6/25 The Furman Group
- 6/25 The Nature Conservancy
- 6/25 Audubon
- 7/9 Rural Economic Development Initiative (REDI)
- 7/18 Broward Alliance – Broward County’s Economic Development Program
- 7/29 Hendry County property owners Daniel Weekly and Cheryl Eby Gutjahr
- 7/29 Marine Resources Foundation
- 7/30 Malia Hale - National Wildlife Federation
- 7/30 Fowler West - Washington Group
- 7/30 Jennifer Heller - National Wildlife Federation
- 7/30 Kirk Fordham - Everglades Foundation
- 7/30 April Smith - Audubon
- 8/5 Ardis Hammock, Independent Grower, Clewiston
- 8/6 Martin County Rivers Coalition
- 8/6 Green Sage, L.L.C. - Renewal Energy and Sustainable Technologies



River of Grass Resolutions

Resolutions of Support - 18

- City of Coral Springs, Broward County
- City of Key Colony Beach, Monroe County
- City of Layton, Monroe County
- City of Marathon, Monroe County
- City of Pembroke Pines, Broward County
- City of Plantation, Broward County
- City of Pompano Beach, Broward County
- City of Port St. Lucie, St. Lucie County
- City of Sanibel, Lee County
- City of Stuart, Martin County
- Florida Keys Aqueduct Authority, Monroe County
- Florida Keys National Marine Sanctuary Advisory Council, Monroe County
- Lee County Board of County Commissioners
- Martin County Board of County Commissioners
- Monroe County Board of County Commissioners
- Ocean Reef Community Association, Monroe County
- The Rivers Coalition, Martin County
- The Village of Islamorada, Monroe County



Resolutions of Concern - 4

- City of Clewiston, Hendry County
- Glades County Board of County Commissioners, Glades County School District, City Council of Moore Haven, Senator J.D. Alexander
- Hendry County Board of County Commissioners
- Lee County Board of County Commissioners – Urging SFWMD and Corps to Expedite Congressional Authorization of the C-43 Project

5. Local Government Resolutions

River of Grass Resolutions

Position	Resolution Number	Supporting Group / Organization / Local Government Entity	Date Adopted	Location
Support	N/A	The Rivers Coalition	June 26, 2008	Martin County
Support	08-7.2	Martin County Board of County Commissioners	July 1, 2008	Martin County
Concern	2008-	Hendry County Board of County Commissioners	July 1, 2008	Hendry County
Support	N/A	Ocean Reef Community Association	July 1, 2008	Keys
Concern	2008-	Glades County Board of County Commissioners, Glades County School District, City Council of Moore Haven, Senator JD Alexander	July 8, 2008	Glades County
Support	08-07-42	The Village of Islamorada	July 10, 2008	Keys
Support	08-R73	City of Port St. Lucie	July 14, 2008	St. Lucie County
Support	80-08	City of Stuart	July 14, 2008	Martin County
Support	2008-030	City of Coral Springs	July 15, 2008	Broward County
Support	217-2008	Monroe County Board of Commissioners	July 16, 2008	Monroe County
Support	2008-06	City of Key Colony Beach	July 24, 2008	Monroe County
Support	2008-108	City of Marathon	July 22, 2008	Monroe County
Support	10332	City of Plantation	July 23, 2008	Broward County
Support	2008-252	City of Pompano Beach, Florida	July 22, 2008	Broward County
Concern	2008-03	City of Clewiston	July 28, 2008	Hendry County
Support	TBD	City of Pembroke	August 1, 2008	Broward County
Support	TBD	Lee Board of County Commissioners	August 1, 2008	Lee County
Concern	TBD	Lee Board of County Commissioners - Urging SFWMD and Corps to Expedite Congressional Authorization of the C-43 Project	August 1, 2008	Lee County
Support	08-092	City of Sanibel	August 5, 2008	Lee County
Support	TBD	City of Pahokee	August 12, 2008	Palm Beach County
Support	TBD	FL Keys Aqueduct Authority	Pending	Monroe County
Support	TBD	City of Layton	Pending	Monroe County
Support	TBD	Florida Keys National Marine Sanctuary Advisory Council	Pending	Monroe County

6. Florida Congressional Delegation Briefing and Follow-up Letter

Congress of the United States
Washington, DC 20515

July 31, 2008

The Honorable Michael Sole
Secretary
Florida Department of Environmental Protection
3900 Commonwealth Boulevard M.S. 49
Tallahassee, Florida 32399

Dear Secretary Sole:

We write to thank you and your colleagues, Carole Wehle and Dale Brill for attending yesterday's Florida Delegation meeting. As evident from Member participation, the Congressional Delegation is committed to ensuring that the land acquisition plan to restore the Everglades is cost efficient, environmentally sound, and maintains the sustained economic viability of the impacted communities. The Delegation is united in its dedication to maintaining the Federal-State Everglades restoration partnership and to ensuring that the acquisition land deal does not prevent the full funding and timely implementation of ongoing and future restoration projects.

As follow-up from the meeting, we respectfully request that you respond to each of the following questions we have remaining regarding the land acquisition deal:

General:

- What is the precise mission of this land acquisition deal?
- Who was consulted in the development of this proposal? Was Florida Commissioner of Agriculture Charlie Bronson consulted on the impact on agriculture in the region? Were members of the Florida Legislature who represent the region consulted or briefed prior to making the announcement?
- What is your yearly plan for planning and design, land maintenance and preparation? Post-acquisition? If it is not available now, when will the details be available?
- Are any outside parties providing technical or other assistance in determining how to best utilize the U.S. Sugar land and other assets?
- How will the State determine the best possible footprint of the land deal to be acquired? Will any of the land still be operational for sugar or citrus production or research capabilities? If the State intends to return some of the land to private entities for agriculture production, what is the role of the Florida Department of Agriculture and Consumer Services during the negotiations to ensure that sugar and citrus production remains viable?

- In order to acquire the “missing link” of real estate, it seems apparent that the State will need to either swap or purchase land from Florida Crystals. What discussions have occurred to date with representatives of Florida Crystals? Will the State finalize its land swap plans with Florida Crystals before negotiations for the U.S. Sugar deal are finished? What is the estimated cost of this land swap?
- The decision in *Miccosukee Tribe & Friends of the Everglades v. U.S. EPA and the State of Florida Department of Environmental Protection* enjoins the Florida Department of Environmental Protection from granting any permits for discharges in the Everglades Protection Area. How will this impact the State’s ability to deal with water quality issues from a regulatory standpoint? Will this in any manner hamper the ongoing negotiations with U.S. Sugar?

Costs:

- What is the total cost of the project? The Florida Legislature struggled this fiscal year with \$2 billion gap in state revenue and had to cut several domestic funding programs including education programs. Given the current economic environment, how will this impact tax payers and specific counties? How will you pay for this without raising taxes?
- What are the long-term operations and maintenance costs of implementing this deal (labor, infrastructure, etc.)?

Consultation:

- To what extent is the State coordinating with the Federal government regarding this deal? How are your partners at the Department of Interior and the Army Corps of Engineers being updated throughout the ongoing negotiations? How will the State involve Federal partners in determining the optimal area to acquire?
- You mentioned at the Delegation meeting that you will tailor your land acquisition plans to accommodate the eventual site of the proposed Inland Port. Are you confident you can do this without compromising the eventual water storage and water quality efforts you envision? Are you working with those who are planning the Inland Port to minimize any possible conflicts?
- Members of Congress were only informed of the land deal a short time prior to the announcement of the Statement of Principles. Since the negotiations were announced on June 24, 2008, with few exceptions, much of our knowledge regarding the details surrounding the deal has come from media reports. How will the State ensure that Members of Congress and other elected officials are continually updated on the details of the negotiations? Who will be our point of contact during the negotiations?

- Soon you will be making a determination as to what the final acquisition footprint will be. That footprint will help to determine what can be done on water storage, water quality and in other restoration areas. This may impact some of the Comprehensive Everglades Restoration Plan (CERP) projects that will be authorized in the future. With that in mind, what are your intentions or plans to consult with the relevant Federal agencies involved in CERP when you determine the final footprint of the U.S. Sugar purchase?
- How can Florida's Congressional Delegation be more involved in the process throughout the ongoing negotiations?

Economics:

- The loss of U.S. Sugar in the Glades area will mean a loss of 1,700 jobs for the community. What will the short-term and long-term impacts of this deal be on the Glades' lakeside communities that depend on the U.S. Sugar for their economic viability?
- What is being done to engage the regional interests in identifying collateral issues/impacts that will or may result from the acquisition?
- One of the most significant limitations placed on the Glades cities has been limited availability of land on which to develop and grow. What alternative uses is the State considering for this vacated land? What proposals are being considered to provide the cities with available adjacent land so that they can grow and prosper?
- What specific initiatives have been committed to the region to ensure the economic stability for these communities during the transition and afterwards? What specific initiatives are being implemented to address the social and psychological impacts of this deal on the communities? What is the precise timeframe of the implementation of these initiatives?
- During the Delegation meeting, Mr. Brill acknowledged that communication between the community and the State was not satisfactory. What exact steps will OTTED take to improve the communication lines between local communities and the State regarding this deal?
- Does the State have any plans to designate a high-level staff person to assist with the economic impact of this deal?

State-Federal restoration partnership:

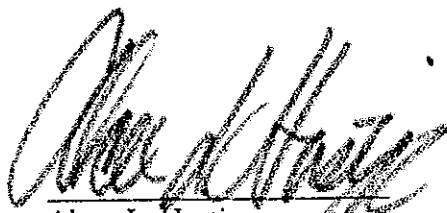
- How will this impact the State-Federal partnership? Can you affirm that the State remains committed to its role in the Federal-State partnership which is the very foundation of CERP? Will the State be using funds for the land acquisition for satisfying its 50-50 cost-share responsibilities under CERP?

- Will CERP/ACCELER8 need to be amended to accommodate the land acquisition? If so, which of the 68 CERP projects will need to be changed/removed/added? Which of any of the authorized projects in the Water Resource Development Act of 2007 will need to be altered?
- As Carol Wehle indicated in her presentation to the Delegation, the South Florida Water Management District will postpone for at least two years and possibly reduce the size of the Indian River Lagoon's C-44 reservoir project. To what extent have you consulted with the Army Corps of Engineers on the planned change in this project? If activity is stopped on C-44, how will reclaimed water be moved south?
- What assurances can you give that the State does not intend for this proposed land acquisition to result in a delay of CERP implementation of Indian River Lagoon and the Picayune Strand?
- Can the CERP Adaptive Assessment program accommodate changes that should be made to CERP projects?
- What will the federal responsibilities for this land be? How will the Army Corps of Engineers fulfill its mandate on existing projects?


We are committed to ensuring that the Federal-State partnership in Everglades restoration remains strong. Given the timeliness of the issue and ongoing negotiations, we would deeply appreciate an expeditious response to these questions. We look forward to hearing further details about this proposed land acquisition plan and working together to ensure the protection and restoration of the Everglades for future generations.

Thank you for your consideration of our requests. If you have any questions or would like to discuss this any further, please do not hesitate to contact us or Eve Lieberman with Representative Hastings' office or Megan Murphy with Representative Boyd's office.

Sincerely,



Alcee L. Hastings
Member of Congress



Allen Boyd
Member of Congress

Cc: Carole Wehle, Executive Director, South Florida Water Management District
Dale Brill, Director, Office of Tourism, Trade and Economic Development (OTTED)



Reviving

THE river OF grass

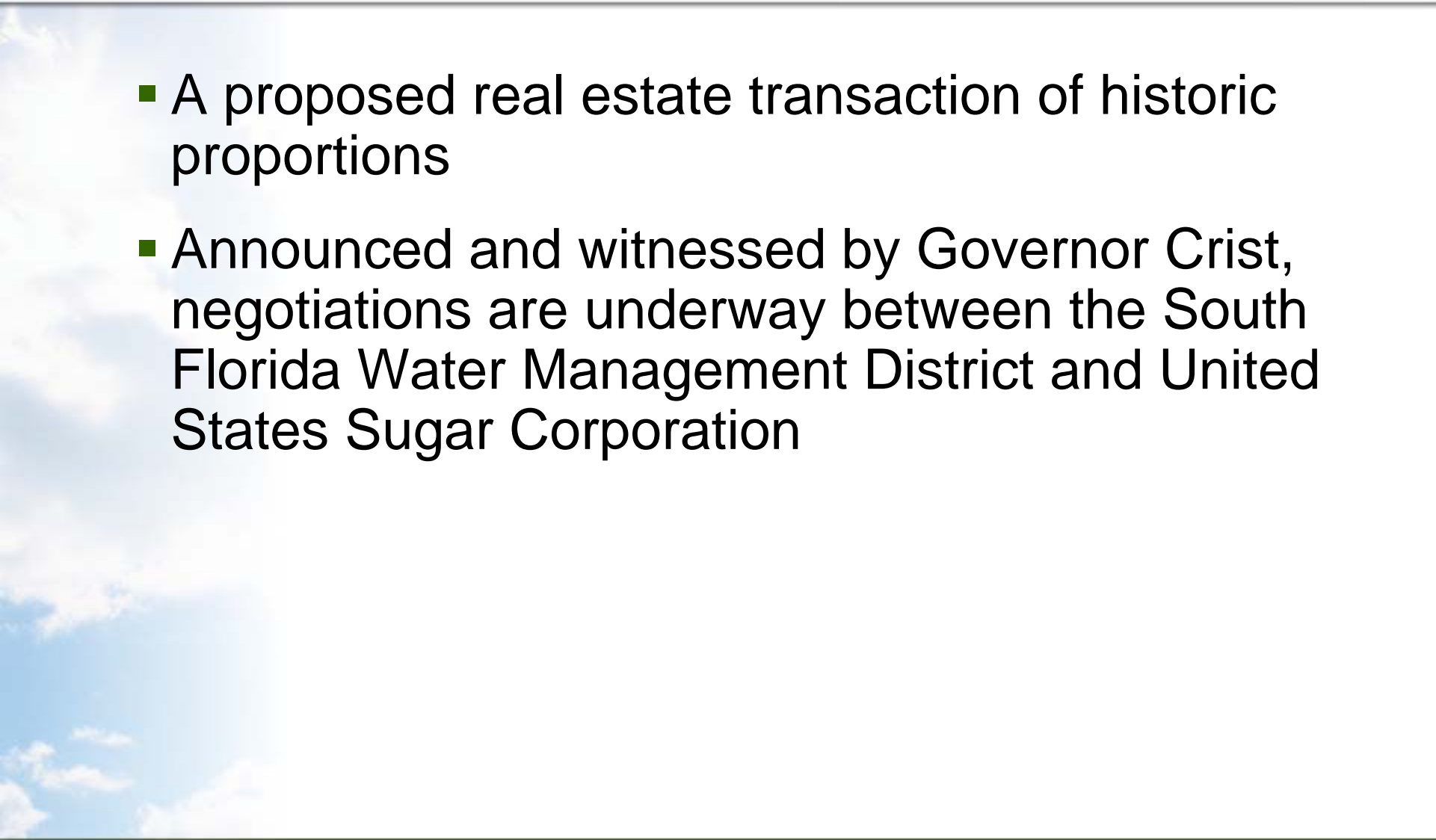
Everglades Land Acquisition Project

Michael Sole - Carol Wehle - Dale Brill



History in the Making



- A proposed real estate transaction of historic proportions
 - Announced and witnessed by Governor Crist, negotiations are underway between the South Florida Water Management District and United States Sugar Corporation
- 

Statement of Principles



STATEMENT PROVISIONS:

- **NON-BINDING** framework for negotiations
- **SUBJECT TO SFWMD APPRAISALS**
SFWMD willing to buy and US Sugar Corp willing to sell for \$1.75B and 6 year retained use/possession
- Parties will use best efforts to bring negotiated contract back to Governing Board for approval w/in 75 days; targeted closing by November 30, 2008
- Purchase agreement is contingent on SFWMD financing
- Agreement may include 3rd parties

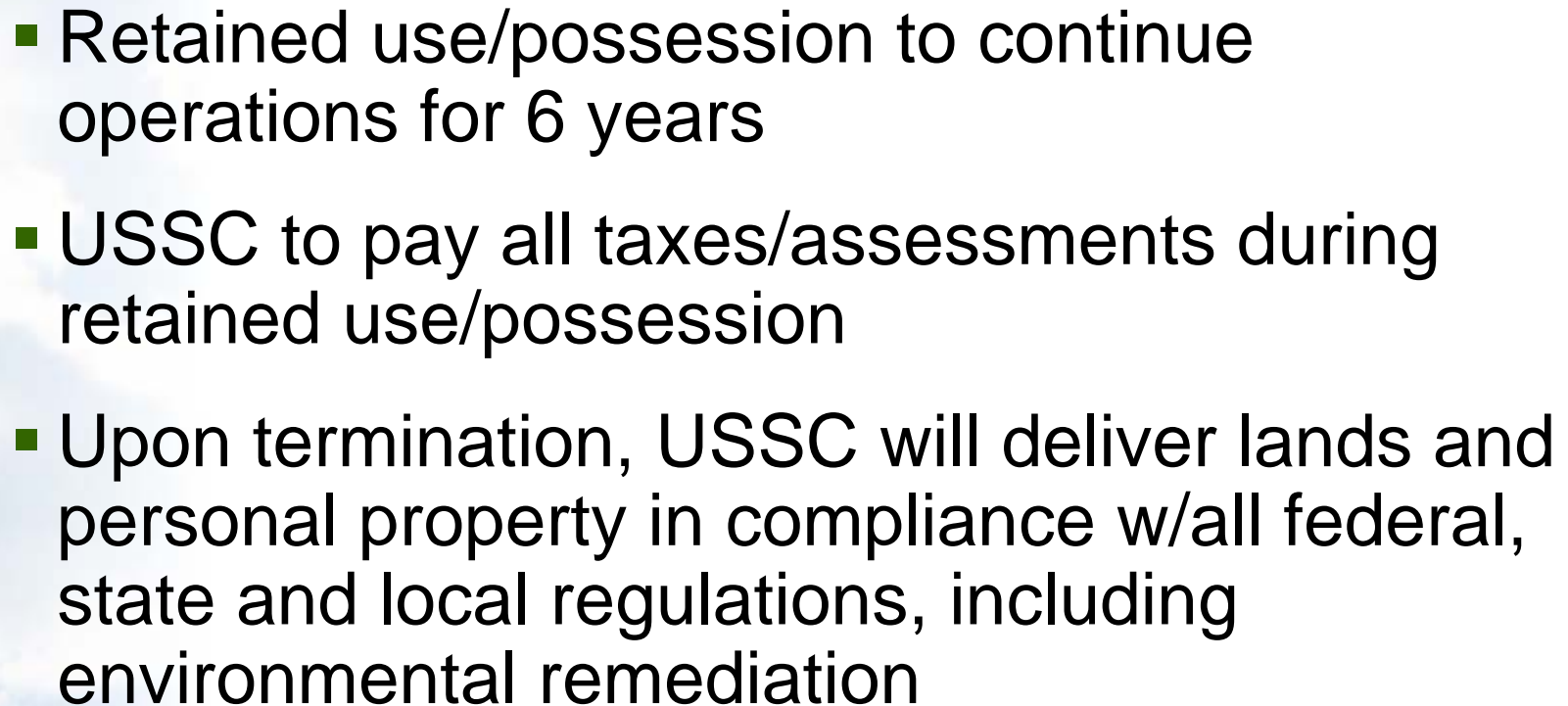
Statement of Principles



- Approximately 187,000 acres
 - Palm Beach County – 107,316
 - Hendry County – 74,889
 - Glades County – 5,656
 - Gilchrist County – 80
- Improvements include
 - Sugar Mill/Refinery in Clewiston
 - Citrus Processing Plant in Hendry County
 - Internal Railroad System
 - External Rail System from south of Lake Okeechobee to Sebring and Ft. Pierce

Statement of Principles



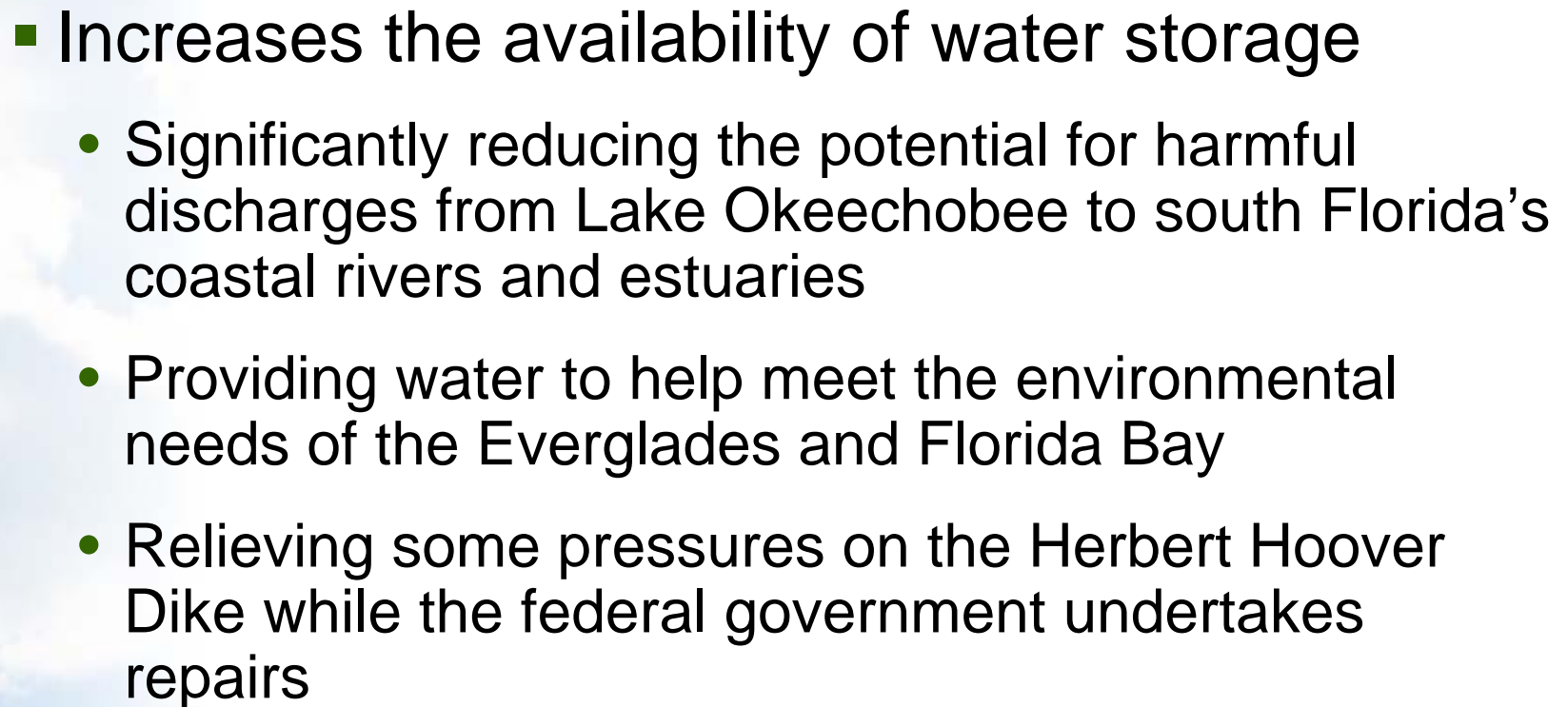
- Retained use/possession to continue operations for 6 years
 - USSC to pay all taxes/assessments during retained use/possession
 - Upon termination, USSC will deliver lands and personal property in compliance w/all federal, state and local regulations, including environmental remediation
- 

Governing Board Action – June 30

- Ratified Statement of Principles and authorized staff negotiations to effectuate a successful acquisition of properties necessary to restore the River of Grass
 - Up to 75 days to negotiate purchase agreement
- Directed staff to commence due diligence on:
 - Appraisals
 - Environmental assessments
 - Surveys and other real-estate associated needs

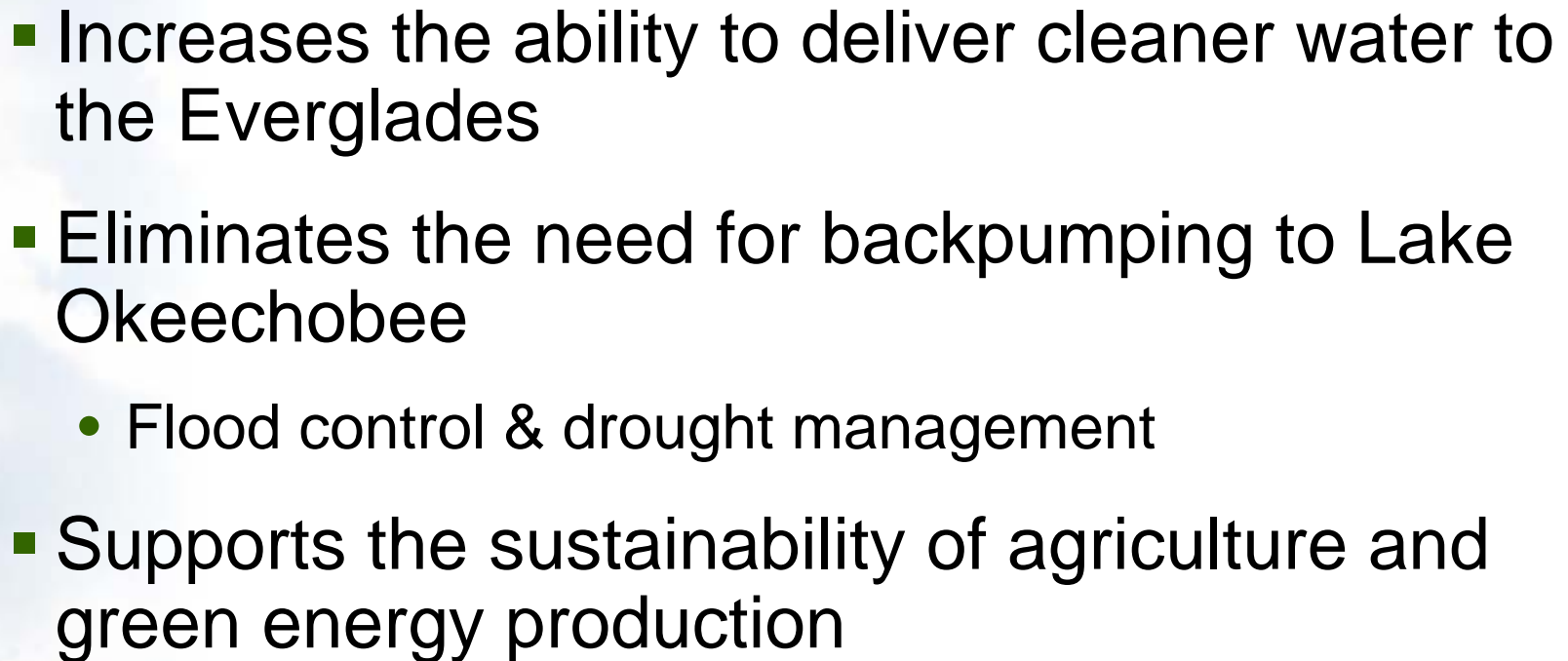
Project Goals & Objectives



- Increases the availability of water storage
 - Significantly reducing the potential for harmful discharges from Lake Okeechobee to south Florida's coastal rivers and estuaries
 - Providing water to help meet the environmental needs of the Everglades and Florida Bay
 - Relieving some pressures on the Herbert Hoover Dike while the federal government undertakes repairs
- 

Project Goals & Objectives



- Increases the ability to deliver cleaner water to the Everglades
 - Eliminates the need for backpumping to Lake Okeechobee
 - Flood control & drought management
 - Supports the sustainability of agriculture and green energy production
- 

Financial Framework



- Up to \$1.75B acquisition cost
 - Subject to appraisal, swaps, negotiations
- \$1.7B long-term debt
 - Funded from Certificates of Participation with annual debt service
- \$50.0M cash

Opportunities & Issues



■ Opportunities

- Larger land footprint provides new opportunities for additional storage and water quality treatment
 - Wide-range of configuration and capacity options available

■ Issues

- Existing conditions
 - Changed topography – soil subsidence
 - Existing facilities
 - Roads, railroads, processing facilities

■ Downstream limitations

Public Process



- Extensive public process to develop and vet potential options
 - Public workshops
 - Identification of goals & objectives
 - Development of facility options
 - Evaluation of alternatives
 - Estimate of performance and costs
- Water Resources Advisory Commission review
- Governing Board direction
- Continued Federal coordination

Commitment to Communities



“This Governing Board is committed to working with its state and local partners to realize not only the environmental benefits of this potential purchase but also the new economic opportunities associated with sustained agriculture, green energy production and restoration.”

Eric Buermann
SFWMD Governing Board Chair

Economic Transition



- Governor's Office of Tourism, Trade and Economic Development to provide transition assistance through its Rural Economic Development Initiative (REDI)
 - REDI serves and assists rural communities with economic opportunities by coordinating efforts of more than 20 state and regional agencies
 - Includes SFWMD, Depts. of Agriculture, Workforce Innovation, Enterprise Florida, Visit Florida, others
- REDI convening discussions with local communities and agencies; workshops in August

A white egret is captured in mid-flight, its wings fully extended, showing the intricate structure of the feathers. The bird is positioned in the center-left of the frame, flying towards the right. The background is a lush, green field of grass, slightly out of focus. Below the bird, a calm body of water reflects the scene. The overall atmosphere is serene and natural.

Reviving

THE river OF grass

Questions?

7. Public Information

- a. Open Government and Public Information Fact Sheet
- b. Acquisition Fact Sheet
- c. Questions and Answers
- d. Governor's Press Release, June 24, 2008
- e. Statement by SFWMD Governing Board Chair, June 24, 2008
- f. Press Release - Negotiations for Historic Everglades Land Acquisition Move Forward, June 30, 2008
- g. Ripple Effect Newsletter – July 3, 2008

August 2008



just the FACTs

This fact sheet is provided as a reference to encourage a greater understanding of the various issues related to managing water in South Florida.

SFWMD GOVERNING BOARD LEADERSHIP

Eric Buermann
Chairman

Shannon Estenoz
Vice Chair

MEDIA QUESTIONS

Gabriel Margasak
Media Relations
(561) 682-2292

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Everglades Land Acquisition Open Government and Public Involvement

On June 30, 2008, the South Florida Water Management District entered into a non-binding "Statement of Principles" with the United States Sugar Corporation regarding acquisition of the company's assets for the purpose of Everglades restoration. In accordance with the Statement of Principles, the State of Florida and the District are now negotiating a contract for this acquisition, one of the most significant opportunities to protect the River of Grass since the designation 60 years ago of Everglades National Park.

State Guidelines for Negotiating Acquisition of Public Land

- Florida law (Florida Statutes 373.139) allows the state's water management districts to treat certain documents as confidential and exempt from disclosure for the protection and/or benefit of the taxpayers.
 - This law exempts from disclosure all appraisals, offers and counteroffers related to land acquisition negotiations, a procedure the South Florida Water Management District has followed for many decades when purchasing land for public purpose.
 - Negotiations for the acquisition of property for public purpose are conducted with confidentiality to ensure the people of Florida receive the best investment for their tax dollars.
 - In line with this standard procedure, negotiations to develop a contract with U.S. Sugar Corporation and third parties are now being conducted by District staff.
- If negotiations are successful, a proposed land acquisition contract is taken to the District's nine-member Governing Board for public review, input and approval before any contract becomes final.
 - Records such as appraisals, offers and counteroffers are no longer exempt once a contract is ready for presentation to the Governing Board.
 - Upon contract presentation to the Governing Board, details and records (other than trade secret information as defined in Florida Statute 812.081) associated with an acquisition, including any appraisals, become available for public scrutiny.

Ensuring Public Involvement in the Everglades Acquisition

- The significance of this potential Everglades land purchase led the District to take additional public steps above and beyond its standard practice for land acquisitions.
- On June 24, Governor Charlie Crist announced a historic opportunity for consideration by the District. At a public ceremonial signing, Governing Board Vice Chair Shannon Estenoz accepted a document, called a "Statement of Principles," that would be brought to the District's Governing Board.
- The District made public the non-binding Statement of Principles, which described the process and benefits of the potential acquisition.
 - The Statement of Principles outlined the intent and necessary framework for negotiating a purchase. It was not legally binding.



sfwmd.gov
South Florida Water Management District
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561-686-8800 FL WATS 1-800-432-2045
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MAILING ADDRESS P.O. Box 24680
West Palm Beach, FL 33416-4680

Everglades Land Acquisition: Open Government and Public Involvement

Ensuring Public Involvement (continued)

- The District posted the Statement of Principles—along with a fact sheet, questions and answers, video of the Governor’s announcement and other supporting materials on the proposed purchase—to the www.sfwmd.gov web site.
- At a special public meeting on June 30, the District’s Governing Board ratified the Statement of Principles and authorized staff to begin formal negotiations and carry out “due diligence,” which includes appraisals and environmental assessments.
 - Before ratifying the Statement of Principles, the Governing Board sought public input and comment on the action during its formal public proceedings.
 - No work on due diligence was initiated prior to Governing Board authorization on June 30.
- If negotiations are successful, District staff will present the Governing Board with a proposed contract detailing the terms and conditions.
 - The Governing Board will seek public input on the contract.
 - From that point on, information such as appraisals and environmental assessments, as completed, will be available for public scrutiny.
- Additionally, the District will hold public meetings to discuss and review the due diligence results before closing.
- If the purchase is finalized, the public and stakeholders will participate in a public process to develop restoration project plans for the land.
- At every stage of this significant Everglades restoration opportunity, the District remains committed to following state law to appropriately balance confidentiality guidelines with openness and public involvement.

Timeline

- June 24, 2008: Governor Crist announces Everglades land acquisition opportunity.
- June 30, 2008: SFWMD Governing Board authorizes staff to begin negotiations.
- July 9-10, 2008: Governing Board receives update on fiscal resources and proposed fiscal year 2009 budget. Confidential negotiations are ongoing.
- August 13-14, 2008: Governing Board receives updates on acquisition and related issues. Confidential negotiations are ongoing.
- September 2008: If negotiations are successful, staff presents to the Governing Board a proposed contract for their approval. Closing is subject to satisfactory results from “due diligence,” which includes appraisals, surveys and environmental assessments. In accordance with state law, documents other than trade secrets become available to the public. Public discussion on the contract begins.
- October 2008: Governing Board receives updates, including status of financing issues. Public discussion continues.
- November–December 2008: Governing Board is updated on due diligence matters. Contract is finalized and public discussion on the contract concludes.
- South Florida Water Management District Governing Board meetings are held the second Wednesday and Thursday of each month and are publicly noticed 7 days prior to the meeting.

June 24, 2008



just the FACTs

This fact sheet is provided as a reference to encourage a greater understanding of the various issues related to managing water in south Florida.

REVIVING THE RIVER OF GRASS

Witnessed by Governor Charlie Crist, the South Florida Water Management District and United States Sugar Corporation signed a "Statement of Principles" regarding the proposed acquisition of up to 187,000 acres of land and other company assets located in the Everglades Agricultural Area. When finalized, this historic real estate transaction will provide water managers with the unprecedented opportunity to store and treat water on a scale never before envisioned for the benefit of the Everglades ecosystem.

"Statement of Principles" Summary

- Provides a non-binding framework to acquire property for the protection of Florida's coastal estuaries and the restoration of the Everglades.
- US Sugar will sell its interest in real property (up to 187,000 acres of lands, buildings/facilities and railroads) and other tangible personal property used in the course of business operations.
- Subject to independent appraisals, the South Florida Water Management District will buy the lands and assets for \$1.75 billion using cash and Certificates of Participation to finance the acquisition.
- As part of the conveyance proposal, US Sugar will retain use and possession for six years.
- The parties will negotiate and execute a detailed purchase agreement with a targeted closing date of November 30, 2008. The final purchase agreement may include third party exchanges of portions of the lands and/or assets.

Acquisition Benefits

- Provides an opportunity to reestablish an historical connection between Lake Okeechobee and the remnant southern Everglades ecosystem through a massive, managed system of water storage and water quality treatment.
- Allows for the delivery of cleaner water to the Everglades during dry times and greater water storage to protect the natural system during wet years.
- Significantly reduces the potential for harmful discharges from Lake Okeechobee to the St. Lucie and Caloosahatchee rivers and estuaries.
- Potentially prevents thousands of tons of phosphorus from entering the Everglades every year.
- Eliminates the need for "back-pumping" water into Lake Okeechobee from the Everglades Agricultural Area to augment water supply needs.
- Provides additional water storage alternatives, relieving some pressures on the Herbert Hoover Dike while the federal government undertakes repairs.
- Sustainability of agriculture and green energy production.

Integration with On-going Restoration

- Acquiring the "missing link" is expected to build upon and enhance the State-Federal Comprehensive Everglades Restoration Plan and the State's Northern Everglades program.
- The vast acreage may now present opportunities for storage and treatment not originally considered feasible in previous restoration plans.
- The District will present to the Governing Board for consideration and public discussion options for the future use of the agricultural lands, funding considerations and the effect of the purchase on the schedule and completion of existing restoration projects.



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QUESTIONS and ANSWERS

June 2008

What is being announced?

A proposed real estate transaction of historic proportions between the South Florida Water Management District and United States Sugar Corporation to bring up to 187,000 acres of agricultural land into public ownership to help revive, restore and preserve America's Everglades. The two parties signed a "Statement of Principles," which provides the necessary framework to move forward with negotiating a final purchase agreement.

When will negotiations begin on the contract?

Negotiations will begin July 1, after the Governing Board's ratification of the Statement of Principles at its June 30 Governing Board meeting.

Where is the land located?

The bulk of the lands are located in the farming region known as the Everglades Agricultural Area, just south of Lake Okeechobee, in Palm Beach, Hendry and Glades counties. A smaller parcel of approximately 80 acres is located in Gilchrist County.

How does this benefit the environment?

The environmental benefits offered by the land purchase include:

- Providing an opportunity to reestablish an historic connection between Lake Okeechobee and the remnant southern Everglades ecosystem through a massive, managed system of water storage and water quality treatment.
- Allowing for the delivery of cleaner water to the Everglades during dry times and greater water storage to protect the natural system during wet years.
- Reducing the potential for harmful freshwater discharges from Lake Okeechobee to the St. Lucie and Caloosahatchee rivers and estuaries through additional available storage.
- Preventing thousands of tons of phosphorus from entering the Everglades every year.
- Eliminating the need for backpumping water into Lake Okeechobee from the Everglades Agricultural Area to augment regional water supply needs.
- Providing additional water storage alternatives and relieving some pressures on the Herbert Hoover Dike while the federal government undertakes repairs.

What other benefits does this provide?

The agreement between United States Sugar Corporation and the District will not only serve to protect and restore the Everglades and coastal estuaries, it may also sustain remaining agriculture in the region by using the land to eliminate environmental concerns through additional storage and treatment; enhancing the availability of water supply; and offering potential opportunities for green energy production in the Everglades Agricultural Area.

How did this agreement come about?

Vast tracts of land in the Everglades Agricultural Area have long been considered the “missing piece” of real estate needed to protect Florida’s coastal estuaries and to revive the Everglades. The concept of acquiring land within the Everglades Agricultural Area was raised by Governor Crist, who directed the Department of Environmental Protection and the South Florida Water Management District to explore the potential for negotiating a land purchase with United States Sugar Corporation.

How was the purchase price determined?

A final acquisition price has not yet been established. The \$1.75 billion amount included in the Statement of Principles is a sound estimate based on the District’s extensive knowledge of the Everglades Agricultural Area lands and recent appraisals of the land and assets made by United States Sugar Corporation. The acquisition and final purchase price is subject to independent appraisals, which will be performed by highly qualified appraisers hired by the District.

How will the District pay for the land and assets?

Subject to independent appraisals and approval by the District’s Governing Board, water managers will use cash and certificates of participation to finance the acquisition. The acquisition will be possible without raising taxes or requiring new funding. Through sound financial management, the District has dedicated environmental funds available for investing in land and construction needed for restoration. That means the funding source is based on a reallocation of District revenue already identified for Everglades restoration.

When will the District take ownership of the land and assets?

As currently proposed, United States Sugar Corporation will retain use and possession of the lands and facilities for a period of six years, unless extended by mutual agreement. Upon termination of the use and possession agreement, all lands and assets will be turned over to the District.

How long will farming operations continue on the land?

In accordance with the Statement of Principles, United States Sugar Corporation will retain the right to farm and manage the land consistent with its previous business practices over the next six years. This transition period allows United States Sugar Corporation to continue business operations and fulfill its long-term existing obligations. This is a common and cost-effective land stewardship tool employed by the District to help manage lands until project construction.

What is the condition of the land?

Most of the land has been actively farmed for 50-75 years. During the transition period, United States Sugar Corporation will be obligated to continue implementing best management practice requirements to prevent or reduce pollution at its source. As a

condition of turning over the land and assets to the District following the six-year transition period, United States Sugar Corporation is responsible for the environmental remediation of any pollutants.

How is the District proposing to use the land?

Detailed plans for the land will be developed over the coming months at the direction of the District’s Governing Board and in coordination with restoration partners and interested groups. Initial concepts for the land, however, call for constructing a managed system of water storage and water quality treatment to reestablish an historic connection from Lake Okeechobee to the remnant Everglades. This concept requires the consolidation of strategically located agricultural land into large tracts.

The District will be evaluating the full potential of the land and options will be presented to the Governing Board for consideration and public discussion. Plans to use the land will be deliberative and thorough with full consideration given to the new flexibility and opportunities now available to ensure that the environment receives the maximum benefits possible.

When will construction on the land begin?

Construction of any new water treatment and storage projects on the agricultural land would likely begin following the six year transition period.

How does this acquisition affect Everglades Restoration?

This acquisition represents one of the most important actions to protect and restore the Everglades ecosystem since the designation of Everglades National Park sixty years ago. It provides the “missing piece” of real estate that offers water managers the unprecedented opportunity to reestablish a part of an historic connection between Lake Okeechobee and the Everglades. The strategically located lands also provide water managers with the flexibility to store and treat water on a scale never before envisioned, which will enable the delivery of water necessary to sustain the Everglades and, at the same time, protect the St. Lucie and Caloosahatchee rivers and estuaries from harmful freshwater discharges.

How does this affect the State-federal Comprehensive Everglades Restoration Plan?

Water managers expect that using land for storage and treatment in the Everglades Agricultural Area will build upon and enhance the 30-year state-federal Comprehensive Everglades Restoration Plan (CERP). It is also recognized that the vast size and strategic location of the land may now present opportunities for additional storage and treatment not considered feasible or achievable when CERP was conceived. This could, in turn, lead to modifications of components contained in CERP.

How does this affect the District’s initiative to expedite key restoration projects?

In 2004, with federal funding for the Comprehensive Everglades Restoration Plan stalled, the District moved forward under its own initiative to expedite a suite of key

restoration projects identified as priorities by the US Congress. Today, acquiring prized and vast expanses of agricultural lands represents a once-in-a lifetime opportunity not previously anticipated.

To accomplish the acquisition, the District will redirect funds previously identified for the expedited projects. The District will be presenting to the Governing Board for consideration and public discussion options for the future use of the agricultural lands, funding considerations and the effect of the purchase on the schedule and completion of expedited projects.

It is anticipated, however, that funds may be available to achieve full or partial completion of specific and strategically important expedited projects. With planning and design complete on other projects, construction may be assumed by the US Army Corps of Engineers, as originally envisioned in the Comprehensive Everglades Restoration Plan. It is also anticipated that all construction completed to date on the Everglades Agricultural Area Reservoir can be incorporated into an expanded system of treatment and storage.

How does this affect the State of Florida's Northern Everglades program?

In 2007, Governor Crist signed legislation to expand the Lake Okeechobee Protection Act and safeguard and restore the northern Everglades system, including the Lake Okeechobee watershed as well as the Caloosahatchee and St. Lucie rivers and estuaries. By 2009, the law called for the development of technical plans to protect and improve the quality, quantity, timing and distribution of water north of Lake Okeechobee and augment restoration underway in the remnant Everglades south of the lake.

In accordance with the law, the District in November 2007 released its technical plan identifying the necessary projects for achieving water quality targets in Lake Okeechobee and increasing water storage north of the lake to achieve healthier lake levels and reduce harmful discharges to the coastal estuaries. Components of the multi-phase plan included building treatment wetlands to clean water flowing into the lake and creating between 900,000 and 1.3 million acre-feet of water storage north of the lake through a combination of above-ground reservoirs, underground storage and alternative water storage projects on public and private lands.

The acquisition of up to 187,000 acres in the Everglades Agricultural Area will likely provide a significant amount of the additional lands needed to achieve the water storage and treatment goals of the 2007 legislation.

How does acquisition impact other District priorities?

In light of this tremendous opportunity to build upon and expand the work that has already taken place towards restoration, the District will be working with the Governing Board over the next month to reevaluate its strategic priorities and the budget accordingly.

What does this acquisition mean to local communities?

Over the next six years, United States Sugar Corporation will continue to farm and manage the land, operate its business and fulfill its long-term existing obligations in accordance with the Statement of Principles.

Governor Crist has called upon the Governor's Office of Tourism, Trade and Economic Development and the Agency for Workforce Innovation to work with the United States Sugar Corporation, the South Florida Water Management District, local governments and area businesses on an economic transition plan for the area. In addition, real estate taxes and assessments will continue to be paid by United States Sugar Corporation during its occupancy, after which the District will assume the tax responsibility in accordance with Florida law.

It is anticipated that the acquisition may present new economic and environmental opportunities, including the possibility of green energy production and greater ecotourism.

What will the District do with the Corporation's assets?

Along with the land, the District will also take ownership of the company's assets, including 200 miles of railroad, a state-of-the-art sugar mill, sugar refinery and citrus processing plant. The detailed purchase agreement may include third party exchanges and/or acquisitions of portions of the lands and assets.

###

FOR IMMEDIATE RELEASE

June 24, 2008

CONTACT

Governor's Press Office, (850) 488-5394
Kayla Bergeron, SFWMD, (561) 682-6197

**Governor Crist Unveils Momentous Strategy to
Save America's Everglades, Preserve National Treasure**

*~Water managers to negotiate buy-out of U.S. Sugar Corporation;
Massive environmental acquisition to provide "missing link" for reconnecting
Lake Okeechobee and the Everglades and reviving fabled River of Grass~*

WEST PALM BEACH, FL – Governor Charlie Crist today stood at the edge of the Arthur R. Marshall Loxahatchee National Wildlife Refuge, joined by Florida's top elected leaders, the United States Sugar Corporation and a host of environmental advocates, to unveil a momentous strategy that could bring about one of the largest environmental land acquisitions in the nation's history and provide a "missing link" needed to protect Florida's coastal estuaries and better revive, restore and preserve one of America's greatest natural treasures – the Everglades. The announcement kicks off the 2008 Serve to Preserve Florida Summit on Global Climate, which begins tomorrow in Miami.

"Sixty years ago, President Harry Truman came to South Florida to dedicate Everglades National Park. Today, we follow in the great footsteps – and in the tradition of the great conservationist President Teddy Roosevelt. We continue their legacy of permanent preservation of the one of the most unique landscapes of our country – and on the planet," said Governor Crist. "We have an opportunity to provide the critical missing link in our restoration activities. I can envision no better gift to the Everglades, or the people of Florida, or to our country than to place in public ownership this missing link that represents the key to true restoration."

Announcing a new partnership to revive the *River of Grass*, Governor Crist called on the South Florida Water Management District to begin negotiating an agreement to acquire as much as 187,000 acres of agricultural land owned by the United States Sugar Corporation. The vast tracts of land would then be used to reestablish a part of the historic connection between Lake Okeechobee and the fabled River of Grass through a managed system of storage and treatment and, at the same time, safeguard the St. Lucie and Caloosahatchee rivers and estuaries.

Governor Crist Unveils Momentous Strategy to Save America's Everglades

Page Two

"This is a watershed event in national conservation history, and a paradigm shift for the Everglades and the environment in Florida, one that would have been inconceivable in years past. Yet, here we are," said Robert Buker, president and CEO of United States Sugar Corporation. "We look forward to continuing to work with the Governor and the District in the cooperative spirit with which we have begun, in order to make the dream represented by the Statement of Principles that we sign here today a reality for Florida tomorrow."

The proposed agreement between the South Florida Water Management District and the United States Sugar Corporation involves the public purchase of nearly 300 square miles spanning four counties in South Florida – a land mass as large as New York City. The District will also take ownership of the company's assets, including 200 miles of railroad, a state-of-the-art sugar mill, sugar refinery and citrus processing plant. Subject to independent appraisals and approval by the District's Governing Board, water managers will invest \$1.75 billion in cash and certificates of participation to finance the acquisition.

"America's River of Grass sustains life for so much and so many. Today it receives its lifeline," said Everglades Foundation Vice Chairperson Mary Barley. "A restored and sustained Everglades is no longer a dream. History will record this action as the point that brought it within our reach."

Acquiring the enormous expanse of real estate offers water managers the opportunity and flexibility to store and clean water on a scale never before contemplated. Water managers expect that dedicating significantly more land in the Everglades Agricultural Area to restoration will build upon and enhance the 30-year state-federal Comprehensive Everglades Restoration Plan and the State of Florida's Northern Everglades program to restore and protect Lake Okeechobee, the St. Lucie and Caloosahatchee rivers and their respective estuaries.

Benefits from the land acquisition will allow for the following:

- 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 thousands of tons of phosphorus from entering the Everglades every year.
- Forever eliminating the need for "back-pumping" water into Lake Okeechobee from the Everglades Agricultural Area to augment the water supply needs. The District's Governing Board this year voted not to back-pump into the lake during the ongoing water shortage to protect water quality.

--more--

Governor Crist Unveils Momentous Strategy to Save America's Everglades

Page Three

- Additional water storage alternatives, relieving some pressures on the Herbert Hoover Dike while the federal government undertakes repairs.
- Sustainability of agriculture and green energy production.

"The significance of this moment will forever be recorded in Florida's environmental history," said South Florida Water Management District Governing Board Vice Chair Shannon Estenoz. "Today, we offer the Everglades restoration opportunities once thought impossible; environmental progress once considered unachievable; and protections just a decade ago believed unattainable. History will mark today as a watershed event for restoring our beloved national treasure – the Everglades – and generations will thank the Governor for his leadership in making it happen."

To mark the occasion, the Governor stood as official witness as South Florida Water Management District Governing Board Vice Chair Shannon Estenoz signed a "Statement of Principles" with United States Sugar Corporation President and CEO Robert H. Buker. The Statement of Principles provides the framework for the potential acquisition of property. Negotiations on the final agreement will take place over the coming months, with a closing on the real estate anticipated before the year's end. As part of the proposal, United States Sugar Corporation will continue to farm and manage the land consistent with its previous business practices for the next six years. Construction of any new water treatment and storage projects on the agricultural land would likely begin following the six-year transition period.

As the agreement is finalized, the Governor directed the District to work closely with interest groups, the Florida Department of Environmental Protection, the Florida Legislature, United States Congress and federal agencies on the future use of the land and any effects to the planning, design and construction of Comprehensive Everglades Restoration Plan or Northern Everglades projects. The Governor also called upon the Office of Tourism, Trade and Economic Development and the Agency for Workforce Innovation to work with United States Sugar Corporation, local governments and area businesses on an economic transition plan for the area.

About 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 uplands that supports a rich plant and wildlife community. Known throughout the world for its wading birds and

Governor Crist Unveils Momentous Strategy to Save America's Everglades

Page Four

wildlife, the Everglades is home to dozens of federally 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 2008 Serve to Preserve Florida Summit on Global Climate

Governor Crist's monumental announcement kicks off the 2008 Serve to Preserve Florida Summit on Global Climate this week, June 25-26, 2008, at the Intercontinental Miami. Building on the foundation for Florida's energy future that began at last year's summit, the 2008 summit will focus on stimulating economic development in clean technologies as well as "greening" Florida's business community. By encouraging companies to invest in our state's energy future, Florida will transform its energy marketplace to enhance fuel diversity, lessen dependence on foreign sources of oil and reduce greenhouse gas emissions.

For more information on restoration of America's Everglades, visit www.myflorida.com. For information on the 2008 Serve to Preserve Florida Summit on Global Climate Change, visit www.myfloridaclimate.com or www.myflorida.com.

###

FOR IMMEDIATE RELEASE: June 24, 2008
CONTACT: Kayla Bergeron, (561) 603.8791

STATEMENT

BY

**South Florida Water Management District Governing Board Chair Eric Buermann
regarding the
Announcement by Governor Charlie Crist to Begin Negotiations to Acquire
Agricultural Land Owned by the United States Sugar Corporation**

"This acquisition represents one of the most historic achievements for the protection and restoration of the Everglades since its designation as a national park six decades ago."

"The opportunity to secure such a monumental agreement to benefit the Everglades presents itself just once in a lifetime. Until today, managing the treatment and delivery of water from Lake Okeechobee directly south to the Everglades has remained a distant dream for those committed to the preservation of this unique ecosystem. I am grateful to the Governor for his bold vision in making this dream a reality."

###



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

NEWS RELEASE

June 30, 2008

CONTACT:

Randy Smith
West Palm Beach
Office: (561) 682-6197; Cellular: (561) 389-3386

Negotiations for Historic Everglades Land Acquisition Move Forward

SFWMD Governing Board ratifies "Statement of Principles" for landmark purchase to protect famed River of Grass, coastal estuaries

West Palm Beach, FL -- The Governing Board of the South Florida Water Management District (SFWMD) today took the next step for bringing about one of the largest environmental land acquisitions in Florida's history. The Governing Board unanimously ratified the "Statement of Principles" that was signed with United States Sugar Corporation and witnessed by Governor Charlie Crist last week to bring vast tracts of land in the Everglades Agricultural Area into public ownership.

The formal action authorizes District staff to now initiate detailed negotiations and due diligence to purchase the assets of United States Sugar Corporation, including 187,000 acres of land, for Everglades restoration. Acquisition of the property will provide the "missing link" needed to protect Florida's coastal estuaries and better revive, restore and preserve one of America's greatest national treasures -- the Everglades.

"Governor Crist's bold vision has brought us to a new day for Everglades restoration," said Eric Buermann, SFWMD Governing Board Chair. "This is a significant moment for our state, our nation and our environment. Today's ratification confirms the District's commitment to this remarkable opportunity for protecting and restoring America's Everglades and Florida's coastal estuaries."

In accordance with the framework and parameters outlined in the Statement of Principles, detailed and confidential purchase agreement negotiations will now begin, and could last for up to 75 days. At the same time, independent real estate appraisals and assessments of the identified lands and assets will be conducted by highly-qualified specialists. The ultimate purchase price and agreement will depend upon the appraisals and assessments and will require approval by the District's Governing Board.

The proposed agreement between the South Florida Water Management District and the United States Sugar Corporation involves the public purchase of nearly 300 square miles spanning four counties in South Florida. The land would be used to reestablish a part of the historic connection between Lake Okeechobee and America's Everglades through a managed system of storage and treatment.

"The District and our partners have made excellent progress in environmental restoration during the past decade, but this acquisition creates possibilities we never thought possible," said SFWMD Executive Director Carol Ann Wehle. "We look forward to working closely with the local communities and our stakeholders as we turn this landmark concept into a working reality."

Benefits from the Everglades land acquisition include:

- Increases in water storage to reduce harmful freshwater discharges from Lake Okeechobee to Florida's coastal rivers and estuaries.
- Improvements in the delivery of cleaner water to the Everglades.
- Preventing thousands of tons of phosphorus from entering the Everglades.
- Eliminating the need for "back-pumping" water into Lake Okeechobee.
- Relieving some pressures on the Herbert Hoover Dike while the federal government carries out repairs.
- Sustainable agriculture and green energy production.

As part of the proposed acquisition, United States Sugar Corporation, over the next six years, will retain the right to farm and manage the land consistent with its previous business practices and fulfill remaining business obligations. The District, together with the Governor's Office of Tourism, Trade and Economic Development, will work closely with communities surrounding the Everglades Agricultural Area on an economic transition as the negotiations move forward.

"As we work through these negotiations, it is imperative that we keep the communities most affected by this purchase engaged and involved," said the SFWMD Governing Board Chair. "This Governing Board is committed to working with its state and local partners to realize not only the environmental benefits of this potential purchase but also the new economic opportunities associated with sustained agriculture, green energy production and restoration."

###

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.

the RIPPLE effect



Special Edition
July 3, 2008

CHAIR'S MESSAGE



Eric Buermann
Governing Board
Chair

Welcome to a special "Reviving the River of Grass" edition of The Ripple Effect, the South Florida Water Management District's electronic newsletter that covers the latest water news – straight from the source.

Reviving the River of Grass...

With a bold and far-reaching vision, Governor Charlie Crist has brought to the citizenry of Florida, and indeed the nation, a new and monumental opportunity for Everglades restoration. On June 24, the Governor announced that the South Florida Water

Governor Crist Unveils Momentous Strategy to Save America's Everglades, Preserve National Treasure



On June 24, 2008, Governor Charlie Crist stood at the edge of the Arthur R. Marshall Loxahatchee National Wildlife Refuge, joined by Florida's top elected leaders, the United States Sugar Corporation and a host of environmental advocates, to unveil a momentous strategy that could bring about one of the largest environmental land acquisitions in the nation's history and provide a "missing link" needed to protect Florida's coastal estuaries and better revive, restore and preserve one of America's greatest natural treasures — the Everglades... [more](#)

Negotiations for Historic Everglades Land Acquisition Move Forward

At its June 30, 2008, special meeting, the Governing Board of the South Florida Water Management District took the next step for bringing about one of the largest environmental land acquisitions in Florida's history. The Governing Board unanimously ratified the "Statement of Principles" that was signed with United States Sugar Corporation and witnessed by Governor Charlie Crist last week to bring vast tracts of land in the Everglades Agricultural Area into public ownership...[more](#)

What Others are Saying about the Governor's Proposed Strategy for the Everglades

Supporting commentary from state, local and federal officials, environmental and community groups, as well as from state and national newspaper editorial pages... [more](#)

Related Materials

Management District would begin negotiations to acquire the assets of United States Sugar Corporation, including 187,000 acres of land, to reestablish a part of the historic connection between Lake Okeechobee and America's Everglades...[more](#)

- [Statement by SFWMD Governing Board Chair Eric Buermann](#)
- [Just the Facts about the Land Acquisition](#)
- [Questions and Answers](#)
- [Statement of Principles](#)
- [Map](#)
- [Video of the Announcement](#)
- [Photos from the Announcement](#)
- [Everglades Restoration Progress](#)

[Questions](#) | [Comments](#) | [Unsubscribe - Ripple Effect](#) | Copyright 2008 SFWMD

Economy:

8. Rural Economic Development Initiative (REDI)



CHARLIE CRIST
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

www.flgov.com
850-488-7146
850-487-0801 fax

June 27, 2008

Governing Board Chair Eric Buermann
Governing Board Vice Chair Shannon Estenoz
South Florida Water Management District
P.O. Box 24680
West Palm Beach, FL 33416-4680

Dear Governing Board Members:

Congratulations on the South Florida Water Management District's mission to begin negotiations to acquire land with the Everglades Agricultural Area. These priceless lands represent a valuable gift to Florida's environment and a magnificent opportunity to restore America's Everglades.

As Governor Crist and the South Florida Water Management District have recognized, agriculture has for many decades provided a foundation for the economies of Glades, Hendry, Okeechobee and western Palm Beach counties. As the District now begins negotiating an agreement to acquire lands, Governor Crist has called upon the Office of Tourism, Trade and Economic Development (OTTED) to work closely with these communities, their local governments, state agencies, businesses and elected leaders to begin charting a transition for the region.

OTTED has identified its Rural Economic Development Initiative (REDI) as an appropriate forum for beginning this dialogue. The initiative was established to better serve Florida's rural communities by providing a focused and coordinated effort among more than 20 state and regional agencies that provide programs and services for rural areas. Among others, agencies involved include the Florida Departments of Agriculture, Environmental Protection, Community Affairs, Workforce Innovation and Education, Regional Planning Councils and VISIT FLORIDA.

The potential acquisition of land within the Everglades Agricultural Area is a new day for South Florida, with new and existing opportunities possible, including sustained agriculture, ecotourism and green energy production. With United States Sugar Corporation remaining active on the land for another six years, time is at hand to give thorough consideration to the transition and secure the future of our local communities.

I propose to convene initial discussions through the Rural Economic Development Initiative immediately following the conclusions of your negotiations and approval of a final agreement. On behalf of the entire REDI team, we look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale A. Brill".

Dale A. Brill, Ph.D.
Director
Office of Tourism, Trade and Economic Development

RURAL ECONOMIC DEVELOPMENT INITIATIVE

REDI is a multi-agency initiative, led and coordinated by the Office of Tourism, Trade & Economic Development, which assists rural communities solve problems that affect their fiscal, economic or community viability.

REDI:

- Responds to specific community needs and requests for assistance.
- Provides direct access and referrals to appropriate state agencies as well as county and city associations.
- Reviews and evaluates the impact of statutes and rules on rural communities and works to minimize adverse impact.
- Works with communities to improve their rural economies; finding ways to balance environmental and growth management issues with local needs.
- Assists communities in improving access to housing, health care, and educational opportunities.

PARTICIPATING AGENCIES INCLUDE:

Department of Agriculture and Consumer Services	Area Health Education Centers
Department of Children and Families	Agency for Workforce Innovation
Department of Community Affairs	Enterprise Florida, Inc
Department of Corrections	Fish & Wildlife Conservation Commission
Department of Education	Florida Association of Counties
Department of Elder Affairs	Florida League of Cities
Department of Environmental Protection	Institute of Food and Agriculture Sciences
Department of Health	Regional Planning Councils
Department of Juvenile Justice	VISIT FLORIDA, Inc
Department of State	Water Management Districts
Department of Transportation	Workforce Florida, Inc.
Agency for Health Care Administration	U.S.D.A.- Rural Development
Office of Tourism, Trade, and Economic Development	

FOR ADDITIONAL INFORMATION CONTACT:

Mary Helen Blakeslee, Coordinator / Rural Economic Development Initiative
Diane Scholz, Assistant Coordinator / Rural Economic Development Initiative

Suite 2001, The Capitol, Tallahassee, Florida 32399-0001

Phone: 850/487-2568 Fax: 850/487-3014

Email: maryhelen.blakeslee@eog.myflorida.com

diane.scholz@eog.myflorida.com

or

The Florida Resource Directory
www.floridaresourcedirectory.org

9. Inland Port

cc: CAV
Debbie Pepper
Ruth Clements
Fred Rapael
Laura Corry



PALM BEACH
METROPOLITAN PLANNING ORGANIZATION

2300 North Jog Road, 4th Floor, West Palm Beach, Florida 33411-2749
Phone: (561) 684-4170 Fax: (561) 233-5664 www.pbcgov.com/mpo

July 18, 2008

Executive Office
JUL 24 2008

The Honorable Charlie Crist
Office of the Governor
The Capital
Tallahassee, Florida 32399-0001

Re: Inland Port-Western Palm Beach County

Dear Governor Crist:

The Palm Beach MPO is responsible for transportation planning throughout the county. In this role, the MPO considers movement of people and goods within the context of safety and environmental responsibility. Recently we have been involved with FDOT and the Port of Palm Beach in the investigation of a Multimodal Logistics Complex or Inland Port to serve South Florida. The proposal includes the Glades area of Palm Beach County west of the heavily developed urban areas to reduce congestion and decrease transportation costs for goods moving through South Florida. The Inland Port would also serve as a major economic engine. This aspect is particularly important as the Glades cities are experiencing a depressed economy which could be exacerbated by the proposed purchase of U.S. Sugar properties to restore the Everglades. The attached resolution from the three cities in the Glades area expresses their concerns about the number of direct and indirect jobs to be lost in the sugar industry. The Inland Port could replace these jobs and add more jobs in the future.

The Legislature appropriated funds to study a rail line along US 27 from the Miami area to the Glades area. The Inland Port would use this facility in conjunction with existing rail and road infrastructure to serve South Florida and points north and west in the state.

On July 17, the MPO Board discussed the Inland Port and the impacts on the cities and mobility for freight and goods in the South Florida area. The MPO strongly supports the Inland Port and intends to continue planning for its construction and operation in western Palm Beach County. We would like to continue in this cooperative venture with the State of Florida working with the

Departments of Transportation and Environmental Protection and the South Florida Water Management District. Together, we can maintain and improve the quality of life in South Florida. If you have any questions please do not hesitate to contact me.

Sincerely,



John F. Koons
Chair

JFK/eer

cc: Stephanie C. Kopelousos, FDOT Secretary
Michael W. Sole, FDEP Secretary
Dale Brill, OTTED Director
Carol Ann Wehle, SFWMD Executive Director
Palm Beach County Legislative Delegation

RESOLUTION NO. 2008-_____

**A RESOLUTION OF THE TRI-CITIES, OF BELLE GLADE,
PAHOKEE AND SOUTH BAY, FLORIDA SUPPORTING THE
ESTABLISHING OF A MULTI-MODAL LOGISTICS COMPLEX
(INLAND PORT) IN THE GLADES.**

WHEREAS, the Port of Palm Beach has proposed developing a Multi-Modal Logistics Complex (Inland Port) in the Glades region; and

WHEREAS, the South Florida Water Management District has publicly announced its initiative to purchase all assets of the US Sugar Corporation and the acquisition of these assets as proposed will have a devastating effect on the future economy and well-being of the Tri-Cities area; and

WHEREAS, the economic impact will include the closure of a major industry in the Glades and the loss of 1,700 direct jobs and upwards of 2,000 service related jobs in the Glades area; additionally, residential and commercial property values in the Glades and the related revenue base within the Tri-Cities will be greatly reduced; and


WHEREAS, the economic impact of a Multi-Modal Logistics Complex (Inland Port) would be a major asset to the Glades region; and

WHEREAS, the Multi-Modal Logistics Complex (Inland Port) would lead to the creation of much needed jobs; and

**NOW, THEREFORE, BE IT RESOLVED BY THE TRI-CITIES OF BELLE
GLADE, PAHOKEE AND SOUTH BAY FLORIDA THAT:**

1. The Tri-Cities of Belle Glade, Pahokee, and South Bay support the establishment of a Multi-Modal Logistics Complex (Inland Port) in the Glades region.

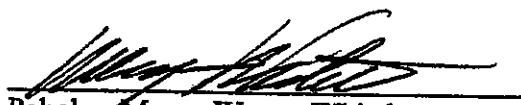
DONE AND RESOLVED at Regular Session of the Tri-Cities of the Glades, Florida,
this 16th day of July, 2008.


Belle Glade Mayor Wilson

(MUNICIPAL SEAL)

ATTEST:

Belle Glade City Clerk


Pahokee Mayor Wayne Whitaker

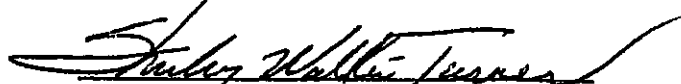
(MUNICIPAL SEAL)

ATTEST:

Pahokee City Clerk

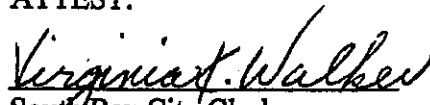
APPROVED AS TO FORM
AND LEGAL SUFFICIENCY


Glen J. Torcivia, City Attorney


South Bay Mayor Shirley Walker Turner

(MUNICIPAL SEAL)

ATTEST:


South Bay City Clerk

MEMORANDUM

TO: Palm Beach County Board of County Commissioners

CC: Robert Weisman; Shannon LaRocque; Barbara Alterman; Lorenzo Aghemo

FROM: Clifford Hertz; Joshua Escoto

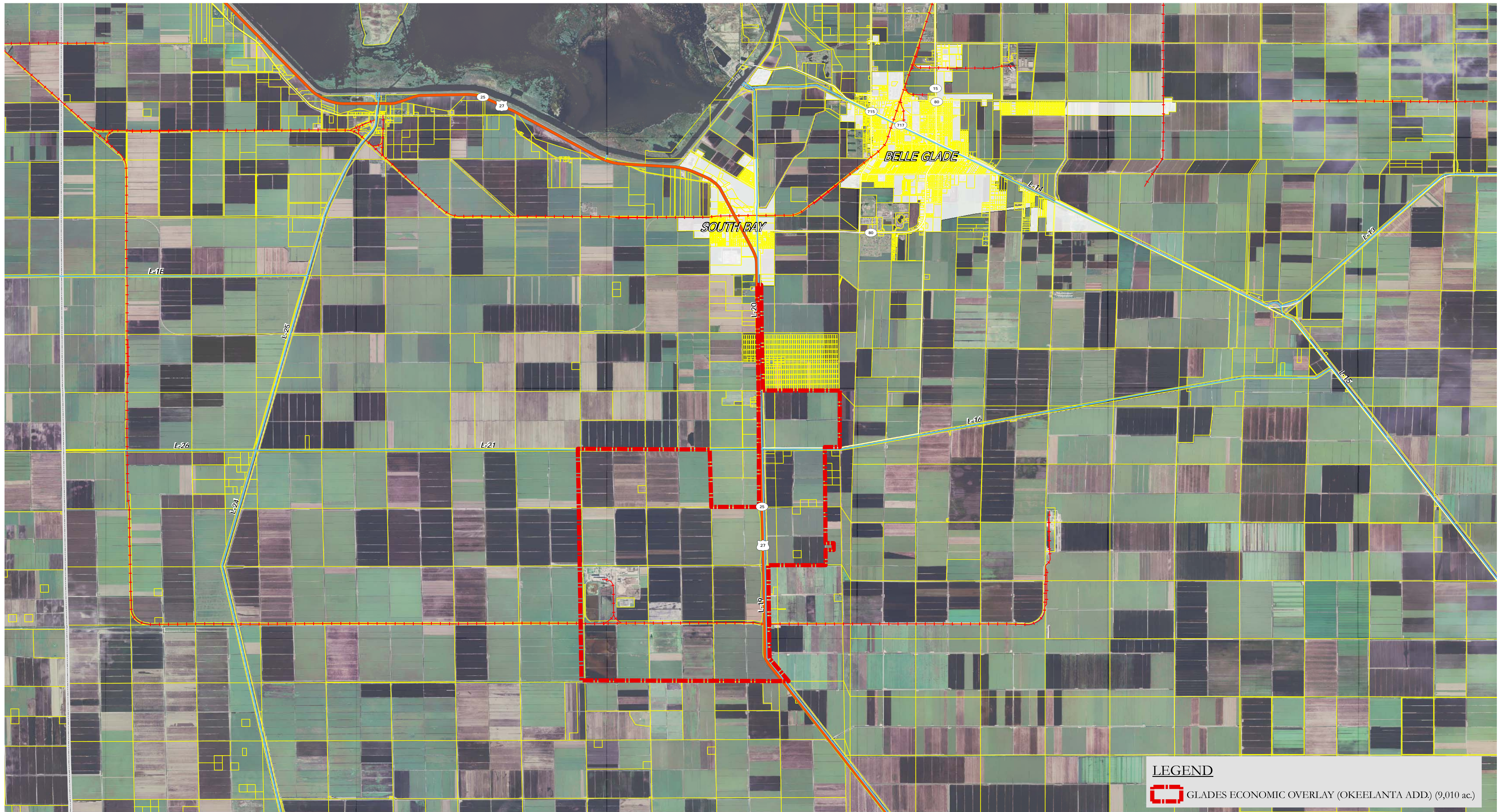
RE: Inland Logistics Center – Proposed Planning Area Location Map

The information provided in this memorandum is intended to update our prior memorandum attached to the letter from Pepe Fanjul, Jr. sent to the Palm Beach County Board of County Commissioners on July 21, 2008 concerning the Inland Logistics Center (ILC aka Inland Port). We are requesting that the Board of County Commissioners provide direction to the Palm Beach County planning staff to proceed with the necessary comprehensive plan changes to accommodate a proposed Glades Economic Redevelopment Planning Area and the first phase of the proposed Inland Logistics Center as discussed further below.

The attached updated graphic depicts the proposed location of the Glades Economic Redevelopment Planning Area (Planning Area) which has been revised after several informative meetings with the Palm Beach County Economic Development staff and the Palm Beach County Planning staff. The current Planning Area site location graphic, attached as **Exhibit "A"**, differs from previously provided graphics depicting the overlay extensions in the following ways: (1) the western boundary of the proposed site has been changed to the western boundary of the Okeelanta Mill and Co-Generation Power Facility; (2) properties owned by third parties have been removed; and (3) the eastern boundary has been changed to approximately 1 mile east of U.S. 27. The above changes result in a proposed acreage reduction from 16,329 acres to 9,010 acres. The current proposed Planning Area is now located between the Okeelanta Mill and Co-Generation Power Facility and approximately 1 mile east of US 27.

The Planning Area would consist of a conceptual plan with supporting comprehensive plan policies, goals and objectives that would describe the existing uses and the conceptual development plan for the ILC (ex. terminal, distribution and warehouse) and potential industrial and supporting uses. The planning concept of a Limited Urban Service Area (LUSA) is now being proposed instead of the previous proposal which would have extended the existing Urban Service Area to the south. A LUSA would give the Board of County Commissioners the ability to limit specific uses.

Directing the planning staff to proceed with the necessary plan amendments would be the first step in a planning process that would not be final until **August 2009**. The Board of County Commissioners has an opportunity to demonstrate to the Glades area communities, FDOT, and the Port of Palm Beach that it views the ILC as important to the economic sustainability of the Glades area. We are requesting that the Board of County Commissioners provide direction to the Palm Beach County planning staff to proceed with the necessary comprehensive plan changes to accommodate a proposed Glades Economic Redevelopment Planning Area and the first phase of the proposed Inland Logistics Center.

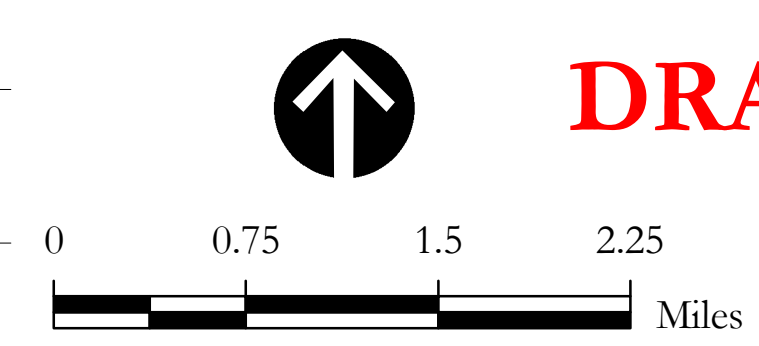


NOTE: THE INFORMATION PROVIDED ON THIS DOCUMENT SHOULD BE TREATED AS CONCEPTUAL ONLY AND MAY BE SUBJECT TO CHANGE BASED ON MORE DETAILED SURVEY, ENVIRONMENTAL AND SPECIFIC BUILDING PRODUCT INFORMATION.

GLADES OVERALL ECONOMIC DEVELOPMENT AREA OVERLAY FLORIDA CRYSTALS CORPORATION

MSCW | 4750 New Broad Street; Orlando, FL 32814 | Tel: 407.422.3330 | Fax: 407.422.3329 | www.mscwinc.com

LEGEND
 GLADES ECONOMIC OVERLAY (OKEELANTA ADD) (9,010 ac.)



MSCW Job. No.: 08-0048
 File Name: 08-0123_GladesEconOverlay.mxd
 Date: August 2008





July 21, 2008

VIA EMAIL

All County Commissioners
301 North Olive Ave. Suite 1201
West Palm Beach, FL 33401

Re: Florida Crystals/Okeelanta

Dear Commissioners,

Florida Crystals Corporation has followed the Port of Palm Beach and the Florida Department of Transportation (FDOT) efforts concerning the feasibility of an Inland Logistics Center (ILC) with great interest.

FDOT's consultant estimated that the South Florida industrial space future demand is upwards of 80 million square feet. The consultant also determined that the Glades Communities ("Glades") could capture a large portion of this demand, resulting in 32,000 direct and indirect jobs and \$1.8 billion in personal income by 2015.

As a stakeholder in the Glades, Florida Crystals Corporation shares Palm Beach County's deep concern for the economic sustainability of the Glades. As a result, Florida Crystals Corporation believes that an ILC must be located within the Glades in order to mitigate losses resulting from the State of Florida's decision to purchase the assets of US Sugar Corporation and to diversify and stimulate the economy in the Glades.

FDOT's consultant identified the area south of South Bay to be the most feasible location for an ILC. Florida Crystals Corporation's industrial facility, Okeelanta, is located within the area identified by FDOT. Okeelanta is comprised of significant existing industrial infrastructure, including over 3 miles of frontage along US Highway 27, a sugar mill and refinery, North America's largest renewable energy power plant, a distribution center, a rail spur, a landing strip, and over 2 miles of paved roadway. Okeelanta currently generates approximately 1,000 jobs. It is the future site of a research and development cellulosic ethanol plant and thereafter a commercial ethanol plant.

Given the urgent need for economic stimulus in the Glades and the industrial nature of Okeelanta, including the attendant significant existing infrastructure, Florida Crystals Corporation believes that the Okeelanta area is well positioned to accommodate the ILC, related distribution centers, and a large Agro-Industrial Complex. Therefore, Florida Crystals Corporation respectfully requests that the Palm Beach County Board of County Commissioners direct its staff to initiate Comprehensive Plan text and map amendments. Such amendments are for the extension of the Urban Services Area and the Glades Area Economic Development Overlay to the Okeelanta area. The amendments are more particularly described in the attached memorandum from the law firm of Broad and Cassel.

Florida Crystals Corporation looks forward to working with you. Should you have any questions please do not hesitate to contact us.

Sincerely,



Pepe Fanjul, Jr.

CC: Mr. Robert Weisman (Via Email) (rweisman@pbcgov.com)
Ms. Verdenia Baker (Via Email) (vbaker@pbcgov.org)
Ms. Shannon R. LaRocque (Via Email) (slarocqu@pbcgov.org)
Ms. Barbara Alterman (Via Email) (balterma@co.palm-beach.fl.us)
Chairperson Dr. Jean L. Enright (Via Email) (enright@portofpalmbeach.com)
Vice-Chairman Edward R. Opper (Via Email) (opper@portofpalmbeach.com)
Secretary/Treasurer George E. Mastics (Via Email) (mastics@portofpalmbeach.com)
Commissioner Blair J. Ciklin (Via Email) (ciklin@portofpalmbeach.com)
Commissioner Wayne M. Richards (Via email) (Richards@portofpalmbeach.com)

MEMORANDUM

TO: Palm Beach County Board of County Commissioners

FROM: Clifford Hertz; Joshua Escoto

RE: Inland Port -- Proposed Comprehensive Plan Amendments

Broad and Cassel represents Florida Crystals Corporation concerning the proposed Inland Port in Palm Beach County. The South Florida Inland Port Feasibility Study, prepared for the Florida Department of Transportation Seaport Office, identified the South Bay Area adjacent to U.S. 27 as Site Option #1 in the Final Report (2007). As noted in the report "[the] site would require changes to land use and zoning through the local comprehensive plan". See *Final Report* 5-9. The following information describes the possible comprehensive plan changes that could enable the inland port to be located near U.S. 27. A graphic depicting the proposed site ("Site") is attached as Exhibit "A".

Urban Service Boundary

The Site is located in the Glades Tier. Future Land Use Element Policy 1.6-b states that: "Within the Urban Service Area boundary within the Glades Tier the provisions of the Urban / Suburban Tier shall apply." Note that the Industrial Land Designation is consistent with the Urban / Suburban Tier. See *FLUE Policy 1.2-a*. A graphic depicting the current Urban Service Area is attached as Exhibit "B". If the Urban Service Area boundary is expanded to include the Site a change to an Industrial future land use designation would be considered consistent with the tier designation.

Glades Area Economic Development Overlay

Note that currently the Glades Area Economic Development Overlay (GA-O) applies to all land within the Urban Service Area in the Glades. See *FLUE Policy 1.6.1-a*. A graphic depicting the current GA-O is attached as Exhibit "C". Pursuant to *FLUE Policy 1.6.1-b*: "the County shall provide flexibility in the range of uses and land development regulations allowed to accommodate uses which, if deemed appropriate, will increase job opportunities and improve the economic vitality of the area." If the GA-O boundary is expanded to include the Site, the County would have flexibility in the range of uses and the land development regulations applicable to the Site.

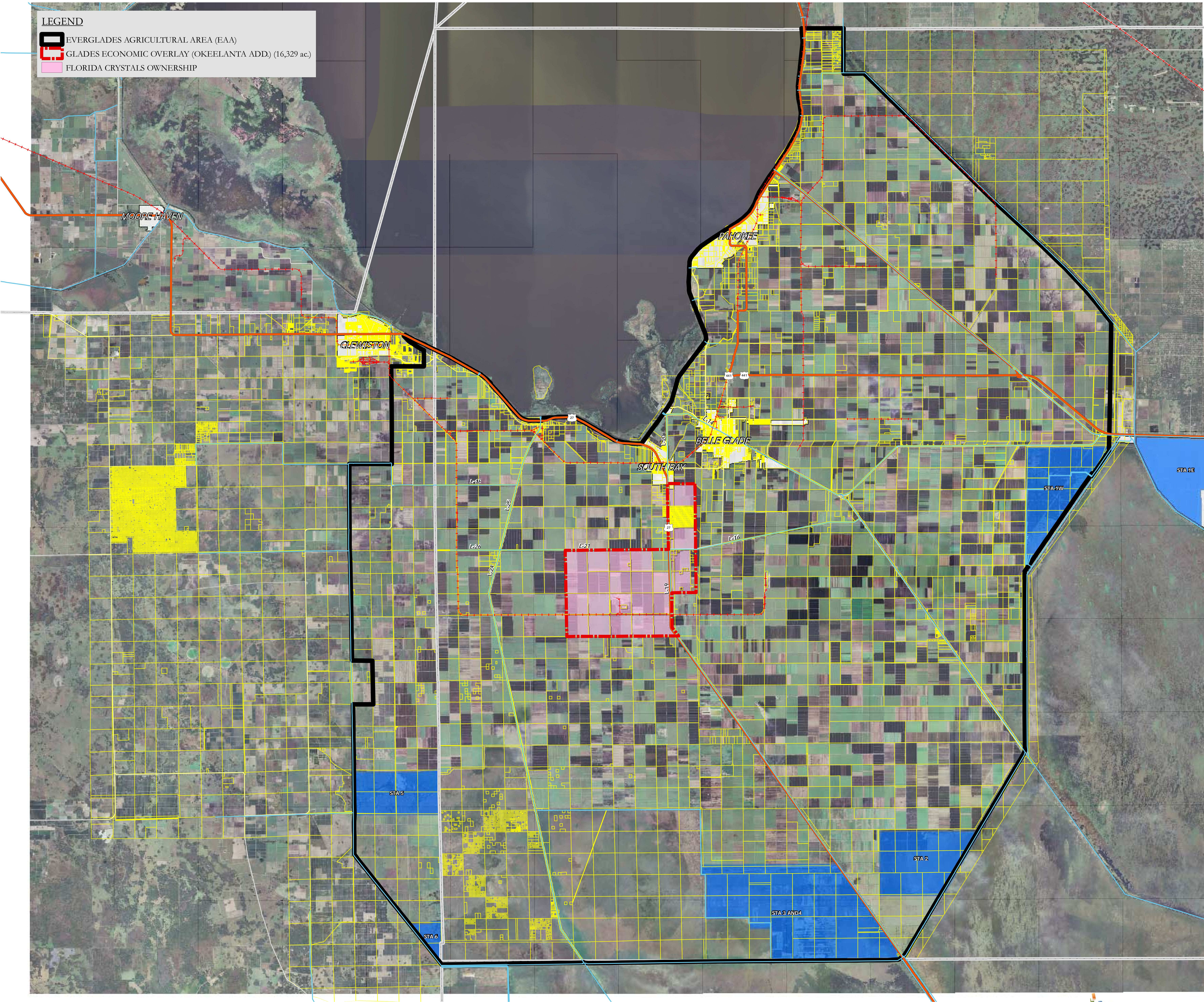
Conclusion

In summary, to meet the objectives of the South Florida Inland Port Feasibility Study the following described comprehensive plan changes should be initiated in the next round:

1. Process a comprehensive plan change to include the Site within the Urban Service Area boundary; *and*
2. Process a comprehensive plan change to designate the Site as Industrial land use; *and*
3. Process a comprehensive plan change to include the Site in the Glades Area Economic Development Overlay (GA-O).

LEGEND

-  EVERGLADES AGRICULTURAL AREA (EAA)
-  GLADES ECONOMIC OVERLAY (OKEELANTA ADD.) (16,329 ac.)
-  FLORIDA CRYSTALS OWNERSHIP

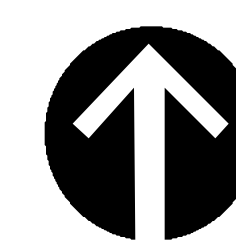
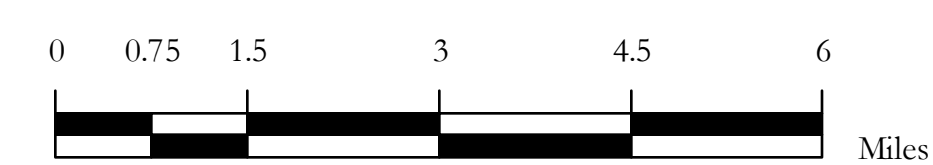


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EVERGLADES AGRICULTURAL AREA (EAA) PLANNING AREAS

FLORIDA CRYSTALS CORPORATION

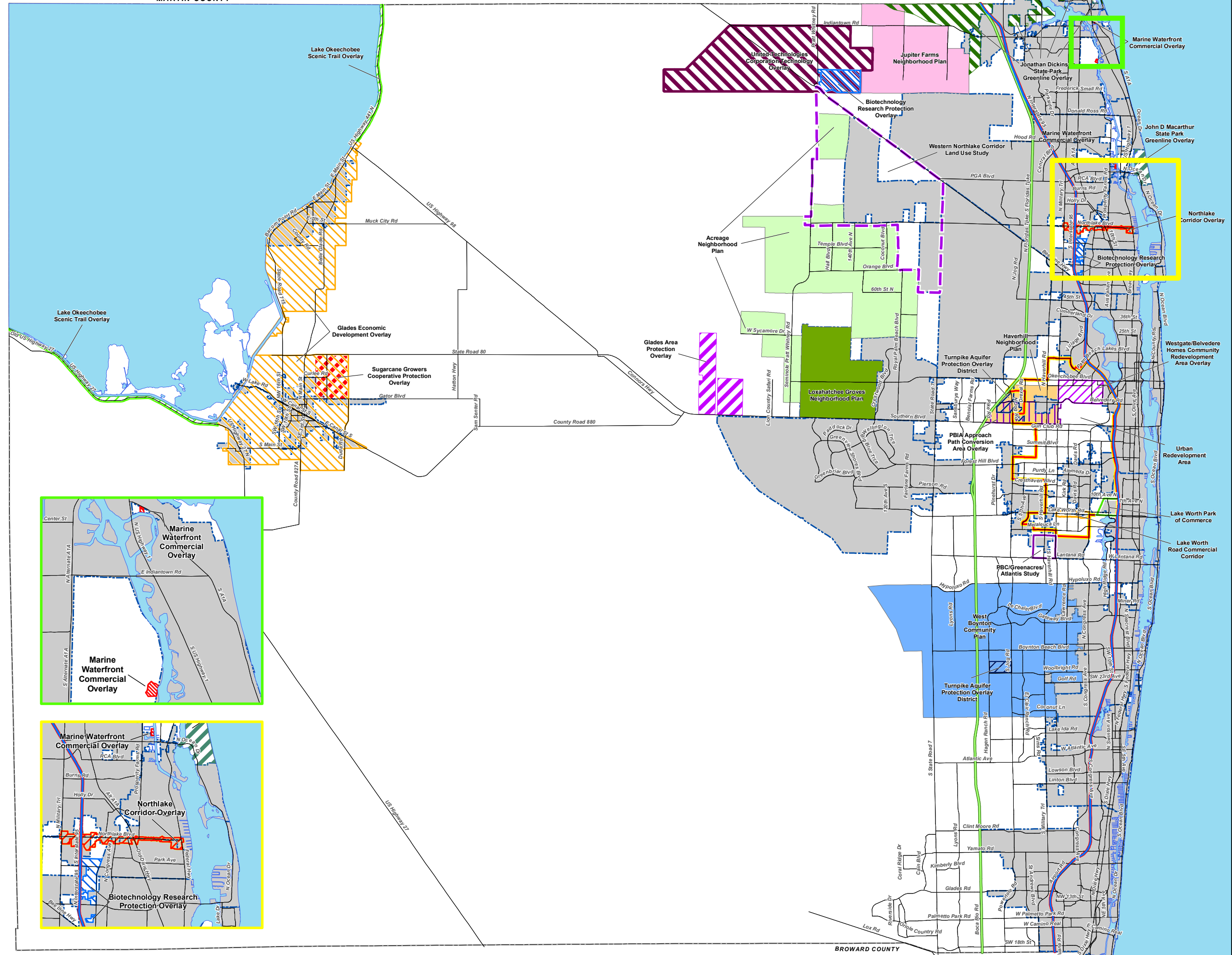
MSCW | 4750 New Broad Street; Orlando, FL 32814 | Tel: 407.422.3330 | Fax: 407.422.3329 | www.mscwinc.com



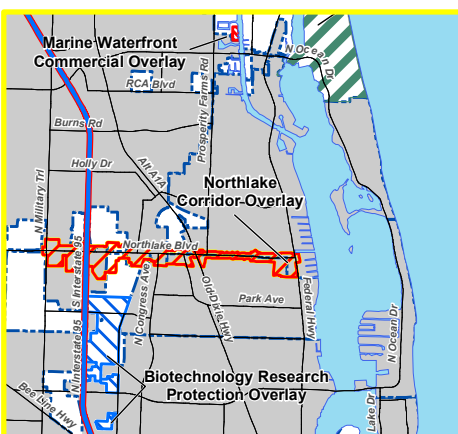
MSCW Job. No.: 08-0048
 File Name: 08-0048_PlanningAreas.mxd
 Date: July 2008

DRAFT

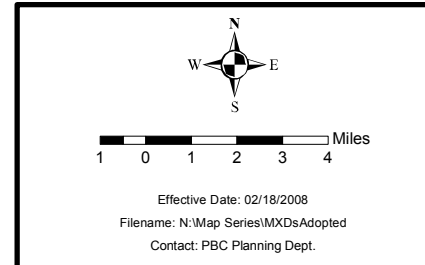




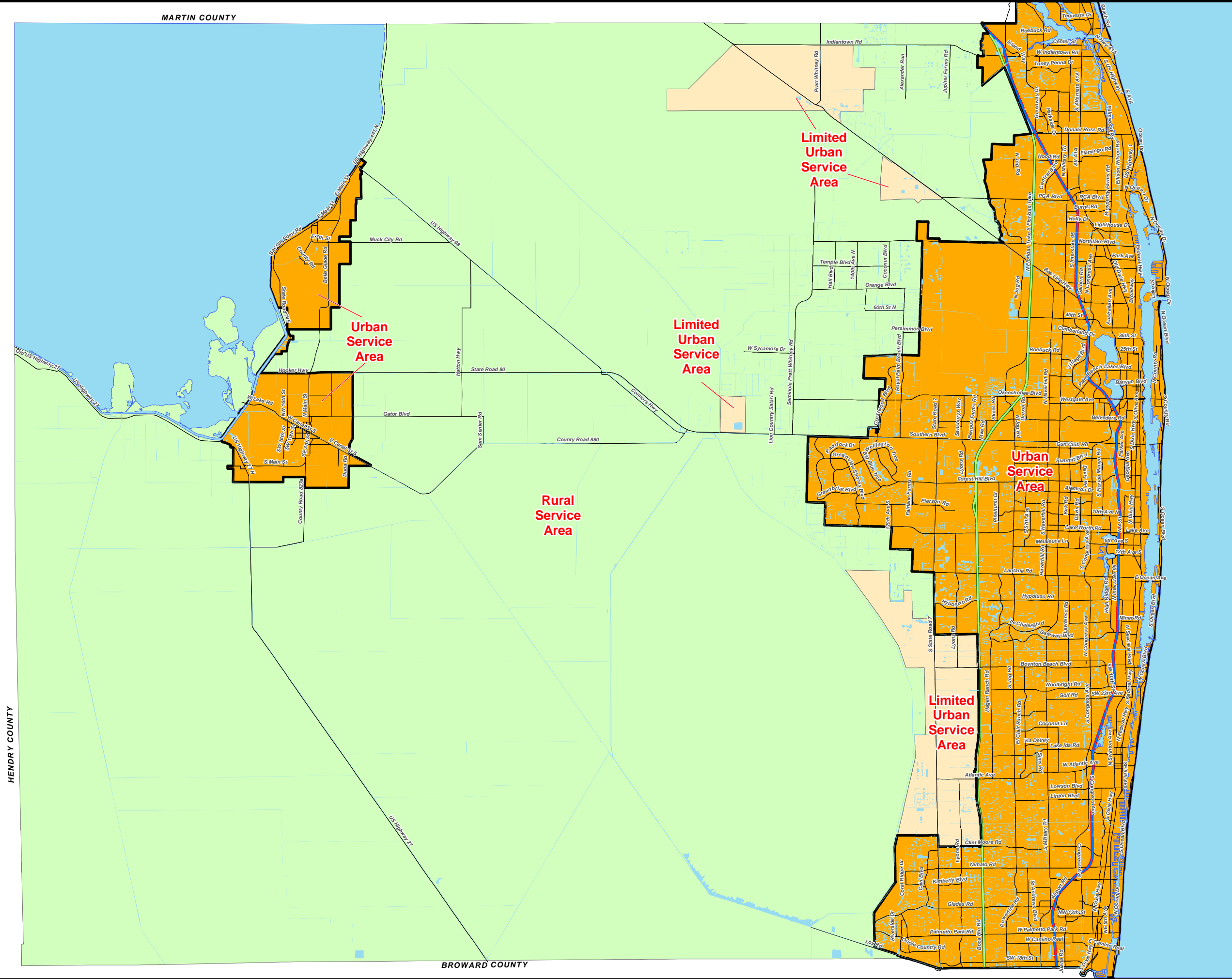
- Planning Studies**
- Lake Worth Park of Commerce
 - Palm Beach County/Greenacres/Atlantis/Study
 - Lake Worth Road Commercial Corridor
 - Urban Redevelopment Area
 - Western Northlake Corridor Land Use Study
- Overlays**
- Biotechnology Research Protection Overlay
 - Glades Area Protection Overlay
 - Indiantown Road Overlay Zone
 - Glades Economic Development Overlay
 - John D Macarthur State Park Greenline Overlay
 - Jonathan Dickinson State Park Greenline Overlay
 - Lake Okeechobee Scenic Trail Overlay
 - Marine Waterfront Commercial Overlay
 - Northlake Boulevard Corridor Overlay
 - PBI Approach Path Conversion Area Overlay
 - Sugarcane Growers Cooperative Protection Overlay
 - Turnpike Aquifer Protection Overlay District
 - United Technologies Corporation Technology Overlay
 - Westgate/Belvedere Homes Community Redevelopment Area Overlay
- Neighborhood Plans**
- Acreage Neighborhood Plan
 - Haverhill Neighborhood Plan
 - Jupiter Farms Neighborhood Plan
 - Loxahatchee Groves Neighborhood Plan
 - West Boynton Community Plan






SOURCE: PBC Planning Division
Last Amended In Round 07-2 by Ord. 2007-031



MARTIN COUNTY



**MAP LU 2.1
SERVICE AREAS**

-  Urban Service Area
-  Limited Urban Service Area
-  Rural Service Area

9J5.011
9J5.015 (1) (a)
9J5.016 (1) (a)

LUSA Note:
A LUSA is designated per Land Use Element Policy 3.3-a

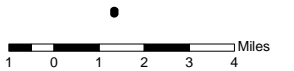
RSA Note:
The Rural Service Area includes all land within the county not lying within the Urban Service Area or the Limited Urban Service Areas

SOURCES: PBC Planning Division

Last Amended In Round 07-RA by Ord. 2007-034



**PALM BEACH COUNTY
COMPREHENSIVE PLAN
MAP SERIES**



Effective Date: 01/03/2008
Filename: N:\Map Series\MXD\Adopted
Contact: PBC Planning Dept.

HENDRY COUNTY

BROWARD COUNTY



Intermodal Logistics Complex



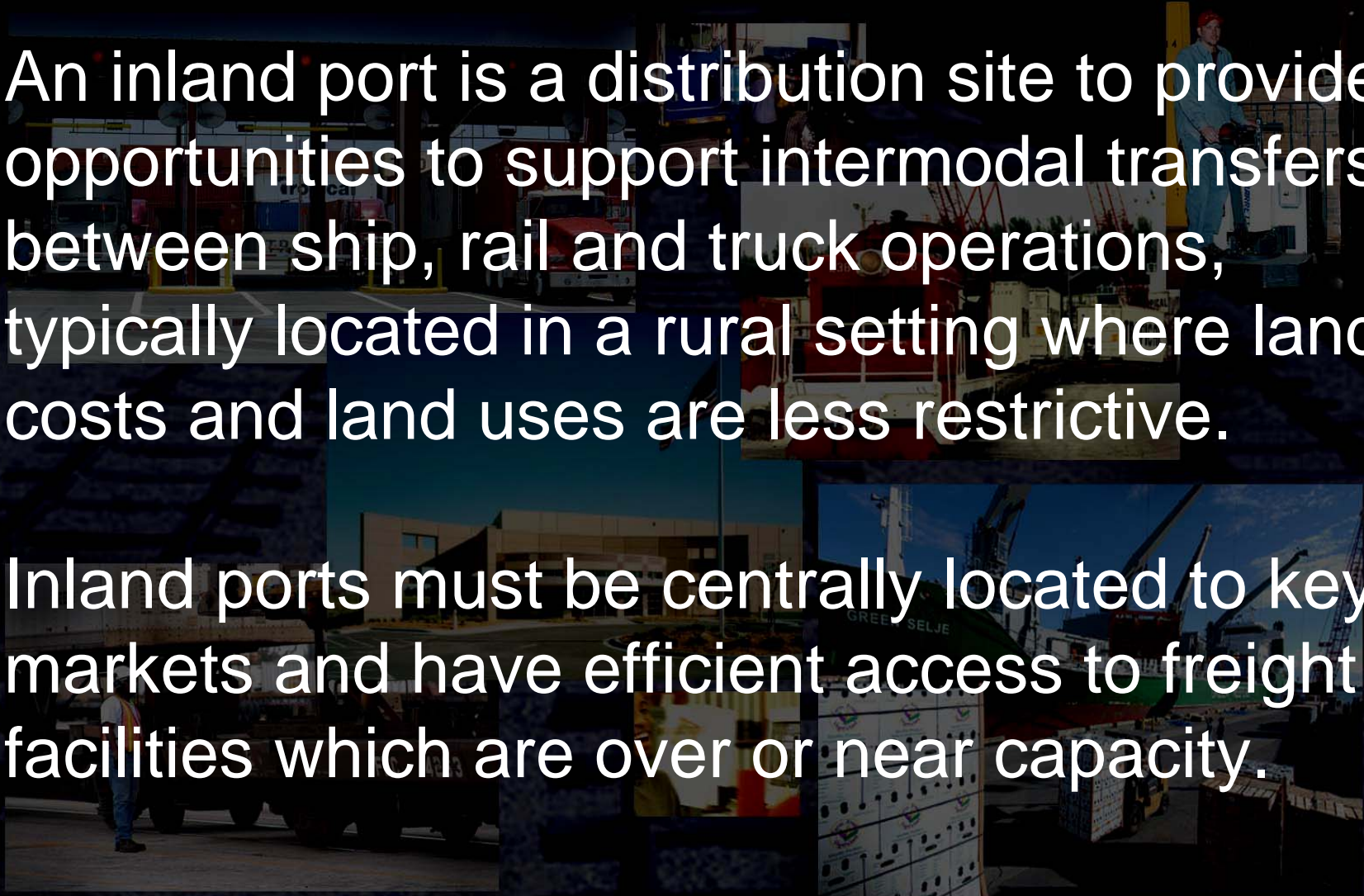
2008



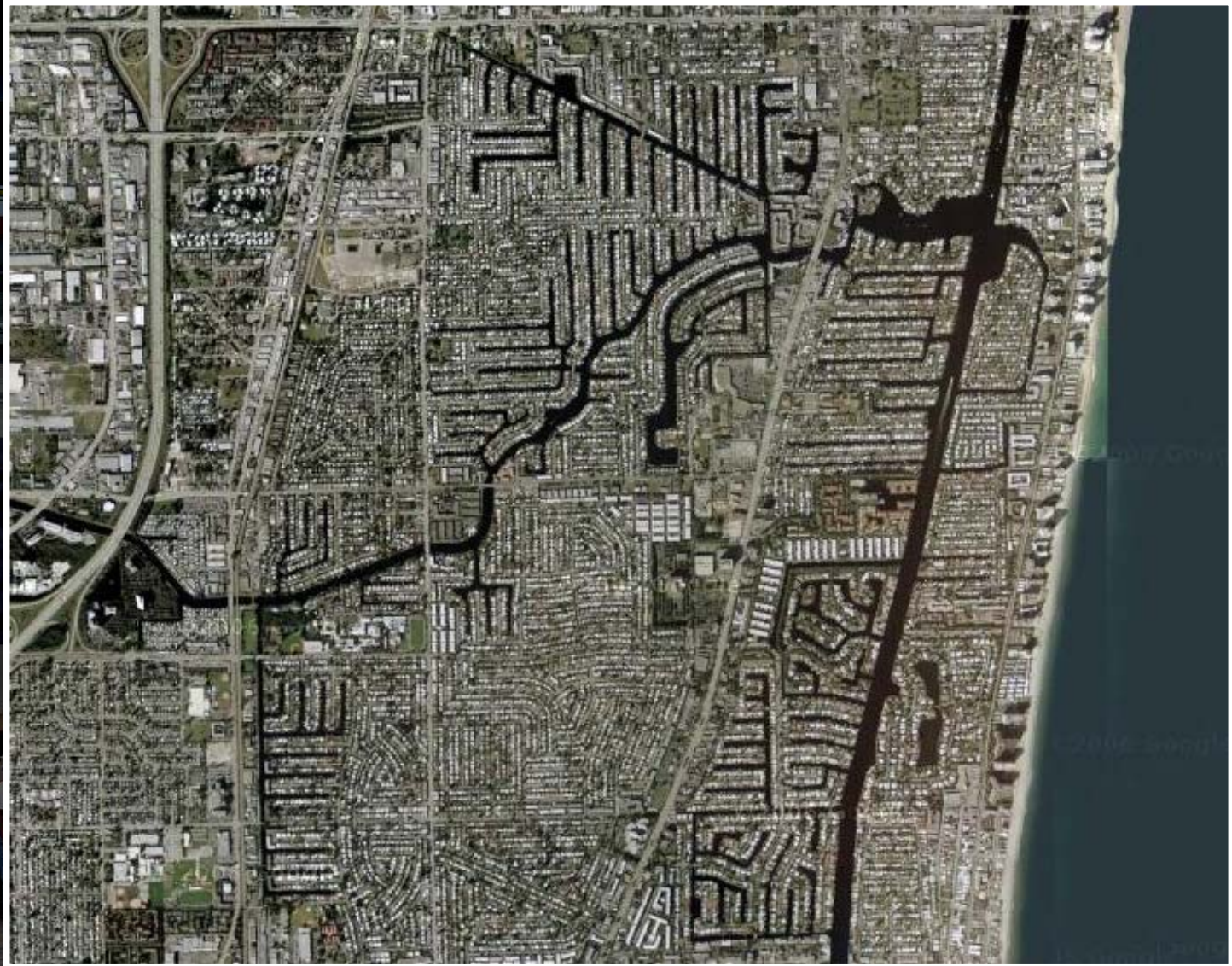
What Is An Inland Port?

An inland port is a distribution site to provide opportunities to support intermodal transfers between ship, rail and truck operations, typically located in a rural setting where land costs and land uses are less restrictive.

Inland ports must be centrally located to key markets and have efficient access to freight facilities which are over or near capacity.



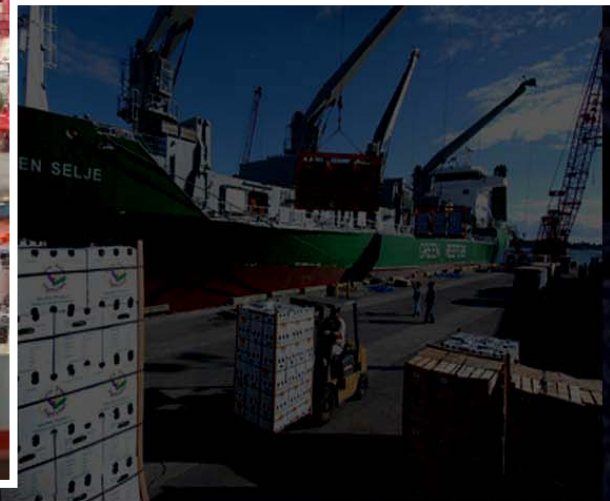
Why Do We Need A Inland Port?



Congestion Along The Coast

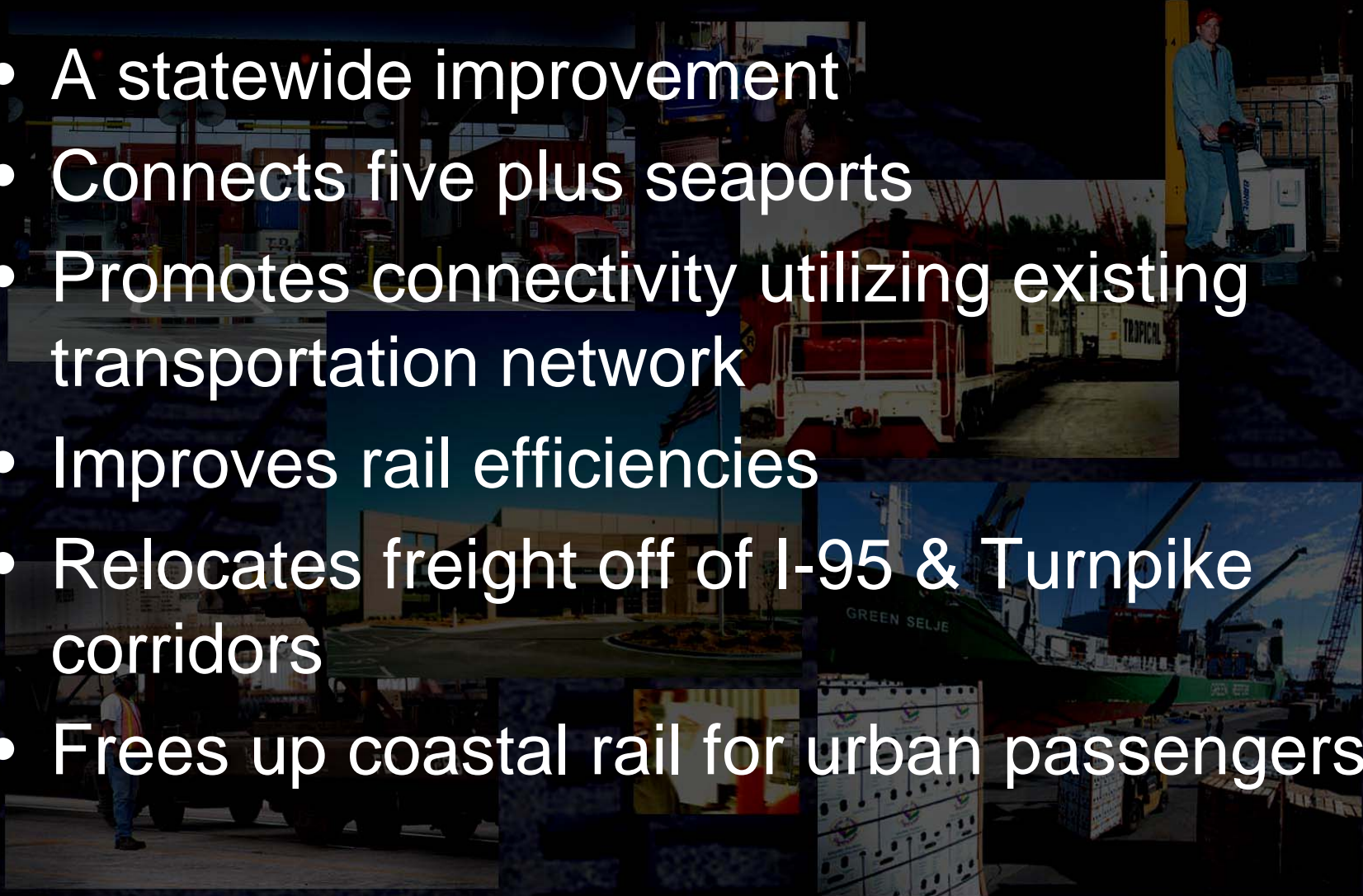


Congestion In The Port



Regional Approach

- A statewide improvement
- Connects five plus seaports
- Promotes connectivity utilizing existing transportation network
- Improves rail efficiencies
- Relocates freight off of I-95 & Turnpike corridors
- Frees up coastal rail for urban passengers





**Cedarville
Enterprise
Zone**

**Baugh NE
Cooperative**

**Virginia
Inland Port**

**Warren
Industrial Park**

**Valley Redi-
Mix**

**Riverton Commons
Commercial Center**

**Family
Dollar Service**

**Ferguson
Enterprises**

**Stephens
Industrial Park**

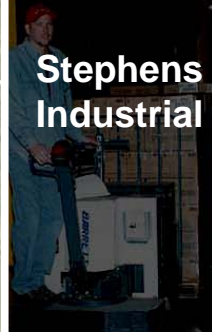
Toray Plastic

DuPont

**Winchester
Cold Storage**

**Competitive
Power Ventures**

Roanoke Cement



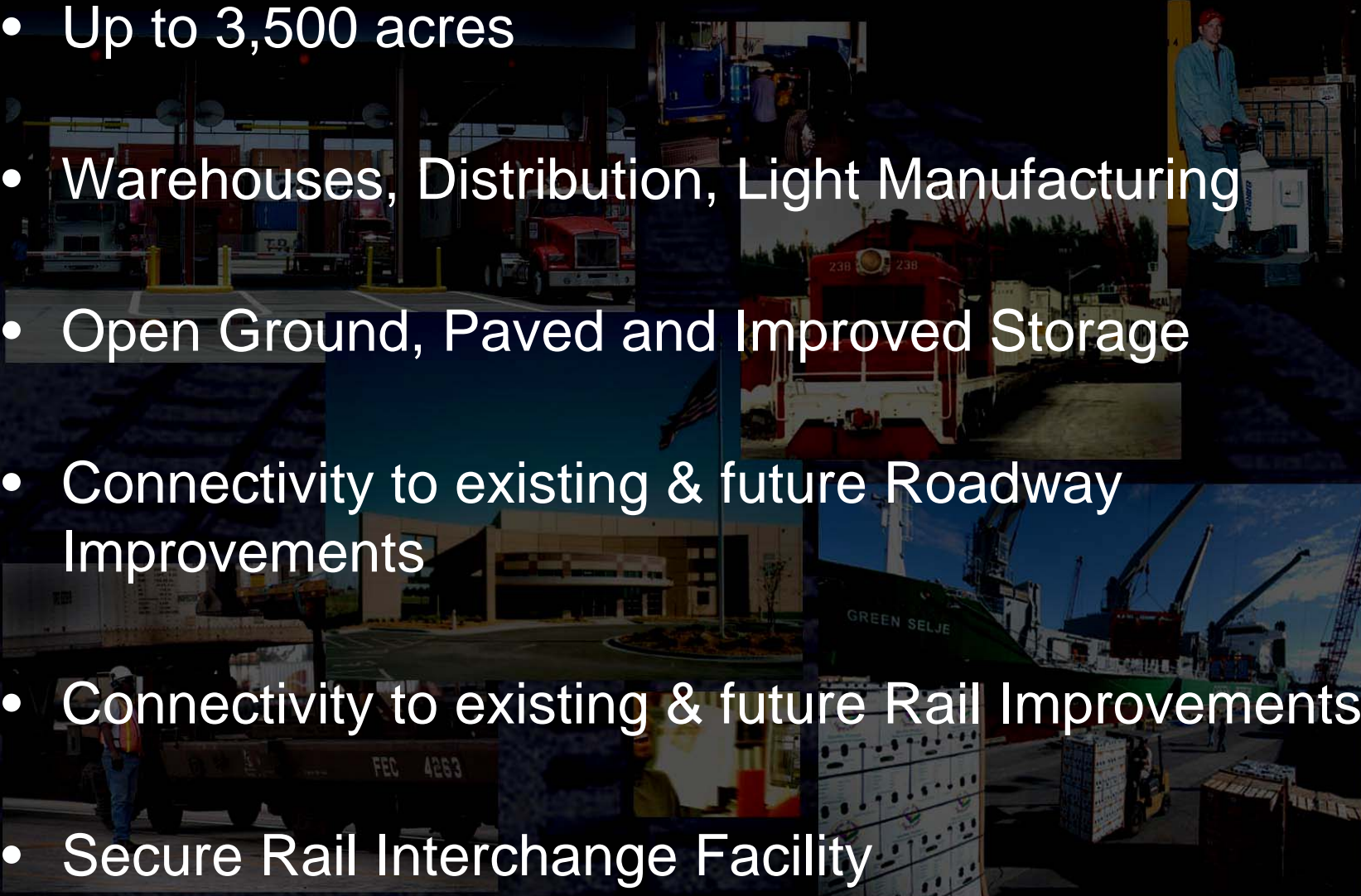


INLAND PORT COMPONENTS



Inland Port Components

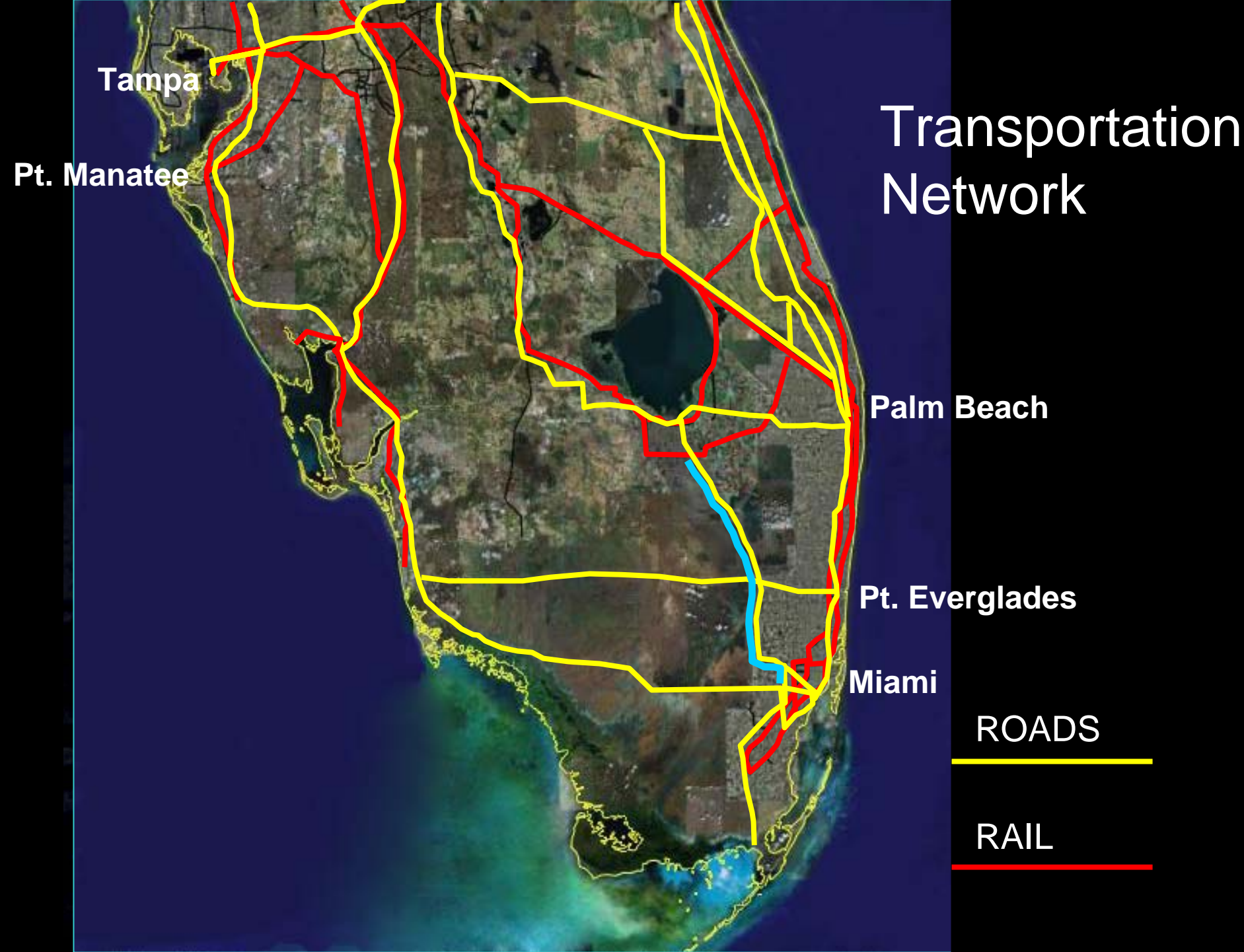
- Up to 3,500 acres
- Warehouses, Distribution, Light Manufacturing
- Open Ground, Paved and Improved Storage
- Connectivity to existing & future Roadway Improvements
- Connectivity to existing & future Rail Improvements
- Secure Rail Interchange Facility



An Inland Port at the Crossroads

- Availability of affordable land
- Connectivity to 3 railroads
- Connectivity via roadways w/western truck corridor
- Proximity to Port of Palm Beach
- Proximity to South Florida Regional market to include Port Everglades & Port of Miami
- Link to Port of Tampa and Port Manatee





Transportation Network

Tampa

Pt. Manatee

Palm Beach

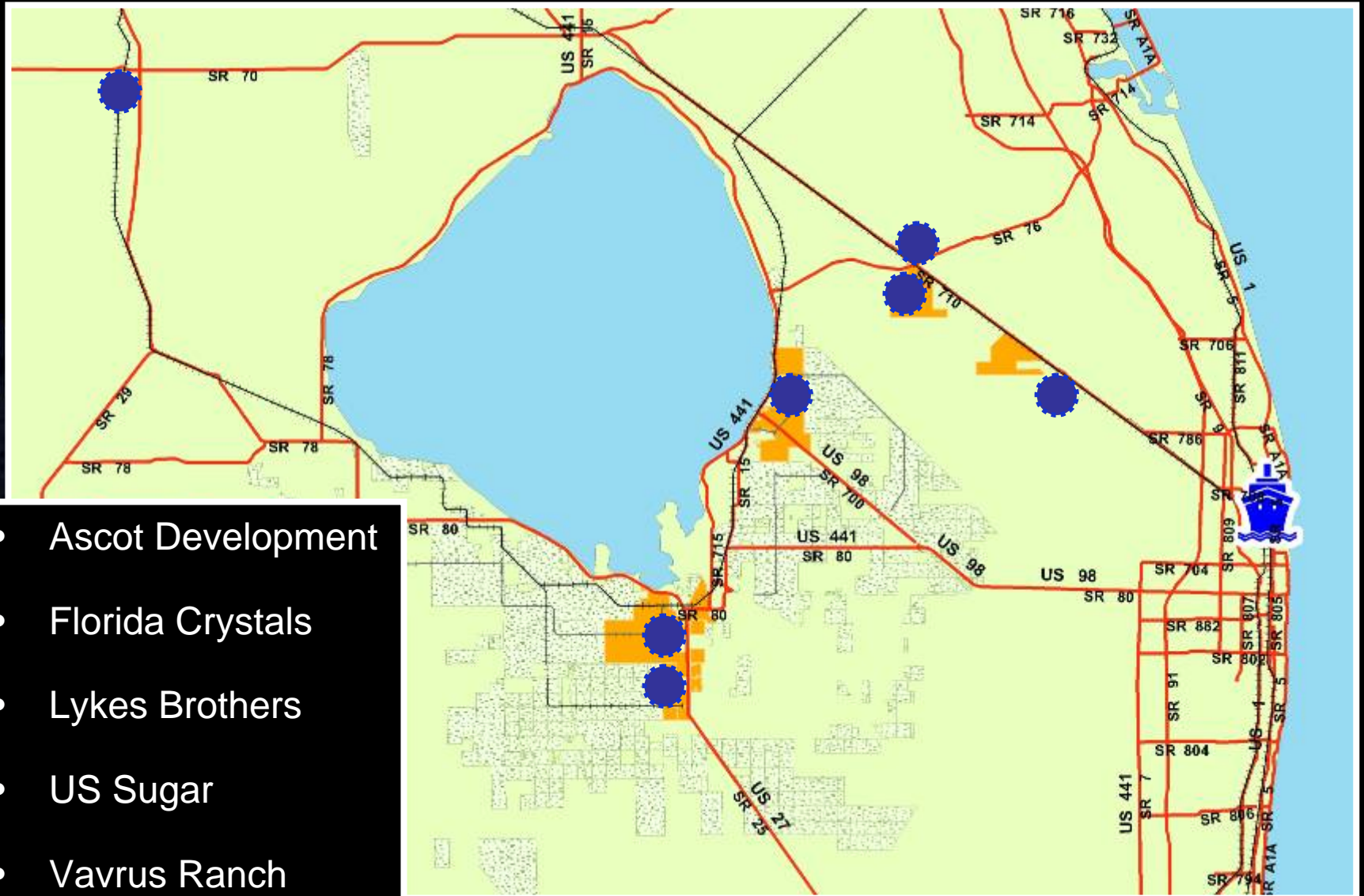
Pt. Everglades

Miami

ROADS

RAIL

Potential Intermodal Logistics Center Sites



- Ascot Development
- Florida Crystals
- Lykes Brothers
- US Sugar
- Vavrus Ranch

Community Factors

- Economic Development for Tri-City Area, Palm Beach County & adjacent Counties
- Job Opportunities and Training
- Improved transit options in urban core
- Master planning opportunity



Disaster Response

- Military / Medical Response

- Evacuation

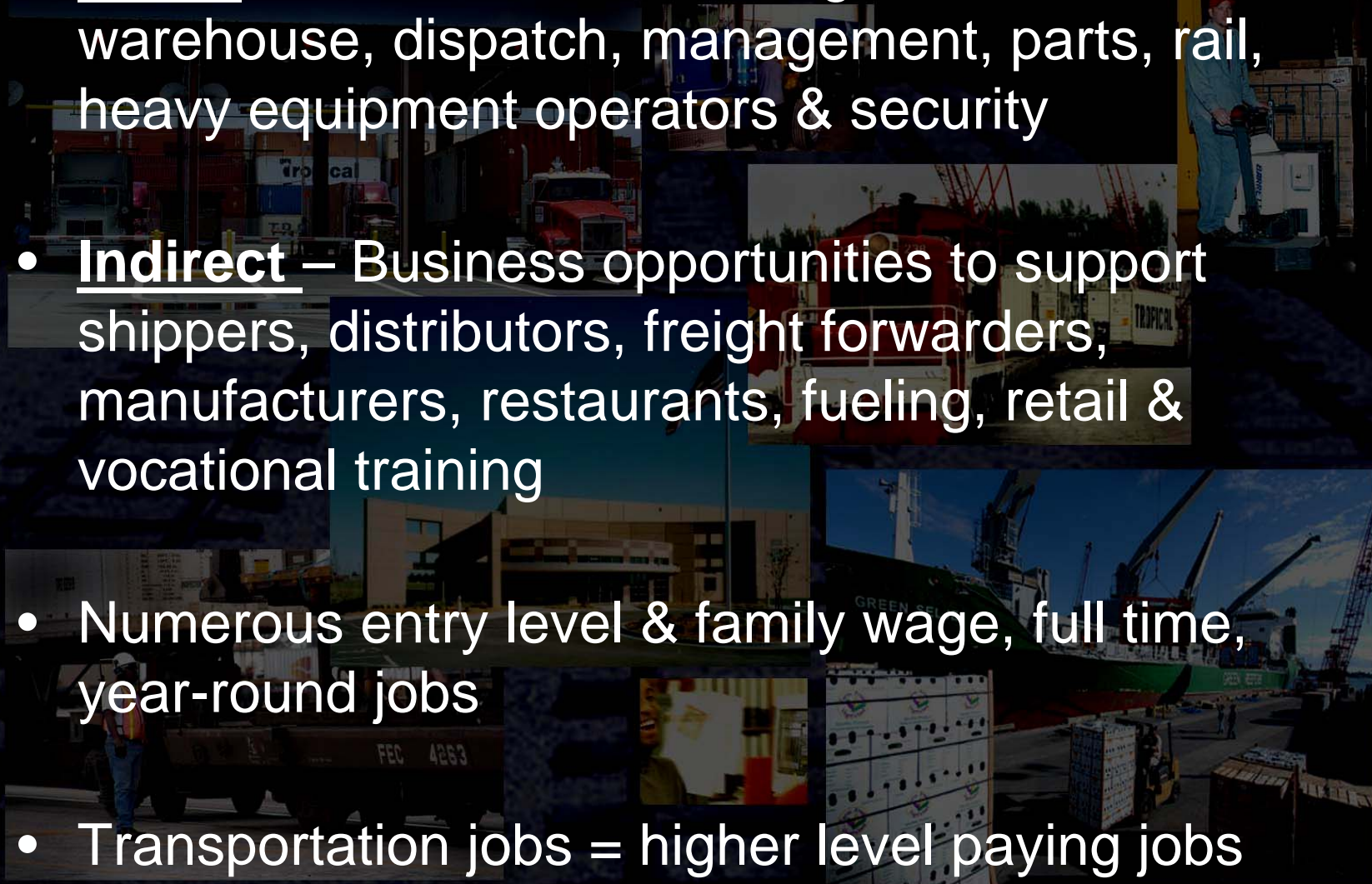
- Post Disaster Recovery

- Fuel Distribution



Real Jobs

- **Direct** - Construction, trucking, maintenance, warehouse, dispatch, management, parts, rail, heavy equipment operators & security
- **Indirect** – Business opportunities to support shippers, distributors, freight forwarders, manufacturers, restaurants, fueling, retail & vocational training
- Numerous entry level & family wage, full time, year-round jobs
- Transportation jobs = higher level paying jobs



Intermodal Logistics Complex

- There is approximately 515 million square feet of warehouse and distribution space in Florida



Intermodal Logistics Complex

- There is approximately 515 million square feet of warehouse and distribution space in Florida
- By 2025, studies suggest that there will be a demand for 40 to 80 million sf. of additional distribution space in South Florida alone



Intermodal Logistics Complex

- 1 million sf of distribution center requires approx. 65 acres of land
- 50 million sq ft of distribution center would require approximately 3,200 acres of land



Intermodal Logistics Complex

- 1 million sf of distribution center requires approx. 65 acres of land
- 50 million sq ft of distribution center would require approximately 3,200 acres of land
- 1 million sf of distribution center employs approx. 300 - 900 people, depending on the level of automation



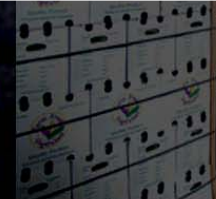
Intermodal Logistics Complex

- 1 million sf of distribution center requires approx. 65 acres of land
- 50 million sq ft of distribution center would require approximately 3,200 acres of land
- 1 million sf of distribution center employs approx. 300 - 900 people depending on the level of automation
- Would result in 25,000 jobs



2008 Florida Legislative Action

- Authorizes the Port of Palm Beach to enter into a public-private partnership by October 1, 2008 – the partnership may issue Private Activity Bonds to finance “improvements that achieve a public purpose by maximizing the use of the Strategic Intermodal Highway System to relieve traffic congestion and promote economic development.”
- Authorizes the use of \$700,000 from Rail Development funds in Specific Appropriation 2077 for a “study to determine the feasibility of a rail corridor along U.S. Highway 27 extending from western Miami-Dade to the City of South Bay
 - Study to determine the feasibility of a rail corridor in the Tampa Bay area, including Pasco, Pinellas, Hillsborough, Manatee, and Sarasota counties.”



10. Payment in Lieu of Taxes Summary

Payment In Lieu of Taxes (PILT)

Subsection (10) of section 373.59, F.S., provides for water management districts to make payments in lieu of taxes to all counties that have a population of 150,000 or fewer and to all local governments located in eligible counties and whose lands are bought and taken off the tax rolls.

Local governments are defined for purposes of WMD payments in lieu of taxes to include municipalities, the county school board, mosquito control districts, and any other local government entity which levies ad valorem taxes. Therefore, if a special district is imposing an ad valorem tax, the district would make payments in lieu of taxes.

Non ad valorem special assessments are not covered by PLIT.

The 2008 Legislature removed the 10 year limitation on payments in lieu of taxes. Under the changes made, local governments will continue to receive payments until the qualifying governmental entity exceeds the population threshold of 150,000.

Hendry and Glades counties qualify for PILT payments. Palm Beach County does not qualify.

External Analysis, Proposals & Recommendations:

11. IFAS – Economic Impacts of the U.S. Sugar
Corporation Buyout in Florida

On July 23, the University of Florida's Institute of Food and Agricultural Sciences (IFAS) released the following report evaluating the regional and statewide economic impacts of the potential U.S. Sugar Corporation acquisition.

The report estimates are based on a worst-case scenario, assuming that all U.S. Sugar operations would cease immediately and permanently. The economic impact estimates do not consider offsetting impacts or the continued operation or resale of corporation assets.

As stated by UF/IFAS in its own conclusion:

"These estimates assume that all company operations would cease immediately and permanently. However, some assets such as the sugar mill/refinery, citrus processing plant, citrus nursery or railroad may be resold or leased to other commercial entities to continue operations, in which case the impacts would be correspondingly lower. For example, other rail and truck transportation firms would likely take over business currently served by the South Central Florida Express.

Under the terms of the buyout agreement, the company may continue operations for up to six years, which would reduce the economic losses in current dollar terms by about 13 percent, based on industry-specific discount factors. Also, new activity for water reservoir construction, other environmental restoration work and ongoing management that will occur on the purchased lands would offset these losses, however, plans by the South Florida Water Management District for this area have not yet been publicly disclosed, so these offsetting impacts could not be estimated."

An accurate and comprehensive study on potential economic impacts will be possible once negotiations are complete.

Economic Impacts of the U.S. Sugar Corporation Buyout in Florida

By Alan W. Hodges*, W. David Mulkey, Thomas H. Spreen and Rodney L. Clouser
University of Florida, IFAS, Food & Resource Economics Department, Gainesville, FL

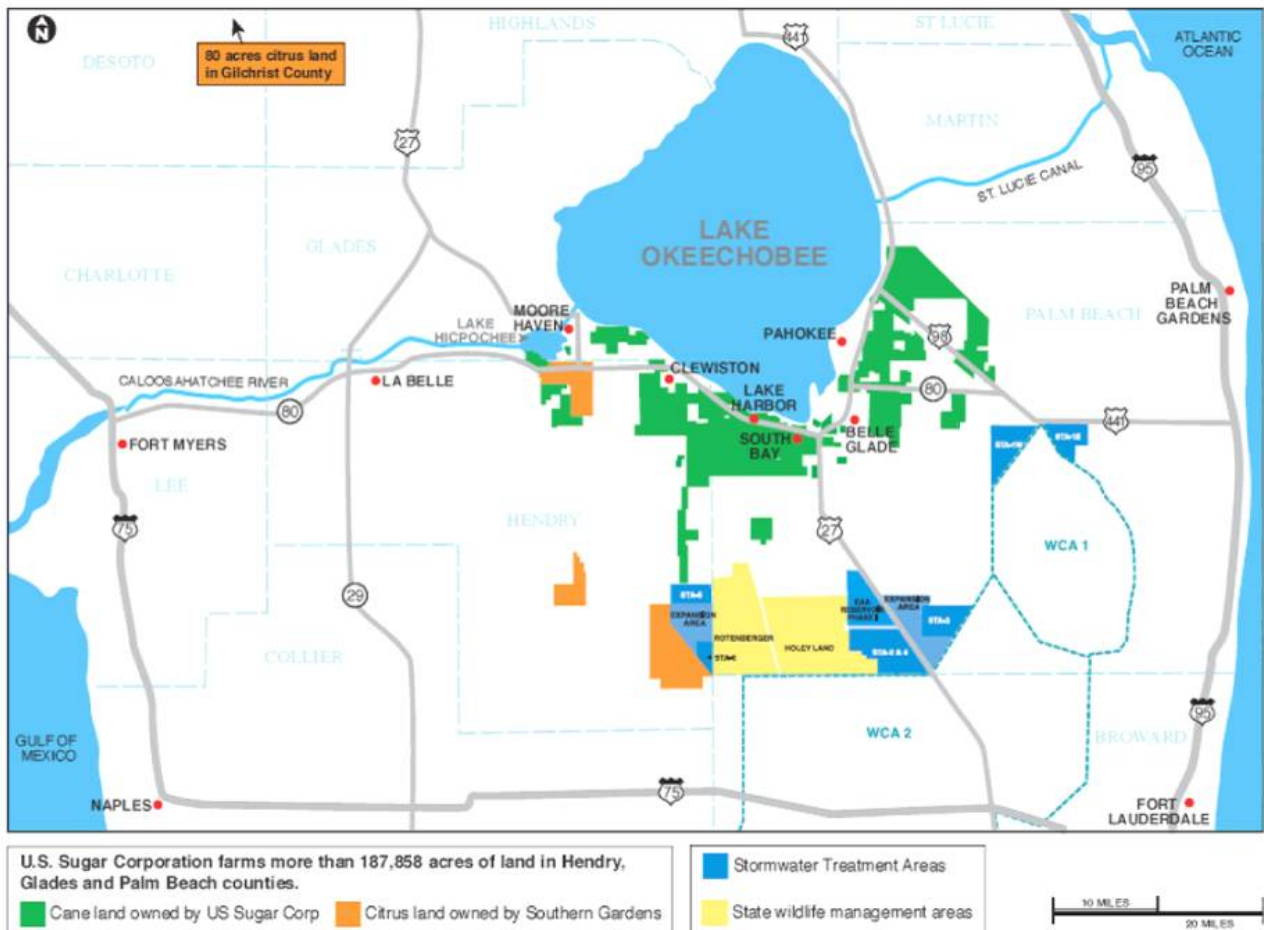
*Corresponding author: telephone 352-392-1881 x312; email awhodes@ufl.edu

July 23, 2008

Introduction

On June 24, 2008, a deal was announced to sell all assets of the U.S. Sugar Corporation to the State of Florida, for purposes of environmental conservation and restoration of the Everglades ecosystem. The property would be purchased by the South Florida Water Management District through general revenues and certificates of participation. The transaction would include over 187,000 acres (292 square miles) of land located in Palm Beach, Hendry, Glades and Gilchrist Counties, as well as its sugar mill/refinery, citrus processing plant, short line railroad, and associated machinery, buildings and fixtures (Figure 1). About 150,000 acres of sugarcane lands owned by U.S. Sugar comprise part of the Everglades Agricultural Area adjacent to Lake Okeechobee, which is considered strategic property for the Comprehensive Everglades Restoration Plan (CERP). The asset purchase is valued at \$1.75 billion, subject to due diligence appraisals and approvals. The agreement would allow the company to continue operations for up to 6 years.

Figure 1. Map of U.S. Sugar Corporation lands, state wildlife management areas, stormwater treatment areas and water conservation areas in South Florida (source: company website).



Economic Impact Analysis

The broad regional economic impacts of U.S. Sugar that would result under the buyout proposal were estimated using the *Implan Professional* software and associated datasets for Florida (MIG). This economic modeling system accounts for commodity production, input purchases, employment, earned income, transfer payments, taxes, regional trade flows, and capital investment among over 500 industry sectors, resident households, and state and local governments, for any region of the United States. Economic models were constructed with default parameters for the state of Florida and for the south-central Florida region of Palm Beach, Hendry and Glades Counties. Economic multipliers derived from the model reflect the additional economic activity created (lost) through supply chain purchases from other Florida businesses (indirect effects) and industry employee household consumer spending (induced effects), as well as the direct effect of lost company revenues. The multipliers for sugar manufacturing and citrus processing capture the backward linkages to sugarcane farming, citrus groves and nursery operations. In this analysis, it was assumed that all output (revenues) for U.S. Sugar Corp. were subject to the indirect and induced multiplier effects, since any lost production would likely be replaced by imports.

Statewide Economic Impacts

The estimated annual economic impacts of U.S. Sugar Corporation to the State of Florida that would potentially be lost through the proposed buyout are shown in Table 2. Impacts would include \$1.639 billion in output or revenues and 10,711 jobs. Value added impacts of \$689 Mn represents the loss of personal as well as reduced net income to businesses. Labor income impacts of \$434 Mn include lost wages, salaries and benefits of employees and business owner profits. Other property income impacts of \$206 Mn include lost rents, dividends and interest income. Indirect business tax impacts of \$50 Mn would include most taxes paid to local, state and federal governments, such as property, motor fuel and excise taxes, but not federal income taxes. The impacts were considerably higher for the company's sugar operations than for citrus operations (7,018 vs. 3,536 jobs; \$393 vs. \$281 Mn in value added). In addition to the direct output impact of lost sales by U.S. Sugar Corp. (\$658 Mn), these impacts include indirect output impacts of \$456 Mn for lost sales by input suppliers and induced output impacts of \$525 Mn in reduced consumption expenditures by employee households (Table 2). To put these statewide results in perspective, the total value added impact (\$689 Mn) would represent approximately 0.09 percent of the Gross Domestic Product of Florida in 2007 (\$735 billion, USDOC-BEA).

The statewide total impacts by economic sector are shown in Table 3. Naturally, the greatest impacts are expected to occur in the agricultural and manufacturing sectors, where the direct impacts of U.S. Sugar take place. The agriculture sector would experience an employment loss of 2,495 jobs, and \$38 Mn in reduced value added, while the manufacturing sector would lose 1,626 jobs and \$164 Mn in value added. In addition, other sectors of the Florida economy would be significantly affected, including employment losses of at least 500 jobs in transportation and warehousing, retail trade, health and social services, and government.

The buyout of U.S. Sugar will have significant economic impacts to the South Florida region and the state of Florida. The purpose of this paper is to evaluate the statewide economic impacts of U.S. Sugar Corporation, that would potentially be lost under the proposed buyout, based on publicly available information from the company's website (www.ussugar.com) and other sources.

U.S. Sugar Corporation

U.S. Sugar Corp. is a privately held company, founded in 1931 in Clewiston, Florida. The company currently has approximately 1,700 employees. It is the largest producer of sugarcane and refined cane sugar in the United States, with annual capacity of 700,000 tons of raw sugar, accounting for about 8.3 percent of domestic production of beet and cane sugar. The company has extensive citrus operations under its *Southern Gardens* division, including over 30,000 acres of citrus groves, a citrus tree nursery, and a citrus processing plant with annual capacity of 120 million gallons of juice that is the largest U.S. supplier of bulk not-from-concentrate orange juice for private label packaging. The company also operates an internal railroad network that serves to transport harvested sugarcane, and an independent short line railroad, the South Central Florida Express, providing commercial haulage of bulk commodities over 159 miles of track.

Current annual revenues of U.S. Sugar Corporation were estimated at \$658 million (Mn), including refined sugar bulk and retail packaged sales (\$376 Mn), bulk orange juice and citrus by-product sales (\$271 Mn) and railroad commercial freight (\$11 Mn), as shown in Table 1. Based on typical refined sugar yields from raw sugar (95.8%, USDA-ERS), refined sugar production was estimated at 666,400 tons annually. Bulk sales of refined sugar constitute 75 percent of the company's output, while packaged sales for retail distribution represent 25 percent. Bulk sales were valued at the U.S. average wholesale price for 2007 (\$0.2506 per pound), and packaged sugar sales were valued at \$0.369 per pound based on the average retail price of \$0.5148 (USDA-ERS), less an average retail gross margin for food stores of 28.4 percent (USDOC). Molasses is a by-product of sugar milling that is marketed for animal feed; its value was estimated at 6.4 percent of raw sugar volume, and at a price of \$65.6 per ton (USDA-ERS). Wholesale bulk orange juice sales were valued at \$2.157 per gallon based on the 2007 average futures price for not-from-concentrate orange juice (ICE), and the conversion factor of 1.029 pounds solids per gallon (Mark Brown). The value of citrus by-products such as pulp, meal, molasses and essential oils were estimated at 4.5 percent of juice sales, based on a previous study of the citrus industry (Spreen et al). Railroad revenues reported for 1998 were expressed in current (2008) dollars using the GDP Implicit Price deflator.

Table 1. Estimated current annual revenues of U.S. Sugar Corporation (2008)

Company Revenue	Million Dollars
Sugar operations	376.4
Refined sugar bulk sales	250.5
Refined sugar packaged sales	123.0
Molasses sales (animal feed)	3.0
Citrus operations	270.5
Orange juice bulk sales	258.8
Citrus by-product sales	11.7
Railroad commercial freight	10.6
Total	657.5

Table 2. Estimated annual statewide economic impacts (losses) from the U.S. Sugar Corporation buyout in Florida (2008)

Impact Measure / Level	Sugar Operations	Citrus Operations	Railroad Operations	All Operations
Employment (jobs)				
Direct	594	806	38	1,437
Indirect	3,744	835	20	4,600
Induced	2,681	1,895	99	4,675
Total	7,018	3,536	157	10,711
Output (Mn\$)				
Direct	376.4	270.5	10.6	657.5
Indirect	329.6	123.4	2.8	455.7
Induced	300.7	213.6	11.2	525.5
Total	1,006.6	607.5	24.6	1,638.7
Value Added (Mn\$)				
Direct	60.7	81.3	6.3	148.3
Indirect	146.0	68.4	1.6	216.1
Induced	186.2	131.6	6.9	324.7
Total	392.9	281.4	14.8	689.1
Labor Income (Mn\$)				
Direct	50.4	45.5	3.6	99.5
Indirect	81.6	42.7	1.2	125.5
Induced	119.6	84.6	4.4	208.6
Total	251.6	172.8	9.2	433.6
Other Property Type Income (Mn\$)				
Direct	7.2	33.6	2.5	43.4
Indirect	52.2	18.8	0.3	71.3
Induced	52.1	36.8	1.9	90.9
Total	111.5	89.2	4.8	205.5
Indirect Business Taxes (Mn\$)				
Direct	3.1	2.1	0.2	5.4
Indirect	12.2	6.9	0.1	19.3
Induced	14.5	10.2	0.5	25.2
Total	29.8	19.3	0.9	49.9

All monetary values in millions 2008 dollars.

Table 3. Estimated annual statewide economic impacts (losses) by sector from the U.S. Sugar Corporation buyout in Florida (2008)

Industry Sector (NAICS*)	Employment (jobs)	Output (Mn\$)	Total Value Added (Mn\$)	Labor Income (Mn\$)	Other Property Type Income (Mn\$)	Indirect Business Taxes (Mn\$)
Agriculture, forestry, fisheries, hunting	2,495	93.2	37.8	14.8	20.1	2.9
Mining	9	3.1	0.8	0.3	0.4	0.1
Utilities	33	17.1	12.2	3.5	6.8	1.8
Construction	457	58.2	25.1	21.8	3.0	0.3
Manufacturing	1,626	749.0	163.9	111.5	46.5	6.0
Wholesale trade	432	77.8	52.5	29.5	11.5	11.5
Transportation & warehousing	695	84.9	43.6	32.0	10.0	1.6
Retail trade	799	59.7	39.2	24.4	6.6	8.2
Information	88	25.6	11.6	6.1	4.7	0.9
Finance & insurance	305	60.3	33.6	19.3	12.7	1.5
Real estate & rental	287	58.6	35.6	8.4	22.0	5.3
Professional, scientific, tech. services	458	65.8	34.4	28.1	5.8	0.6
Management of companies	151	32.5	19.3	15.0	4.0	0.3
Administrative & waste services	382	23.8	14.8	11.9	2.5	0.4
Educational services	98	5.7	3.5	3.1	0.3	0.1
Health & social services	632	57.9	35.3	30.5	4.4	0.4
Arts- entertainment & recreation	110	7.1	4.4	3.1	0.8	0.5
Accommodation & food services	456	29.2	15.8	10.4	3.5	1.9
Other services	402	24.8	12.7	10.0	1.8	0.9
Government	796	104.2	92.9	49.7	38.3	4.9
Total	10,711	1,638.7	689.1	433.6	205.5	49.9

All values in millions 2008 dollars.

*Sectors defined according to the North American Industrial Classification System.

Regional Economic Impacts

The impacts of the U.S. Sugar buyout will be felt most acutely in the south-central Florida region of Palm Beach, Hendry and Glades Counties, where most of the economic activity is based. Based on a regional model for these three counties, the estimated impacts included loss of 8,935 jobs, \$1.433 billion in output, \$598 Mn in value added, \$368 Mn in labor income, \$185 Mn in other property income, and \$45 Mn in indirect business taxes (Table 4). These impacts represent 87 to 90 percent of the statewide impacts, and indicate a high level of local economic integration. The total personal income impact, including labor income and other property income, amounted to \$553 Mn, which represented approximately 0.078 percent of total personal income in this region in 2007 (\$71.15 billion). This result, however, may be misleading because the vast majority of income in the region is in Palm Beach County (98.4%), while the sugar mill and citrus processing plant operations of U.S. Sugar are based in Hendry County. If we assume that half of the overall impacts occur in Hendry and Glades Counties, this would represent a loss of about 25 percent of total personal income. This estimate is highly uncertain because of the extensive economic linkages between the urban and rural areas of this region.

Table 4. Estimated annual economic impacts (losses) from the U.S. Sugar Corporation buyout (2008) in Palm Beach, Hendry and Glades Counties of Florida

Impact Measure	Direct	Indirect	Induced	Total
Employment (jobs)	1,398	3,979	3,558	8,935
Output (Mn\$)	657.5	357.4	418.1	1,433.0
Value Added (Mn\$)	156.1	181.0	260.7	597.8
Labor Income (Mn\$)	103.4	102.6	161.9	367.9
Other Property Type Income (Mn\$)	47.1	61.1	77.0	185.3
Indirect Business Taxes (Mn\$)	5.7	17.2	21.7	44.6

All values in millions 2008 dollars.

Fiscal Impacts

Another important aspect of the U.S. Sugar Corp. buyout is the fiscal impacts on local, state and federal government tax revenues. The estimated total annual tax revenue losses from the local area would be \$134 Mn, including \$88 Mn to the federal government and \$45 Mn to state/local governments (Table 5). Of note among the state and local government tax losses are \$13.8 Mn in property taxes and \$19.2 Mn in sales taxes, which would represent a substantial portion of the local tax base in the two rural counties.

In cases such as this, however, where land is removed from local tax roles for conservation purposes, the loss of ad valorem taxes by governments in counties with population of 150,000 or less, would be mitigated by payments from the Conservation and Recreation Lands Trust Fund, according to provisions of Florida Senate bill 542 enacted in 2008 (flsenate.gov). This would apply to the property tax losses in Hendry and Glades Counties. If we assume that half of the estimated property tax impact would occur in these two counties, then the net property tax impact would be reduced to \$7.0 Mn, and the overall fiscal impact of the U.S. Sugar buyout would be reduced to around \$127 Mn.

Table 5. Estimated annual tax impacts (losses) to governments from the U.S. Sugar Corporation buyout in Palm Beach, Hendry and Glades Counties in Florida (2008)

Government / Type Tax	1000 dollars
Federal Government	88,088
Corporate Profits Tax	9,150
Customs Duty	712
Excise Taxes	1,920
Federal Non-Taxes	871
Personal Income Tax	36,305
Social Ins Tax- Employee Contribution	20,120
Social Ins Tax- Employer Contribution	19,010
State/Local Government	45,535
Corporate Profits Tax	1,212
Dividends	2,135
Motor Vehicle Licenses	315
Indirect Bus Tax: Other Taxes	4,369
Property Tax	13,957
State/local Non-Taxes	1,753
Sales Tax	19,167
Severance Tax	45
Motor Vehicle License	461
Fines- Fees	1,510
Fish/Hunt licenses	30
Social Ins Tax- Employee Contribution	117
Social Ins Tax- Employer Contribution	466
Enterprises (Corporations)	322
Total	133,946
Total net of property tax mitigated*	126,968

All values in thousands 2008 dollars.

*Assumed half of property tax impacts mitigated by the State of Florida for rural counties.

Discussion and Conclusions

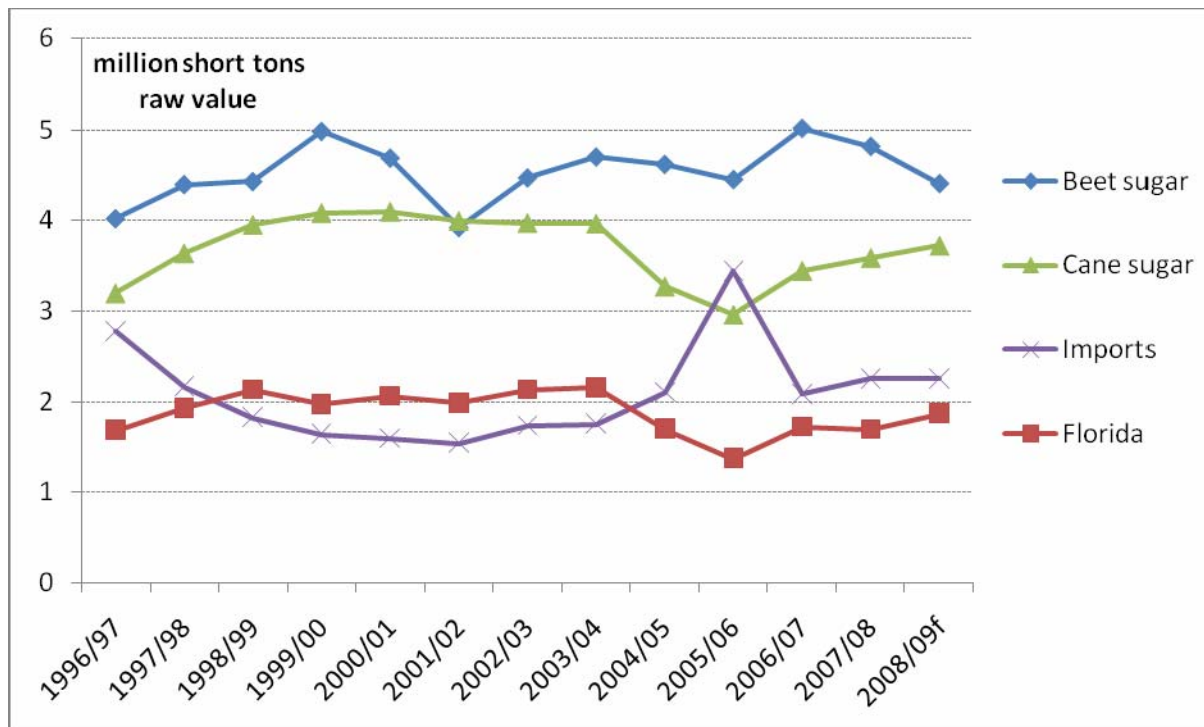
The economic impacts of the U.S. Sugar Corporation buyout will be very large in magnitude, with total statewide annual losses exceeding \$1.6 billion in output (revenues), \$689 Mn in value added, 10,711 jobs, and \$127 Mn in tax revenues to local, state and federal governments. These impacts will occur predominantly in the south-central Florida region of Palm Beach, Hendry, and Glades Counties. The impacts will be especially acute in the latter two rural counties where the milling/processing operations are located, representing a loss of perhaps one-quarter of total personal income.

These estimates assume that all company operations would cease immediately and permanently. However, some assets such as the sugar mill/refinery, citrus processing plant, citrus nursery or railroad may be resold or leased to other commercial entities to continue operations, in which case the impacts would be correspondingly lower. For example, other rail and truck transportation firms would likely take over business currently served by the South Central Florida Express.

Under the terms of the buyout agreement, the company may continue operations for up to six years, which would reduce the economic losses in current dollar terms by about 13 percent, based on industry-specific discount factors. Also, new activity for water reservoir construction, other environmental restoration work and ongoing management that will occur on the purchased lands would offset these losses, however, plans by the South Florida Water Management District for this area have not yet been publicly disclosed, so these offsetting impacts could not be estimated.

Although U.S. Sugar is the largest domestic producer of sugar, its cessation of production would not likely cause any significant shift in the sugar market in the short run, due to the controlling effect of the U.S. sugar program, which indirectly regulates supplies and prices, through a combination of commodity loans, import quotas and tariffs. Domestic production of cane and beet sugar have fluctuated over the past 12 years (Figure 2). The share of domestic production from Florida has ranged from 19 to 25 percent. Overall supplies of sugar in the U.S have trended up, primarily due to increased imports, particularly from Central America under the CAFTA treaty, and for “nonprogram” imports which are driven by free market conditions, rather than quotas. Moreover, global production of sugar has been rising, and world sugar prices have declined in recent years.

Figure 2. U.S. supply of sugar from sugarcane (including Florida), sugarbeets, and imports, 1996/97-2008/09 (forecast)



Source: USDA-ERS

Literature and Information Sources Cited

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12. Everglades Foundation/Everglades Coalition –
Everglades Agricultural Area Recommendations



Everglades Coalition

RECOMMENDATIONS CONCERNING THE EVERGLADES AGRICULTURAL AREA (EAA)

July 30, 2008

Immediate Recommendations

As the state of Florida moves ahead with acquisition of U.S. Sugar and works to compile contiguous tracts of land, the Everglades Coalition recommends the following:

1. **The State of Florida should maximize acreage of land purchased for conveyance, water storage, and treatment. This is a singular opportunity of which full advantage must be taken. At a minimum, the State must ensure that the restoration plans that result from this land acquisition will provide an adequate supply of clean water for the Everglades and;**
 - Fully evaluate all options for restoring flow through the EAA, including the Plan 6 Flowway option, in a public process with maximum stakeholder involvement.
 - Eliminate excess phosphorus discharges into the Everglades. Existing deficits call for expansion of STA-1W and STA5 by a minimum of 12,000 acres.
 - Guarantee a reliable water supply for the Everglades during drought and significantly reduce damaging releases through the estuaries by providing a minimum of 1 million to 1.5 million acre feet of storage.
 - During wet years, further decrease damaging releases to the estuaries by moving approximately 1 million acre feet of water south through the Everglades. Redirecting this additional flow through the Everglades will require up to an additional 45,000 acres for stormwater treatment as well as land for flowways / conveyance to maximize the natural connection between Lake Okeechobee and the Everglades.
 - Consider land swaps of up to 30,000 acres in the Kissimmee Basin to implement the Northern Everglades Plan and projects to improve Lake Okeechobee water quality.
2. **The State should work closely with the Federal government to set forth appropriate priorities based on the new availability of critical lands. Both governments should place an immediate focus on eliminating barriers to sheetflow that currently prevent any treated and stored water from moving south.**
3. **The State of Florida should commit to providing resources and meaningful support to the local communities in order to sustain economic viability within these communities.**
4. **Conservation easements to promote the creation and / or maintenance of sustainable agriculture or restoration uses should be placed on all agricultural land conveyed or swapped by the state. Development rights on land acquired by the state should not be traded or sold to facilitate development elsewhere.**

Long-term recommendations

As the Federal and state governments look to re-evaluate restoration priorities in light of the opportunities that acquisition of additional land in the EAA presents, the Everglades Coalition recommends that the following are considered:

- 1. The Federal and State partnership must be re-invigorated.** With a renewed investment from the State of Florida, it is critical that the Federal government sustain its commitment to restoring America's Everglades. Strategies must be developed to keep the remainder of CERP and other restoration efforts on track.
- 2. Project development for restoration plans in the EAA should be conducted in an open, fully transparent process to allow for full engagement by all interested stakeholders.**
- 3. Implement a plan for full removal of barriers to sheetflow** in Water Conservation Area 3 and Everglades National Park. Removing levees and canals in the WCAs, the existing Tamiami Trail, and implementing seepage control along the eastern border of the Everglades will allow a natural drying pattern that would result in the greatest benefit to the Everglades. Any additional storage created will be useless to the Everglades without removing these barriers to flow.
- 4. The State of Florida should initiate the process for designation of the EAA as an Area of Critical State Concern.**
- 5. Regarding proposals for an inland port facility, no action should be taken by local, state or federal agencies to process permits or comprehensive plan amendments regarding the location of such a facility until such time as the land purchases from U.S. Sugar and associated land swaps are completed and appropriate revisions are made to the CERP.**
- 6. Local government must share responsibility for Everglades restoration through planning decisions and must prevent development that undermines protection and restoration of the greater Everglades ecosystem. As restoration plans for the EAA are developed, local governments should:**
 - Promote sustainable agriculture within the EAA and prevent conversion of agricultural land to uses that are incompatible with restoration, which, among other things, can include mining, landfills, major roadways, rail lines, power plants, institutional and civic uses.
 - Institute a moratorium on any land use changes, re-zonings, conditional use approvals or other approvals for development, mining or other changes in use within the EAA until restoration plans are fully developed. Permanently prohibit development or land uses within the EAA which are incompatible with or which may impair restoration of the Everglades.
 - Prevent fragmentation of habitat or potential locations of restoration-related uses by new roads, infrastructure, or development.
 - Within the municipal boundaries of the Glades Communities, promote sustainable economic development that is compatible with and / or enhances restoration; prohibit uses that are incompatible with restoration objectives.
 - Maintain compact urban growth patterns within existing population centers of Glades communities to keep land remaining in the EAA available for agriculture and land uses that facilitate Everglades restoration. Prevent development on agricultural lands outside of municipal boundaries. Amend Comprehensive Plans and land development regulations to include incentive programs to facilitate urban infill development patterns while discouraging sprawl.

13. Initial Observations and Recommendations – Chris Doolin

For Immediate Release

Contact:
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The Proposed US Sugar Acquisition *Initial Observations and Recommendations*

Prepared by Chris Doolin
July 11, 2008

Introductory Statement

The Proposed US Sugar Acquisition by the South Florida Water Management District (SFWMD) is a significant initiative that has the potential of having positive impacts on water flow and water quality in the Everglades and the natural ecosystems in South Florida. It is also clear that the proposed acquisition will have tremendous impacts on the businesses and individuals that reside in the area.

There is currently uncertainty and deep concern regarding the impacts the proposed acquisition will have in the central areas of South Florida on the smaller fiscally constrained communities; the impact on the people that live and work in the area; and the impact on related businesses throughout the region and State.

As discussions of the proposed acquisition move forward, a transparent process must be established to integrate meaningful participation of all parties; the process must identify all the impacts; and, the resulting plan must address the issues that surface in the communities where the acquisition will occur. In addition, an acquisition of this magnitude must be monitored carefully by the Governor and the members of the Florida Cabinet (Florida's Attorney General, Florida's Chief Financial Officer and Florida's Commissioner of Agriculture); by the appropriate committees of the Florida Legislature; by the various state agencies responsible for health, welfare, and safety of the state; and, by the public. It is recommended that supporters of the acquisition provide meaningful assistance in addressing all of the impacts that will occur, and support providing the needed resources to overcome the identifiable challenges that will be experienced in depressed communities.

Overview

On the 24th of June 2008, a Statement of Principles for the Acquisition of approximately 187,000 acres (or approximately 292 square miles) of the United States Sugar Corporation Property was entered into with the South Florida Water Management District. The proposed purchase price in the statement was \$1,750,000,000. The Statement of Principles was witnessed by Charlie Crist, Governor of the State of Florida. (See embedded document).

The agreement provided the framework for the possible acquisition of US Sugar property for the purpose of restoring the northern and southern Everglades.

Documents Relating to the Acquisition



MediaKit-US
Sugar.pdf

Information Through The Press

Initially, media outlets served as the way that most impacted parties, local governments, and school officials heard of the acquisition plan. Subsequently, there have been conference-calls amongst state agencies and presentations to the South Florida Water Management District regarding the method for preparing for the impacts of the acquisition. Local communities have not yet been formally engaged in the process.

Significant Impact On The Region

The proposed acquisition will have significant social and economic impacts throughout South Florida, the Heartland Region and the State of Florida. Many of the impacts on these and other areas in the region have not been identified and a specific action plan to mitigate the impacts has yet to be developed.

Heartland counties are Fiscally Constrained and of Critical Concern to the State

The counties in the Heartland region - Hendry, Glades, Okeechobee, Highlands, Hardee, and DeSoto will all be impacted. These communities are the least capable of managing a significant economic change. The Heartland area has been designated as a Rural Area of Critical Economic Concern and all of the small counties in the region are designated as Fiscally Constrained counties by the Florida Legislature.

Acquisition Needs Broad-based Assessment, Planning, and Oversight

In order for the acquisition plan to proceed effectively, there are key organizational elements that must be implemented to involve, at a minimum, local governments representatives – county and city and the school districts in the region in a strategic impact assessment and planning process. The assessment and planning process must be broad-based and transparent. It should be structured to identify the regional and local impacts. The process should leverage information from prior and existing visioning processes in the region, including but not limited to, county-wide visioning processes, the Heartland 2060 Process, and the Rural Catalyst Study. The process should incorporate the active participation of key stakeholders and impacted parties. The process should integrate technology capacities for parties to participate and monitor through video-streaming, conference calls, and other means to reduce the expenses on fiscally constrained stake-holders.

OTTED Taking Initial Role

To date, the Governor's Office of Tourism Trade and Economic Development (OTTED) has taken steps to initiate the Rural Economic Development Initiative process to address what they have titled the "US Sugar Buyout". The authority for the REDI process is established in 288.0656 F.S..

The Office of Tourism, Trade and Economic Development held a conference call with REDI agency representatives on Wednesday, July 9th, 2008 to discuss the background and status of the acquisition; Discuss likely Issues and Projects; Identify thoughts for the REDI structure and process. It is important that REDI agencies and organizations involved in this initiative designate a high-level staff person from within the agency or organization as required by statute. Top level agency attention is needed in order for agencies to respond quickly to requests for information.

Agenda of OTTED Conference Call



Acquisition Must Integrate Transparency and Meaningful Participation

Many local governments, school districts and municipalities in the central part of the impacted region, specifically the fiscally constrained communities in Hendry, Glades, Hardee, Okeechobee, Highlands and DeSoto counties and other related impacted parties are concerned and interested in receiving information on, being advised of, and participating in a formal process that engages the WMD, the Governor's Office, various state agencies, and appropriate other public and private stakeholders regarding the various implications relating to the proposed acquisition.

The local governments (counties, municipalities, and school districts) in the Heartland Region are interested in participating in a process that develops a plan of action that will clearly identify the impacts of the acquisition on their communities, and provide the necessary strategies and resources to determine and address the resulting changes at the local and regional level.

Recommendations for Consideration

As the proposed acquisition moves forward the following organizational elements should be implemented:

Local Governments

1. Each local government in the impacted area should correspond with the Governors Office, the South Florida Water Management Districts, their State Legislators and Congressman formally requesting notification of all matters relating to the US Sugar Acquisition.
2. Each county should consider establishing a formal or informal inter-governmental organization specifically to engage in appropriate processes to identify issues, identify impacts, and provide information to appropriate officials regarding the proposed acquisition.

Issue Identification and Planning

3. A Scenario Planning Process should be implemented by the State of Florida to identify issues, discuss policy implications, and evaluate threats and opportunities. The process should incorporate a broad-based Advisory Committee similar to the Advisory Council utilized to develop the Florida Department of Transportation's Strategic Intermodal System Recommended Plan. The Advisory Committee should involve the various stakeholders including representatives of all of the local governments in impacted areas. Appropriate regional and state agencies that have a related role to the planning, implementation or regulation of the acquisition should be participants either directly or in an advisory capacity to the Advisory Committee.

Moderated Support and Data Availability

4. The planning process should be moderated to facilitate issue identification and assist in conflict resolution and ultimately build consensus for around committee recommendations. In addition, the Advisory Committee should have access to current data sets to assist in assessing proposals, evaluate alternative scenarios, and ultimately determine a preferred course of action or an Action Plan relating to identified impacts.

The SPP action plan should incorporate the roles and responsibilities of various participants – SFWMD, the Regional Planning Councils in the area, the Florida Heartland REDI, State Agencies, Federal Agencies, Local Governments, Tribal Nations, the Florida Legislature, and identify appropriate resources to apply to the action plan.

State Level Oversight

5. There should be State-level oversight with routine briefings on the planning process at meetings to local governments in the region, the SFWMD, the Governor and Cabinet, and appropriate committees in the Florida Senate and the Florida House of Representatives.
6. The Advisory Committee should deliberate and provide appropriate recommendations for submittal to the local governments in the region, the SFWMD, the Governor's Office, the President of the Florida Senate and the Speaker of the Florida House of Representatives.

Transparency, Notice, and Public Participation

7. All the meetings associated with the planning and implementation of the acquisition process should be transparent, accessible, and provide for the participation of impacted parties.
8. Meetings, conference calls, and related communication processes that are related to the planning and implementation of the acquisition should be properly noticed.
9. Meetings of the WMD, public agencies, Advisory committees, and other public agency meetings where the acquisition is discussed, should be made available for public viewing through video-streaming or other method enabling video and or audio access.

Video and Audio Access

10. Parties should have at their access (either through internet, video-streaming, phone lines or other means) materials, publications, e-mails, letters, correspondence and other information in a form that will enable them to understand, plan, and participate in the planning and implementation of the acquisition.

Chris Doolin is the Vice President of Robert P. Jones and Associates, and President of Christian B. Doolin and Associates. Doolin has served as a governmental consultant to the Small County Coalition and the Small School District Council Consortium. He has served as a member of several state agency advisory committees including the Florida Dept of Transportation Strategic Intermodal System Advisory Committee and the Department of Environmental Protection Solid Waste Recycling Review Committee. He is recognized as an expert on local government, education, and state government related issues. He resides in Tallahassee, Florida.

14. EAA Economic Opportunities – 1000 Friends of Florida

July 31, 2008

Dr. David Brill, Director
Executive Office of the Governor
Office of Tourism, Trade, and Economic Development
The Capitol, Suite 2001
Tallahassee, Florida 32399-0001

Re: EAA Economic Opportunities

Dear Dr. Brill:

1000 Friends of Florida is a nonprofit growth management advocacy organization that is a member of the Everglades Coalition which is closely following Governor Crist's major announcement regarding the purchase of U.S. Sugar holdings within the Everglades Agricultural Area (EAA). We are most appreciative of this tremendous effort to protect the Everglades, and wanted to take this opportunity to bring to your attention two particular areas of interest that affect our advocacy in that area. Those are (1) growth management considerations related to the proposed "inland port", and (2) adequate provision for farmworker housing. It is our understanding that OTTED will be coordinating all aspects of the economic considerations involving acquisitions, trade lands, and sales of any land or facilities. As such, your role in the successful outcome of this important effort is critical in making certain that every possible consideration is given to making the correct choices.

I believe you are aware of an ongoing FDOT project that is evaluating the feasibility of locating an "inland port" at one of several sites within the EAA. The stated goal is to provide a transshipment facility connected by rail to the Port of Palm Beach so that trucks can more easily pick up and deliver container freight while avoiding the I-95 corridor. Such a facility could be quite large involving thousands of acres, and in addition to the rail line, require new roadway construction. While we believe this idea has great merit, there are significant implications for Everglades restoration activities depending on the location chosen. In addition, the land uses in and around such a facility could, if not properly planned and located, have major infrastructure and environmental impacts that would compound issues generated by the facility itself.

Our concern is that as the acquisition process is concluded and trade lands as well as sales negotiations take place that hasty decisions regarding the location of the inland port not occur. Hopefully this will not be part of this process as we feel strongly that the only appropriate way to properly locate the inland port is to evaluate sites **after** the initial acquisition process is finished. Only then will be it possible to understand what works best for Everglades restoration and to maximize the public benefit of this undertaking. Our intent is to support a properly located inland port based on its economic and environmental impacts. What we very much want to avoid is a protracted dispute over the location as occurred with the ill fated and poorly considered Mecca Farms site associated with the Scripps Biomedical Research Institute. While we were always consistent in supporting the project, the location and the secondary and cumulative effects of such a facility caused us to strongly oppose the Mecca Farms site in favor of one that was not only consistent with the county's comprehensive plan. The final site ultimately chosen after lengthy legal challenges avoided costly and inappropriate infrastructure

Dr. David Brill
July 31, 2008
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and environmental impacts. I cannot emphasize this point too much, and should a site be given even a "preliminary" approval pending permit considerations, we see the Mecca Farms scenario beginning again.

We also believe that it is important that any plan for the remainder of the EAA focus on sustainable agriculture and sustainable growth within and around existing communities. One critical component of maintaining agricultural production in the EAA compatible with the goal of ecological restoration is ensuring that there is affordable housing for the agricultural workers who are some of the Glades poorest residents. Without these workers, the EAA's vegetable industry which produces approximately 25,000 acres of sweet corn, 10,000 acres of green beans, 7,000 acres of lettuce and 5,000 acres of radishes could not exist. There is a desperate shortage of affordable farmworker housing in the EAA. According to the October, 2007 report of the Shimberg Center on the need for farmworker housing in Florida, Hendry County needs an additional 1,122 multifamily units and 1,934 single person beds and Palm Beach County needs 2,121 multifamily units and 4,971 single person beds to meet the need for farmworker housing. While the problem has existed for decades, Hurricane Wilma destroyed or damaged hundreds of units of farmworker housing in Clewiston, South Bay and Pahokee much of which has not been repaired. The result is grossly overcrowded and substandard housing which has been the subject of continual coverage since Edward R. Morrow's "Harvest of Shame" documentary nearly 50 years ago.

The greatest single impediment to the construction of new farmworker housing in the Glades has been the unavailability of suitable sites. The purchase of the U.S. Sugar properties presents an opportunity to address this problem in a comprehensive way which will help ensure the future of agriculture in the EAA. We suggest that the U.S. Sugar holdings be inventoried as soon as possible to identify potential sites suitable for farmworker housing in and adjacent to the cities of Moore Haven, Clewiston, South Bay, Pahokee and Belle Glade. These sites could then be set aside in a "land bank" to be made available for development of farmworker and other affordable housing in partnership with local government, by the local housing authorities and non-profit organizations.

Thank you for considering these comments. My staff and I would be pleased to meet with you to discuss these issues in greater detail at your convenience.

Sincerely,

Charles G. Pattison, FAICP
President

Cc: Governor Charlie Crist
DEP Secretary Mike Sole
SFWMD Executive Director Carol Wehle
DCA Secretary Tom Pelham