

Subject: U.S. Sugar Stories for Dec. 9

SFWMD

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 [U.S. Sugar board OK's \\$1.34 billion land deal with the state](#) 12/08/2008 Palm Beach Post - Online

Salisbury, Susan

Improve U.S. Sugar deal

12/09/2008
Palm Beach Post

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Palm Beach Post Editorial

Tuesday, December 09, 2008

After last Tuesday's seven-hour hearing on the South Florida Water Management District's proposed \$1.34 billion purchase of U.S. Sugar's land, the district held no new negotiations with the company. New negotiations must take place before next week's scheduled vote on the contract by the water district board.

Reopening the negotiations would not please U.S. Sugar, whose board of directors approved the agreement on Monday. But the purchase is supposed to help Everglades restoration, and the terms don't do enough to help Everglades restoration.

Last week, in a letter to water district board Chairman Eric Buermann, the Everglades Foundation and Audubon of Florida supported the purchase of U.S. Sugar's 182,500 acres but recommended that the district change the lease. If this contract is approved, U.S. Sugar could keep farming almost all of its land for seven years, paying less than one-third the market rate. That would be a poor return for the public. The lease payment should be higher.

Continued farming also would mean that the water district couldn't move quickly enough to trade U.S. Sugar land for non-U.S. Sugar land that is needed to move water from Lake Okeechobee to the Everglades. Under the current contract, the water district probably would have control over only about 10,000 acres throughout those seven years. Florida Crystals, the district's partner in a land swap, doesn't want to wait that long. More land should be available sooner.

Finally, the Everglades Foundation and Audubon point out that the lease contradicts the mission. To restore the Everglades, the district must shift sections of U.S. Sugar land from farming to water storage and filtration. By letting most of the company's 182,500 acres remain in farming for most of a decade, the Everglades wouldn't benefit. "The goal," as the letter says, "should be to eliminate any harm to the natural systems associated with water management for anything more than sustainable, as opposed to maximum, yields of sugar cane."

U.S. Sugar has every reason to farm that land to the max. Indeed, the revenue from the added farming makes the deal all that more lucrative for the company. And the water district

already has an opinion that just the purchase price of the land is \$400 million too high.

So could there be new negotiations in five days? "You never know," water district Director Carol Wehle said Monday. The U.S. Sugar board, she said, isn't the same as the executives who negotiated the contract. Curiously, the lead negotiator for the state has been Department of Environmental Protection Secretary Michael Sole. He's negotiated other land deals for the state, but this deal involves only the water district's money. Ms. Wehle and other water district staffers are among the other negotiators.

Many of the state's politicians have concerns about the deal. The district will meet this week with officials from U.S. Sugar's home town of Clewiston, who are worried about the loss of jobs. A deal this big must be the best deal possible. The state has less than a week to make this the best deal possible.

US Sugar approves sale of land

12/09/2008

South Florida Business Journal - Online

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U.S. Sugar Corp. announced Monday evening that its board approved a contract to sell 180,000 acres to the South Florida Water Management District.

The \$1.34 billion sale contract includes the right to lease the property for seven years.

The governing board of the South Florida Water Management District is set to vote on the contract Dec. 16. The goal of the land purchase is to create a natural flow-way of water between Lake Okeechobee and the southern Everglades.

U.S. Sugar spokesman Robert Coker called his board's approval a milestone in a 'historic' transaction. Coker said in a press release: 'We are hopeful that the governing board of the South Florida Water Management District will take up and approve the contract early next week, bringing Governor Crist's bold plans for Everglades restoration to fruition. The company said BMO Capital Markets will now have a period of two months to shop the company and give other interested purchasers a chance to make a better offer, including the Tennessee-based Lawrence Group, which has indicated interest in the sugar giant.

Also approved Monday was a comprehensive severance package for both hourly and salaried employees. The company said the package provides one year's salary for all hourly employees and two years' salary for all salaried employees to be paid if the company shuts down at the end of seven crops. Hopefully this safety net will not be needed,' Coker said in the release.

U.S. Sugar has said it plans to continue running its processing plant and to build an ethanol plant.

U.S. Sugar deal clears key hurdle; final vote could come next week

12/09/2008

Sun Sentinel - Online

Andy Reid

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One vote down, one big vote to go in the state's proposed \$1.34 billion deal to buy farmland for Everglades restoration.

U.S. Sugar Corp.'s board of directors on Monday approved a contract to sell the state 180,000 acres that could be used to reconnect Lake Okeechobee water flows to the remaining Everglades.

Now, the South Florida Water Management District has until Tuesday to decide whether to approve the contract for what has been billed the largest conservation land buy in state history. 'It's signed, sealed and delivered,' U.S. Sugar Senior Vice President Robert Coker said about the company's side of the agreement. 'We are confident the Water Management District board will do the same next week.' Concerns about the cost of the deal coupled with a competing offer from an investment group has clouded the blockbuster deal that Gov. Charlie Crist proposed in June.

The Water Management District, charged with leading Everglades restoration for the state, plans to borrow most of the money for the \$1.34 billion deal. Taxpayers in the 16-county region from Orlando to the Keys would pay off the debt.

The contract U.S. Sugar approved Monday still allows the company to 'shop' for better offers for two months. If the district approves the contract and U.S. Sugar opts to cancel and go with another buyer it would have to pay the district \$40.2 million.

U.S. Sugar's board on Monday also approved possible severance packages for its employees, should the company go out of business after the seven-year window the contract allows for U.S. Sugar to lease back the land. Under the plan, hourly employees would receive one year's pay and salaried employees would receive two year's pay.

Pursuing long-term leases to keep farming land not used for restoration, refining sugar produced elsewhere and shifting into ethanol production are among the options U.S. Sugar has proposed to stay in business.

The state plans to use U.S. Sugar's land to build a series of reservoirs and water treatment areas to store, clean and redirect water that once naturally flowed south to the Everglades.

But if the state sacrifices farmland for Everglades restoration, it needs to devise an economic development plan to attract new jobs to the Glades, Clewiston Mayor Mali Chamness said. 'We should have safeguards for our future,' Chamness said. Andy Reid can be reached at abreid@SunSentinel.com or 561-228-5504.

THE EVERGLADES U.S. Sugar OK's land sale to state

12/09/2008

Miami Herald

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One party to the state's landmark sugar land buy signed off on the deal Monday as the U.S. Sugar Corp.'s board unanimously approved the \$1.34 billion offer.

"We signed the deal on the table," said Robert Coker, a U.S. Sugar senior vice president. "Now, it's in the hands of the water management district."

The governing board of the South Florida Water Management District, which also must approve the contract, meets next Monday and Tuesday to discuss the deal, with a Dec. 16 deadline for a final vote.

If approved, the state would acquire nearly 181,000 acres of sugar fields and citrus groves in what would rank as the largest conservation land buy in state history.

After leasing nearly all of it back to the company for seven years, the plan is to use much of the land for projects to improve the flow of clean water to the Everglades.

One clause in the contract does leave the door open for late-hour complications. Because U.S. Sugar is incorporated in Delaware, that state's laws require a two-month period for other bidders to make offers for the company. That includes The Lawrence Group, a Tennessee-based agricultural concern that has made two previous offers for the company. Last month, the company announced it still wants to buy U.S. Sugar.

The Lawrence Group has argued that while the overall value of its bid -- \$300 per share, or about \$600 million -- is smaller than the state offer, it has advantages for U.S. Sugar shareholders, taxpayers and farmworkers fearful of losing jobs.

Coker said the company's financial advisor, BMO Capital Markets, would "shop the company" during that time. But, Coker stressed, any bid the board would consider "has to be a better offer."

If both the district and U.S. Sugar approve the deal, Coker said the company also would be on the hook for \$40 million "break-up fee" if its board accepted a competing offer.

In addition to the contract, Coker said the the board's 10 members also signed off on severance packages designed to retain and reward the privately held company's workers after the seven-year period.

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U.S. Sugar, Florida reach \$1.3B deal

12/09/2008

St. Petersburg Times - Online

Craig Pittman

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The board of directors of U.S. Sugar voted Monday to approve a \$1.3-billion deal to sell 181,000 acres to the state for Everglades restoration. 'After a lengthy day of discussions, the contract was signed, sealed and delivered unanimously by our board of directors,' U.S. Sugar vice president Bob Coker said.

The company's vote sets the stage for the deal's final approval by officials of the South Florida Water Management District, scheduled for a meeting next week.

In approving the deal, the board of the sugar giant turned aside an offer from a Nashville company. The Lawrence Group sought to buy full control of U.S. Sugar by offering shareholders a bid of \$300 per share cash. That translates to about \$588-million, far less than what the state was offering.

But in its appeal to the shareholders, the Lawrence Group contended its offer was better than the state's because it's in cash and it's immediate. The state buyout wouldn't happen for at least seven years and could be deferred longer.

Coker said the U.S. Sugar board did not regard that as a formal offer to be considered, only an expression of interest.

The Lawrence Group has tried before to buy U.S. Sugar. Headed by Gaylon Lawrence Sr. and son Gaylon Lawrence Jr., the company twice offered U.S. Sugar \$293 a share. Both bids, in 2005 and again in 2007, were rejected by the company's board.

The 60-page contract that the sugar board approved calls for the water district to pay U.S. Sugar \$1.34-billion at closing and, in exchange, get title to more than 180,000 acres of land but not the company's mill, railroad, buildings or other facilities, which were supposed to be part of the buyout when Gov. Charlie Crist originally proposed it in June.

The water district will borrow the money and pay off the debt using a special property tax that applies only in its South Florida region.

In return, U.S. Sugar will lease that land back at \$50 an acre and continue farming it until the state needs it for restoring the flow of water from Lake Okeechobee south to Everglades National Park. The lease is for seven years but could be renewed.

The leaseback is expected to bring in more than \$50-million in revenue for the state and save it \$40-million more in costs to hire someone else to manage the property, according to state Department of Environmental Protection Secretary Mike Sole.

U.S. Sugar has agreed to pay more than \$21-million to clean up any pollution left behind on its property.

Sugar farming south of Lake Okeechobee has long been considered a major obstacle to the \$10-billion plan for restoring the Everglades. Restoring the long-lost link between the lake and Everglades National Park seemed impossible as long as sugar cane grew there.

Then environmental groups sued to challenge the sugar companies' practice of back-pumping farm runoff containing phosphorus, pesticides and other chemicals into the lake. After a judge ruled for the environmental groups, the water district board voted in August 2007 to end the practice.

U.S. Sugar dispatched lobbyists to ask Crist for help. Instead, he proposed the state buy all the company's assets: 187,000 acres of land, plus its sugar mill, citrus operation and railroad.

Craig Pittman can be reached at pittman@sptimes.com or (727) 893-8530.

State, U.S. Sugar agree on Everglades land deal

12/09/2008

News Press - Online

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CLEWISTON - The board of the nation's largest producer of cane sugar has agreed to sell nearly 300 square miles of farmland to the state of Florida for Everglades restoration.

Under the contract the directors approved Monday, Florida would buy 180,000 acres from U.S. Sugar for \$1.34 billion. The South Florida Water Management District must now approve the contract.

The company would be allowed to lease back the farmland at \$50 per acre annually for seven years before turning it over to the state.

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

The deal was first announced in July, but it was revised in November to its current form. The original deal was for \$1.75 billion, but the deal announced in November doesn't include the operation of the sugar mill and refinery, the citrus processing plant, railroad assets and underlying land, cutting the deal by about 5,000 acres and \$410 million.

The revised deal may save some of the 1,700 jobs that will be lost as part of the deal and the plant may be able to stay open longer than six years, which was the amount of time the sugar giant was scheduled to stay open following the deal.

Environmentalists are happy about the deal because they believe the land will help cleanse southbound water from Lake Okeechobee to Everglades National Park, polluted from fertilizer

and development, and will help keep those pollutants out of the Caloosahatchee River and prevent algal blooms that chase people from Lee County's beaches.

Sugar Corp. Sale Adds Momentum to Everglade Plans

12/09/2008
New York Times
Walsh, Mary

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The United States Sugar Corporation said its board approved a contract to sell its land to the state of Florida for \$1.34 billion, adding momentum to Gov. Charlie Crist's plan to put the land to use on projects to rejuvenate the Everglades.

The state has proposed buying the land and then leasing it back to U.S. Sugar for seven years.

"This is a milestone in this historic transaction," said U.S. Sugar's senior vice president, Robert Coker. The company said it would give its investment bank, BMO Capital Markets, two months to see if any other potential purchasers make a better offer. It said this would include the Lawrence Group, a large, father-son farming concern that has offered \$300 a share in cash for all of U.S. Sugar's stock.

U.S. Sugar said it did not consider the Lawrence Group's move to be a formal offer. The Lawrence Group disputes that, and has expressed concern about whether U.S. Sugar will let its shareholders evaluate the transactions and make their own decision. Large shareholders include philanthropic groups in Flint, Mich., the U.S. Sugar employees' retirement plan, and certain descendants of the industrialist Charles Stewart Mott.

The state's purchase proposal will be considered in a meeting on Monday by the board of the South Florida Water Management District, the body that will be in charge of the Everglades-restoration projects.

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Sugar Deal Sweetened

12/08/2008
Island Sand Paper
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12/05/08

Sugar Deal Sweetened Keri Hendry

The state of Florida, through the South Florida Water Management District (SFWMD), has finalized negotiations with U.S. Sugar Corporation to purchase 180,000 acres of land to be used for conservation. The tracts of land, now located in the Everglades Agricultural Area, will reestablish a part of the historic connection between Lake Okeechobee and the Everglades through a managed system of storage and treatment. The land will also serve to safeguard the St. Lucie and Caloosahatchee rivers and estuaries. The two groups have been negotiating since June, and U.S. Sugar is expected to give a response by the first week of December. The Sand Paper decided to get the inside story on this historic transaction.

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 to protect Florida's coastal estuaries and to better revive, restore and preserve the fabled River of Grass. (Continued Page 9)

Benefits are expected to 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 and sustainability of agriculture and green energy production.

According to a fact sheet provided by SFWMD at their website, www.sfwmd.gov/riverofgrass. District engineers and scientists have begun exploring potential restoration projects using this vast tract of land. As part of a preliminary hydrologic evaluation, the District utilized a new computer modeling tool called the Reservoir Sizing and Operations Screening (RESOPS) model to simulate, evaluate and screen a variety of options, all in a "virtual" world.

The RESOPS model can quickly test a large number of scenarios using 41 years of rainfall and hydrologic data from throughout South Florida. These scenarios will help to determine which combinations of water storage, including reservoir sizes, can best meet restoration objectives. Approximately 250,000 individual scenarios were tested in 60 days.

RESOPS analysis shows that increasing water storage and treatment capability within the Everglades Agricultural Area could provide the significant environmental benefits described above. Under the agreement, U.S. Sugar would be able to lease its land for seven years to continue agricultural operations. This is expected to raise \$54 million for the state while saving \$40 million in land management costs. Also, U.S. Sugar would pay the district \$21.5 million to cover environmental cleanup costs, which will offset the \$16.5 million the state would pay for restoration efforts. US

Sugar will retain control and ownership of its major assets, including its sugar mill, refinery, citrus processing plant and railroad.

The lease agreement allows for the release of 10,000 acres of property to SWFMD at any time after the first year with appropriate notice. An additional 30,000 acres may be released in year six, on or after December 30, 2015.

The purchase price is set at \$1.34 billion, and that amount was reached after extensive negotiations and is supported by two independent appraisals. Water managers will invest \$1.75 billion in certificates of participation to finance the acquisition of land and assets.

US Sugar will lease the land at a rate of \$50 an acre for six years, with the seventh year at no cost. The company will pay all property taxes and assessments, control the land for exotic and invasive plants and implement Best Management Practices to prevent pollution. The lease will expire on June 30, 2016.

Michael Sole, The secretary of the state's Department of Environmental Protection, is pleased with how the negotiations have gone. "We've worked diligently since June to acquire this land and it represents an unprecedented effort," he said. " This is one of the most important opportunities to protect the Everglades ecosystem."

"There was a public meeting on Tuesday that went very well," said SWFMD spokesperson Gabe Margasek. "It included a great public debate and presentations given by district staff on due diligence, with a couple of presentations – such as the engineering and environmental impact – being put off until the workshops on December 15th."

The offer by SWFMD is being competed with by another offer from the Lawrence Group, who last Saturday submitted a formal offer to U.S. Sugar's Board of Directors to buy the company for \$300 per share in cash. A

spokesman for the Lawrence Group, Gaylon Lawrence, Jr, says that if the offer is accepted they will sell at least a portion of the land to the SFWMD.

"The Lawrence Group is committed to sell to the SFWMD the land it wants and needs for Everglades restoration purposes at a far lower cost to the taxpayers than would have resulted in either of the two proposals from U.S. Sugar management," Lawrence said. "There is no question that our formal offer and commitment to operate U.S. Sugar for years to come will save jobs and avoid the devastation of local Glades economies, home values and tax bases that would likely occur under U.S. Sugar management's proposal."

Florida's governor, Charlie Crist, remained confident that the state and U.S. Sugar would complete the deal by December 16.

Gabe Margasek agreed.

"While I couldn't begin to speculate about the final outcome, I don't think they will be a factor."

Locals Appeal to the State

12/08/2008

Clewiston News

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12/04/08

Locals appeal to the state

Residents argue in opposition of U.S. Sugar deal

By Nina G. Willis

Special to The Clewiston News Emotions ran high at the South Florida Water Management District (SFWMD) Governing Board meeting on Tuesday concerning the pending deal to buy approximately 180,000 acres of U.S. Sugar Cooperation's land for \$1.34 billion to restore the Everglades.

During public comments, many local residents spoke to SFWMD board members about the consequences of the deal and asked the district to delay a decision.

"Slow down! What's the rush?" was one plea.

Comments ranged from the future of the economy in the counties of Hendry, Glades and Palm Beach to the low lease prices granted to U.S. Sugar to continue farming the land for the next seven years.

Deborah Van Sickle, a resi-dent of Clewiston and senior vice president of First Bank of Clewiston, was nearly in tears when she spoke to the board.

" You, the state of Florida, are willing to sacrifice the Glades communities for the idea of re-storing the Everglades and the River of Grass," Van Sickle said.

Since the fi nal contract was revealed to the public last week, many area farmers have ques-tioned the lease arrangements between SFWMD and U.S. Sug-ar. According to the contract, U.S. Sugar can lease back much of its land at \$50 per acre for the next seven years to continue farming.

George Wedgworth, presi-dent and CEO of Sugar Grow-ers' Cooperative of Florida, sent a letter to the district stating that the diminutive lease rates were

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below the state's \$220 an acre ap-praised value of the land.

" This deal would imperil the very livelihood of many area farmers. It would create a super competitor. Consider everyone's interest, not just one company's," Wedgworth said.

During the meeting, Wedg-worth offered the district \$150 per acre annually to lease U.S. Sugar's land.

In a telephone interview with the Clewiston News after the meeting, Robert Coker, vice president of U.S. Sugar, said the company's board looked at the SFWMD deal in its entirety. He argued that it was not necessary to focus on the details since this was an overall negotiation with a major economic impact.

Fritz Stein, an area farmer, dis-agrees, "Lofty goals look good on paper, but the devil is in the de-tails."

Farmer after farmer rose to the podium during the meeting to condemn the deal, claiming that the price was unfair and their farms would suffer tremendous-ly.

" Without a competitive pro-cess for leasing lands, vegetable markets would be destroyed. There would be huge over pro-duction," said Paul Orsenigo, president of Orsenigo Farms and Grower's Management Inc.

But Mr. Coker disagrees.

" This 'competitive edge' is nonsense. At the end of my sev-en-year lease, they can bid to their heart's content," Coker said.

The vice president also said that if the district wanted to raise the lease rates for U.S. Sugar they would also have to raise the pur-chasing price. " The purchase price is very low. There is less cash up front," Mr. Coker said.

Fear seemed to be the central theme for many residents who still wonder what will happen to their jobs and homes if U.S. Sugar closes its doors.

"My taxpayer's money is going to be used for my own demise," said Carl Berner, who owns Bern-er Oil in Clewiston, in a public comment.

Mali Chamness, mayor of Clewiston, asked for a detailed economic transition plan to en-sure that the area remains a sus-tainable, viable community. She said no plan by Governor Charlie Crist's office has shown what the consequences of the U.S. Sugar deal will be and how the state plans to avoid an economic ca-tastrophe to the area.

Chamness called on the board's ethical and moral con-science to reconsider the con-tract.

"I'm going to beg you on behalf of the town and people I love - do the right thing. This deal could literally bring us to our knees.

There has to be a better way to revive the River of Grass," pleaded Chamness.

Melanie McGahee, an attorney in Hendry County, believes board members have been so enchanted by the idea of rehabilitating the Everglades that they have forgotten the people in the community who will be affected most.

"The idea of restoring the Everglades is so tempting and alluring but you (the governing board) have lost all objectivity when making the decision," McGahee charged.

U.S. Sugar's board will review the contract on Dec. 8. The SF-WMD has until Dec. 16 to approve the deal. Coker remains confident that the deal will be signed by the company and the district. At least for now, the plan calls for U.S. Sugar to continue farming the land for the next seven years; the future of the company is still uncertain.

"At the end of seven years, I'm not sure what we're (U.S. Sugar) going to look like," Coker said.

Lake Update Encouraging; U.S. Sugar Buyout Plan Controversial

12/08/2008

Okeechobee News

Murphy, Charles M.

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12/07/08

Lake update encouraging

U.S. Sugar buyout plan controversial

By Charles M. Murphy

Okeechobee News Officials with the U.S. Army Corps of Engineers and the South Florida Water Management District both agree, 2008 was a great year for Lake Okeechobee and environmental enhancement projects.

The County Coalition for Responsible Management of Lake Okeechobee, the St. Lucie and Caloosahatchee Estuaries, and the Lake Worth Lagoon heard from the heads of those two agencies Friday during their annual policy meeting at Okeechobee's Shrine Club.

Carol Wehle, Executive Director of the South Florida Water Management District gave an update on work done during 2008. Weather challenges, restoration opportunities, and the drought, were three of the main obstacles this year.

Ms. Wehle said the agency had to respond to a water shortage and a flood in the same year. They initiated water restrictions which for the most part were very well received.

"Water is more at the forefront of the public now than it was before, that's a positive," she noted.

Ms. Wehle said they continued to improve the health of Lake Okeechobee with removal of invasive plants, additional tree planting, the removal of 5,000 discarded tires (50 tons) in the Lake, cultivated apple snails in new trees to provide snail kites with food, and treated torpedo grass.

"We don't necessarily want Lake Okeechobee to be nine feet, but if that's what Mother Nature provides, we try to make a positive

difference," she said.

Tropical Storm Fay was the biggest storm of the year. It provided a good drill for the Districts Emergency Preparedness. Some areas of the district saw up to 15 inches of rain. Lake Okeechobee raised their level to close to 15.5 feet. The levels of the Lake have declined since then and the forecast for the dry season in 2009 is less rainfall than normal.

Another big project this year is the state's purchase of U.S. Sugar. Ms. Wehle said a lot of work has been done since June 30. She noted they have received a tremendous amount of input from the public on this purchase. Governing Board meetings are
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planned on December 15-16th to decide on the direction of this purchase.

Wehle was asked about the contamination present on U.S. Sugar property. She noted the district conducted an exhaustive environmental study. The District has required U.S. Sugar to spend the money for the cleanup. U.S. Sugar will pay the district 130 per-cent of the estimated cost to do the cleanup. She also defended the appraisals on the property.

Martin County Commissioner Sarah Heard said they must get the price right because they are using taxpayers' dollars and will resell part of the property. She noted they must get the taxpayers money back. She said she wants to see more restoration projects. She noted Martin County gave the District \$27 million in taxpayer money and haven't seen any projects.

Federal dollars earmarked for stimulus projects could be used for permit ready projects in Martin and other counties.

Hendry County Commissioner Kevin McCarthy said there is no good plan for what they will use the land for. He said more projects need to be located north of the lake to clean up the water in the Lake. He noted money spent in the lake should mean fewer dollars spent south of the Lake. " We've got to protect the estuaries, but you do it with a plan. We are doing this backward."

" We are all going to be sorry down the road. The sugar industry is going away anyway," he added.

Palm Beach County Commissioner Jess Santamaria said he was concerned about the loss of jobs in the Glades due to the U.S. Sugar purchase. He noted he has not seen a plan to offset the loss of jobs.

"I do hope there is a real serious effort to look into this potential problem. The people of the Glades are already hungry for jobs," he noted. He said unemployment in the Glades and Hendry County are close to 20 percent.

Commissioner Donna Storter of Glades County agreed with Hendry County. She said they need to be cautious with this purchase. She also said she was disappointed the Governor's office and his staff have not provided a plan for the economic impacts. The District has also moved ahead with more land purchases to protect the Everglades and provide more water storage. The District purchased 22,607 acres in 2008 at a cost of \$196 million. The district also completed designs for a C-43 reservoir, and Lakeside Ranch near Okeechobee. They completed the Chandler Slough trailhead in Okeechobee and installed equestrian and hunter trailheads at Allapattah in western Martin County. The district also completed the purchase of the Brady Ranch. The district also constructed a weir to protect the S-65 E structure. It was completed two weeks before Fay hit. Wehle said

if the work hadn't been done the structure would have failed and significant flooding would have occurred in the Kissimmee Valley.

Colonel Paul Grosskruger, head of the U.S. Army Corps of Engineers office in Jacksonville, said his department continued to work on Lake Okeechobee, the Kissimmee River restoration and the Herbert Hoover dike in 2008.

He said they have focused on the worst sections of the dike first. A 22-mile section between Port Mayaca and Belle Glade is due to be repaired. 11 miles of the dike are under construction.

Colonel Grosskruger said the new lake regulation schedule has worked better and has helped prevent damaging releases of lake water into the estuaries.

The Department of Agriculture's Rich Budell said budget cuts have impacted money available for best management practices for ranchers.

Dr. Paul Gray of the Audubon Society urged the Coalition to support more water storage projects north of Lake Okeechobee.

Lee County thanked the South Florida Water Management District for their work on the Caloosahatchee River protection plan.

Storter thanked the District and the Florida Department of Environmental Protection for work done on the Pearce Canal in Buckhead Ridge.

Contract to sell 180,000 acres approved by U.S. Sugar Corp.

12/08/2008

Sun Sentinel

Andy Reid

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By Andy Reid | South Florida Sun-Sentinel

6:52 PM EST, December 8, 2008

The state's \$1.34 billion bid to buy sugar cane land for Everglades restoration cleared a key hurdle this afternoon when U.S. Sugar Corp.'s board of directors approved the contract to sell 180,000 acres that could help reconnect Lake Okeechobee to the River of Grass.

Now the South Florida Water Management District has until Dec. 16 to decide whether to approve the contract and agree to use taxpayer dollars to pay for what has been billed as the largest conservation land buy in state history.

"It's signed, sealed and delivered," U.S. Sugar Senior Vice President Robert Coker said about the company's side of the agreement. "We are confident the water management district board will do the same next week." Concerns about the cost of the deal coupled with a competing offer from an investment group trying to buyout U.S. Sugar has clouded the blockbuster deal that Gov. Charlie Crist first proposed in June.

The water management district, charged with leading Everglades restoration for the state, plans to borrow most of the money to pay for the \$1.34 billion deal. Taxpayers in the 16-county region stretching from Orlando to the Keys would pay off the debt.

The district's board meets again on Monday, the day before the deadline set to approve the proposed contact with U.S. Sugar.

The contract U.S. Sugar approved today still allows the company to "shop" for better offers for two months. If the district approves the contract and U.S. Sugar then opts to cancel the deal and go with another buyer, U.S. Sugar would have to pay the district \$40.2 million.

U.S. Sugar's board today also approved possible severance packages for its 1,700 employees, should the company go out of business after the seven-year-window the contract allows for U.S. Sugar to lease back the land it would sell to the state.

Under the severance plan, hourly employees would receive one year's pay and salaried employees would be paid two years salary.

During the seven years that the state would have to take control of U.S. Sugar land, the company plans to "aggressively pursue" options to stay in business, Coker said. Pursuing long-term leases to keep farming land not used for restoration, refining sugar produced elsewhere and shifting into ethanol production are among the options U.S. Sugar has proposed to stay in business.

"Hopefully this safety net is not needed," Coker said about the severance packages.

The state plans to use U.S. Sugar's land to build a series of reservoirs and water treatment areas to store, clean and redirect water that once naturally flowed south to the Everglades.

While environmental groups hail the deal a historic opportunity to reclaim portions of the Everglades lost to farming, Glades communities dependent on agricultural jobs warn that it could bring economic devastation.

If state officials sacrifice farmland for Everglades restoration, they need to come up with an economic development plan to attract new jobs to the Glades, Clewiston Mayor Mali Chamness said. The severance packages U.S. Sugar approved today fail to provide "any confidence" that the company will stay in business, Chamness said.

"We have no guarantees that these jobs will continue," Chamness said. "We should have safeguards for our future."

The Lawrence Group, which manages farmland in the South and Midwest, in November made a competing proposal to buyout U.S. Sugar. The Nashville, Tenn.-based group had two previous bids to buy U.S. Sugar rejected and U.S. Sugar representatives maintain that the latest proposal so far lacks specifics needed to be considered.

The Lawrence Group contends that it would keep U.S. Sugar's farming operations running, protecting jobs in the Glades, and also sell the state land needed to move water from Lake Okeechobee to the Everglades.

A group called the "Concerned Citizens of Clewiston" sent a letter to U.S. Sugar's board of directors supporting the proposal from The Lawrence Group and warning about the "economic enormity

of this deal."

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U.S. Sugar signs contract to sell 180,000 acres to the state

12/08/2008

Naples Daily News

Naples Daily News staff report

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The board of directors for U.S. Sugar Corp. in Clewiston has signed a contract to sell about 180,000 acres of its real estate assets to the South Florida Water Management District.

After many months of negotiations and careful deliberation, the U.S. Sugar board of directors has approved the contract to sell its real estate assets to the South Florida Water Management District for \$1.34 billion and retain the right to lease the property for seven crops, said Robert Coker, the company's senior vice president for public affairs, in a news release.

The contract has been delivered to the South Florida Water Management District, he said.

This is a milestone in this historic transaction, Coker said, and one that we hope will provide certainty to many of the stakeholders. We are hopeful that the governing board of the South Florida Water Management District will take up and approve the contract early next week, bringing Governor Crist's bold plans for Everglades restoration to fruition.

According to Delaware law, BMO Capital Markets will have two months to shop the company and give other interested purchasers a chance to make a better offer. This includes the Lawrence Group, which has not made a formal offer, but has indicated interest in the company through an aggressive media campaign.

Also approved by the U.S. Sugar board on Monday was a comprehensive severance package for both hourly and salaried employees. The package provides one year's salary for all hourly employees and two years' salary for all salaried employees to be paid if the company is forced to shut down at the end of seven crops.

Hopefully this safety net will not be needed, Coker said.

US Sugar Board approves sale farmland to Florida

12/08/2008

Associated Press (AP)

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CLEWISTON, Fla._The board of the nation's largest producer of cane sugar has agreed to sell nearly 300 square miles of farmland to the state of Florida for Everglades restoration.

Under the contract the directors approved Monday, Florida would buy 180,000 acres (73,000 hectares) from U.S. Sugar for \$1.34 billion.

The company would be allowed to lease back the farmland at \$50 per acre annually for seven years before turning it over to the state.

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

The South Florida Water Management District must now approve the contract.

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DJ US Sugar Corp Bd OKs 180,000- Acre Sale To S Fla Water District

12/08/2008

Dow Jones Commodities News Service

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DOW JONES NEWSWIRES

Dec 08, 2008 (Dow Jones Commodities News via Comtex) -- U.S. Sugar Corporation in Clewiston, Fla., said its board of directors approved a contract Monday to sell about 180,000 acres of real estate to the South Florida Water Management District for Everglades restoration.

"After many months of negotiations and careful deliberation, the board of directors has approved the contract to sell real estate assets to the South Florida Water Management District for \$1.34 billion and to retain the right to lease the property for seven crops," said Robert Coker, senior vice president at U.S. Sugar. "The contract has been signed and delivered to the South Florida Water Management District.

"We are hopeful that the governing board of the South Florida Water Management District will take up and approve the contract

early next week," bringing Gov. Charlie Crist's plans for Everglades work to fruition, he said.

A period of two months will be given to allow other interested purchasers a chance to make a better offer, U.S. Sugar Corp. said. Tennessee-based Lawrence Group has not made a formal offer, but has indicated interest in the company.

U.S. Sugar's board Monday approved severance packages for hourly and salaried employees. The package provides one year's salary for all hourly employees and two years for all salaried employees - to be paid if the company is forced to shut down at the end of seven crop seasons.

-By Susan Buchanan, Dow Jones Newswires; 504-371-5461;
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(END) Dow Jones Newswires

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U.S. Sugar board OK's \$1.34 billion land deal with the state

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Palm Beach Post - Online
Salisbury, Susan

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U.S. Sugar Corp.'s board today approved a landmark \$1.34 billion sale of its sprawling land empire to the state, a company executive said. 'Our board met today. They had extensive discussions about the contract,' U.S. Sugar senior vice president Robert Coker said. 'They have approved the contract and they have signed it.' Coker said the board's 10 members voted unanimously to approve the contract, which now awaits a vote by the board of the South Florida Water Management District. Water managers are expected to vote next week, a move that supporters say would be a major step forward for Everglades restoration.

The terms remain unchanged for the \$1.34 billion deal to purchase 180,000 acres, mainly around the southern rim of Lake Okeechobee.

Why did the board take all day to decide? 'It was a very complex transaction - billions of dollars and hundreds of thousands of acres of land and contractual obligations,' Coker said. 'They wanted to make sure they understood the contract. 'The contract as a whole, our board felt like it represented a good value for our shareholders and a good deal for the state of Florida,' Coker said. The board also approved a comprehensive severance package for hourly and salaried employees.

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avoid comments that are obscene, hateful, racist or otherwise inappropriate. If you post offensive comments, we will delete them as soon as we can. If you see such comments, please . John Bartosek, Editor, The Palm Beach Post. | | | *HTML not allowed in comments. Your e-mail address is required.

