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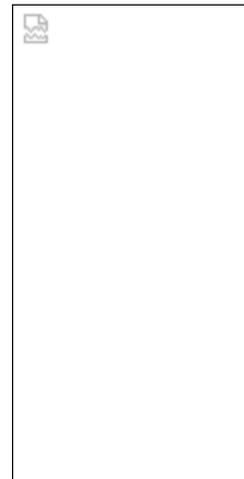
EDITORIAL: Smaller deal, better deal?

Palm Beach Post Editorial

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With criticism growing and resources dwindling, Gov. Crist cut in half his signature Everglades land deal and made it sound as big and grand as ever. It's not clear, however, that the new proposal to buy U.S. Sugar farmland for Everglades restoration is any better than the old one.

The deal still comes from a governor who wants an environmental legacy for a Senate run and is tight with lobbyists for U.S. Sugar. Since U.S. Sugar has agreed for the third time to change the terms of the deal, the company really must want to unload its land. The need for land south of Lake Okeechobee remains, as does the main question since last June: Is it a fair deal for taxpayers of the South Florida Water Management District?



U.S. Sugar deal



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Under the first deal, the district would have paid \$1.34 billion for all of the company's 180,000 acres. The new deal calls for the water district to pay \$533 million for 72,500 acres. For 32,000 acres of citrus, the district is offering \$198 million, the higher of its two appraisals from last year. The rest of the land, which includes 25,500 acres of cane land immediately south of the lake and commercial land near the Glades communities, would sell at a premium because U.S. Sugar is removing its bulk discount.

While the district would pay more per acre up front, it would get a far better rate for leasing the land back to U.S. Sugar to continue farming for at least seven years. The new deal increases the rent to \$150 an acre from \$50, eliminating a provision that drew criticism from, among others, the district's governing board.

The lower cost is easier to finance without stopping other district projects. Rather than pay \$108 million in annual debt service, the district estimates that it would pay \$43 million. Various properties that make up the 72,500 acres are strategically located to meet specific district needs.

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The deal, however, still doesn't answer how the district would obtain the rest of the land - most of it belonging to rival grower Florida Crystals - needed to form a connection for water between Lake Okeechobee and public lands to the south, a key factor in making Everglades restoration work. Gov. Crist described a 10-year option to buy U.S. Sugar's remaining 107,000 acres. But the option isn't really an option. It's a right to match other offers. If the district has no money, it can't outbid competitors. Only on one critical portion south of the lake would the district hold a true exclusive option, and only for three years. Since Florida Crystals is not a willing seller, the district planned to use surplus U.S. Sugar land to entice land swaps. The new deal signals the failure of that approach and the district's willingness to move forward without Florida Crystals land.

Also, Clewiston and other lake communities will not be mollified by the promise of seven more years of farming if, at the end, the U.S. Sugar mill closes and jobs still disappear. No deal that takes sizeable amounts of land out of production will help those towns, which is why Gov. Crist has to come up with an economic plan to protect them.

Gov. Crist believes that he has shrunken the deal to fit the water district's finances. But the governor hasn't yet shown how the shrunken deal will be as valuable to the Everglades as he says it will be.

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