



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

## NEWS RELEASE

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**CONTACT:**

**Kayla Bergeron**

South Florida Water Management District

Office: (561) 682-2800 or Cellular: (561) 603-8791

### **SFWMD Governing Board Approves Revised Proposal to Acquire Land for Everglades Restoration**

*Phased acquisition of U.S. Sugar lands balances affordability with unprecedented  
restoration opportunity*

**West Palm Beach, FL** – The South Florida Water Management District (SFWMD) Governing Board today approved a revised strategy to acquire huge swathes of land from the United States Sugar Corporation for Everglades restoration. The Board had sought ways to address current economic challenges while preserving the environmental vision of this historic purchase. The amended agreement, approved last week by U.S. Sugar’s Board of Directors, provides for the initial purchase of approximately 73,000 acres of strategically located land south of Lake Okeechobee, with options to purchase another 107,000 acres when economic and financial conditions improve.

“Benefits of this acquisition to the Everglades and Florida’s coastal estuaries are immense, providing us the opportunity to restore a unique and treasured ecosystem in ways not previously envisioned,” said SFWMD Governing Board Chairman Eric Buermann. “By approving this revised acquisition, the Board has balanced its duty to both the environment and the taxpayers, embracing this once-in-a-lifetime opportunity while protecting the agency’s mission responsibilities.”

Under the approved agreement, which is subject to financing, the District would initially invest approximately \$536 million for 73,000 acres of agricultural land. At nearly 112 square miles, the acreage represents a land mass nearly twice the size of Orlando and is the largest single acquisition of land in the District’s history. The District also has options to purchase the remaining 107,000 acres from U.S. Sugar during the next 10 years, including an exclusive 3-year option to purchase the remaining property at a fixed price of \$7,400 an acre.

“This strategy allows us to take hold of an unprecedented opportunity for restoring America’s Everglades with a fiscally responsible hand,” said SFWMD Executive

Director Carol Ann Wehle. "We took a very conservative financial approach during negotiations, which ultimately allowed us to present an affordable purchase plan to the Governing Board – one that preserves the environmental vision, sustains agriculture and maintains the regional economy in these challenging economic times."

Highlights of the amended acquisition include:

- The District would take ownership of approximately 73,000 acres of land and its improvements for a purchase price of \$536 million, including 33,000 acres of citrus lands and 40,000 acres of sugarcane lands. At slightly less than appraised value, the revised purchase reduces the immediate public investment by 60 percent, or \$800 million, and annual debt service payments by an estimated \$65 million.
- U.S. Sugar would lease back the 40,000 acres of sugarcane lands from the District at \$150 per acre for 7 years, with provisions to extend up to 20 years. The lease would generate a minimum of \$40 million in revenue and avoid more than \$11 million in land management costs during the first 7 years.
- U.S. Sugar would be required to pay all property taxes and assessments, control the land for exotic and invasive plants and implement Best Management Practices to prevent pollution.
- The District may terminate portions of the lease and begin using the acreage for restoration under a "takedown" schedule, including all of the citrus lands with twelve months' notice, and 10,000 acres of sugarcane lands with two years' notice within the first 10 years.
- Should the District exercise the purchase option, all property would be available for approved and funded restoration projects.
- The amended agreements allow for the continued operation of the U.S. Sugar Corporation's mill and refinery, keeping 1,700 direct jobs for at least another decade and sustaining regional agriculture.

Today's action by the District's Governing Board is the culmination of close to a year's work since Governor Charlie Crist first announced on June 24, 2008, that the District would begin negotiations with the U.S. Sugar Corporation to acquire vast tracts of land south of Lake Okeechobee for Everglades restoration. After extensive deliberation, due diligence and public input, the District's Governing Board voted on December 16, 2008, to accept a proposal to acquire more than 180,000 acres of land for \$1.34 billion, contingent upon financing and affordability.

In light of changing economic conditions, the Governing Board added a clause to the December contract to allow for review of the most current financial conditions – including interest rates and revenue streams – before closing to verify the District's capacity to finance the purchase and still meet its existing statutory and legal obligations. With continued economic uncertainty, the two parties on April 1, 2009, agreed to work on a revised framework that would allow for the completion of the transaction in affordable steps despite the economic downturn.

Under the revised contracts, closing on the 73,000 acres would take place in 2010, within 90 days after court validation of the bonds to finance the acquisition. In the coming months, the District will continue with its ongoing public planning process to determine viable configurations for constructing a managed system of water storage and treatment to support this ecosystem restoration effort.

Acquiring the strategic tracts of land 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*.

Benefits from the acquisition would 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 tons of phosphorus from entering the Everglades.
- Reducing the need for "back-pumping" water into Lake Okeechobee.
- Sustainability of agriculture and green energy production.
- Managing Lake Okeechobee within a more desirable ecological range.

For more information about the acquisition, visit [www.sfwmd.gov/riverofgrass](http://www.sfwmd.gov/riverofgrass).

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#### **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 sheetflow. 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. Renowned for its wading birds and 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 South Florida Water Management District – Celebrating 60 Years (1949-2009)**

*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.*