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THE U.S. SUGAR DEAL: It's just jaw-dropping and it won't be easy

Palm Beach Post Editorial

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For sheer audacity, it's hard to beat the state's proposed buyout of U.S. Sugar. It's grand. It's bold. In one extraordinary move, it could change the dynamic of Everglades restoration. It answers the wildest dreams of environmental groups. It could stop the dumping of contaminated water that fouls the St. Lucie River in Martin County.

Bold as the deal is, though, it comes with complications. Here's a big one: What becomes of Clewiston, the town U.S. Sugar built? Here's another: The deal can't work without help from Florida Crystals, which stands to be the remaining big sugar grower in Florida.

U.S. Sugar deal



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The deal, reached in secret negotiations credited to Gov. Crist, would pay U.S. Sugar \$1.75 billion for 187,000 acres, nearly the size of New York City. The buyer would be the South Florida Water Management District. Aside from all that prime farmland, the district would get a state-of-the-art sugar mill, a citrus processing plant and a 200-mile freight railroad. After the water district board agrees Monday - as it will - to move ahead, the district staff will have 75 days to negotiate a contract. U.S. Sugar would continue to farm its land for six years, then go out of business.

In opening a meeting with *The Post* Editorial Board, water district Executive Director Carol Wehle asked, "Isn't this cool?" But for the average South Floridian, why all the euphoria? Why spend \$1.75 billion to save what remains of the Everglades? One reason, as Marjory Stoneman Douglas wrote, is that "there are no other Everglades in the world." Florida is not Florida without the Everglades. Also, the health of suburban neighborhoods and their drinking water is inextricably tied to the "River of Grass." If it dried up, so would Florida.

For years, the idea of buying out Big Sugar was dismissed as too costly. We'll get to money in a moment. The deal, though, would place under public ownership an unbroken stretch of land from Lake Okeechobee to Florida Bay. It is the missing piece of Everglades restoration, casting aside 15 years of engineering based on solutions that had to work around U.S. Sugar's untouchable land. Those 187,000

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acres would store and cleanse water to meet the Everglades' needs during droughts and to eliminate polluted freshwater releases to the St. Lucie and Caloosahatchee rivers when water levels rise.

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But there's wanting to do this deal and there's pulling it off. The district board has to realize the difficulty. Among the issues:

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- **Money.** Ms. Wehle says she will not consider increasing the district's tax rate, charged across a 16-county region. The rate is 62 cents per \$1,000 of taxable value, or \$124 on a home assessed at \$200,000. The district can increase the rate to 80 cents, or \$160 on a \$200,000 home.

Without a tax increase, the district must cut back on other projects to come up with \$117 million a year for 30 years. That's more than one-fifth of its property-tax revenue. If the district buys U.S. Sugar, how will it afford to restore the land, continue other Everglades projects and do the routine work of water supply and flood control - even after selling off some of U.S. Sugar's assets?

- **Washington.** In 2000, the federal government promised to pay half the costs of Everglades restoration. Almost none of that money has arrived. With this move, will the state finally get that commitment from Congress? Will the presidential candidates support it?
- **Florida Crystals.** Most of U.S. Sugar's land is not where the district needs it. About 23,000 acres are south of Lake Okeechobee, but the district also would need 31,000 acres controlled by the Fanjul family-owned Florida Crystals and 8,000 acres belonging to independent farmers. Also in the way is Florida Crystals' Okeelanta mill. U.S. Sugar's acreage is considered to be richer farmland, but if the Fanjuls won't trade, the deal is dead.
- **Tamiami Trail.** The road that links Miami and the west coast blocks the movement of water to Florida Bay, at the end of the Everglades system. No matter how much water is captured and cleansed in Palm Beach County, restoration won't work fully if that water hits a wall in Miami-Dade County. For 20 years, federal agencies have argued over how to raise U.S. 41 and let the water flow.
- **Rock mining.** U.S. Sugar has agreed to lease 7,000 acres to Florida Rock Industries, which plans to dig road-building materials from the land for 70 years. Now, water district officials who had to remain silent because of the negotiations with U.S. Sugar say they will fight the mine on land they would own.

Offsetting those difficulties is the removal of a large water consumer and polluter. It was U.S. Sugar's concern over the elimination of a water-control practice that included pumping pesticide and phosphorus-laden water into Lake Okeechobee - a procedure called back-pumping - that led Gov. Crist to suggest ending the problem by buying the land. Now, water managers say back-pumping will no longer be an issue.

The proposal would eliminate the need for 333 underground storage wells, an untried and troubled solution that forms the backbone of the \$10.9 billion Everglades restoration plan. Initial attempts to send treated water deep underground have been problematic at best. The U.S. Sugar land would limit the need for underground storage, slicing billions off restoration costs. That money, in turn, can pay to restore the U.S. Sugar land.

Given that the sugar industry just got favorable terms in the new farm bill, one question is why U.S. Sugar wants to cash out. Whatever the reason, Ms. Wehle made clear that no other company need ask because, at this point, it's all the water district can afford.

Martin County residents whose livelihood and recreation activities are tied to the health of the St. Lucie

River, have reasons to rejoice. But their gain would come at the expense of those who live in the towns along Lake Okeechobee that depend on sugar growing.

Clewiston, in Hendry County, and the three Palm Beach County lake towns - Pahokee, Belle Glade and South Bay - will be devastated by the loss of 1,700 jobs and the dissolution of the company that has been the area's backbone. In controlling the mill, the railroad and other assets, the water district will control the region's ability to rebound. While the district will continue to pay property taxes to Hendry County, Palm Beach County stands to lose at least \$5 million a year. If the state buys U.S. Sugar, the state must have an economic development plan for the Glades.

Gov. Crist went over the top Wednesday when he compared the U.S. Sugar deal to the Apollo moon landing. But from a state perspective, it's a potentially historic deal. Unless the right things happen over the next 75 days, however, the reality won't match the potential.

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