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NYT: Everglades deal sweet for US Sugar and LeMieux's firm, not taxpayers or Everglades

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03/08/2010
Tampa Bay.com
NYT: Everglades deal sweet for US Sugar and LeMieux's firm, not taxpayers or Everglades

The New York Times takes a highly critical look at the Charlie Crist administration's Everglades deal:

"...United States Sugar dictated many of the terms of the deal as state officials repeatedly made decisions against the immediate needs of the Everglades and the interests of taxpayers, an examination of thousands of state e-mail messages and records and more than 60 interviews showed. ...

"...“To replace projects that were under way for a possibility of a project decades from now is not a good trade,” (Jeb) Bush said. “On a net basis, this appears to me there has been a replacement of science-based environmental policy for photo-op environmental policy.”

In its current form, the deal's only clear, immediate beneficiaries would be United States Sugar, a privately held company based in Clewiston, Fla., and its law firm, Gunster, which is expected to collect tens of millions of dollars in fees for its work on the sale, according to current and former United States Sugar executives. ... United States Sugar had an unusually powerful advocate in Gunster, a West Palm Beach law firm that had represented it since 1990. Gunster's chairman, George LeMieux, was Governor Crist's chief of staff when the deal was first conceived. Mr. LeMieux, who began working at the law firm in 1994, returned to it in January 2008 as the deal was being renegotiated.

Posted by Adam Smith at 06:18:04 AM on March 8, 2010
in Adam C. Smith , Charlie Crist , Environment , George LeMieux , Jeb Bush , Lobbying | Permalink

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In Deal on Everglades, a Dream Is Deferred

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03/08/2010
Sarasota Herald-Tribune - Online
DON VAN NATTA Jr. and DAMIEN CAVE

When Gov. Charlie Crist announced Florida's $1.75 billion plan to save the Everglades by buying out a major landowner, United States Sugar, he declared that the deal would be remembered as a public acquisition “as monumental as the creation of the nation's first national park, Yellowstone.”

FIELDS OF CANE United States Sugar's Clewiston sugar cane refinery. A $1.75 billion deal to sell land and assets to Florida was reduced to 72,800 acres, in separate parcels, for $536 million.

Chang W. Lee/The New York Times

Standing amid the marshes at the Loxahatchee National Wildlife Refuge in June 2008, Mr. Crist said, “I can envision no better gift to the Everglades, the people of Florida and the people of America — as well as our planet — than to place in public ownership this missing link that represents the key to true restoration.”

Nearly two years later, the governor's ambitious plan to reclaim the river of grass, as the famed wetlands are known, is instead on track to rescue the fortunes of United States Sugar.

The proposal was downsized only five months after it was announced. By April 2009, amid the deepening recession, the state said it could afford to purchase only 72,800 acres of United States Sugar's land, for $536 million. The company would stay in business and the state would retain the option of buying the remaining 107,000 acres at a future date.

United States Sugar dictated many of the terms of the deal as state officials repeatedly made decisions against the immediate needs of the Everglades and the interests of taxpayers, an examination of thousands of state e-mail messages and records and more than 60 interviews showed.

Efforts to restore the Everglades have picked up urgency in the last decade: the sprawling subtropical wetland, the only ecosystem of its kind, is dying for lack of clean water. Many environmentalists remain convinced that Mr. Crist's deal with United States Sugar, even in its downsized form, offers the Everglades its best hope.

But documents and interviews suggest that the price tag and terms of the deal could set back Everglades restoration for years, or even decades.

Negotiations favored United States Sugar from the start, when the state accepted two outside firms' appraisals of the company's land that used figures from the height of the real estate market, according to documents.

When a "fairness opinion" commissioned by the state found that those appraisals had overvalued the land by $400 million, Florida officials orchestrated a public relations campaign to discredit the findings, internal e-mail showed. Appraisers from the Florida Department of Environmental Protection, which was required to sign off on the deal, were also cut out of the process after raising concerns, e-mail messages showed.

When it came time to decide which land to buy, state officials acknowledged that United States Sugar was, as one official put it during an interview, "pretty much in the driver's seat." The water district overseeing the restoration will end up with six large disconnected parcels under the current deal, including all of United States Sugar's citrus groves.

State officials acknowledged that some of that land, which has been ravaged by canker, a plant disease, is useless for restoration.

The officials defended the negotiations as appropriate, saying that United States Sugar needed certain tracts of farmland to continue operating.

Mr. Crist said in an interview that officials had "negotiated to try to get the very best deal we could." He added, "We have a duty and a responsibility as good stewards to understand that we may never have this opportunity again, ever, ever."

Supporters of the plan said the land would enable the state and federal government to build reservoirs and water treatment systems. But doing so would require deep financial reserves from the South Florida Water Management District, which oversees restoration and is financed by taxpayers in 16 counties. Internal district documents put the price tag at up to $12 billion and projected that the district would have nowhere near that amount.

In the meantime, more than a dozen projects under way as part of a 10-year-old federal and district restoration effort have been suspended or canceled in anticipation of the cost of the United States Sugar deal. Among them is a massive reservoir in western Palm Beach County that was seen as a major step toward restoration of the Everglades. In total, $1.3 billion had already been spent on the projects, according to an internal water district document.

Former Gov. Jeb Bush, who initiated most of that work, said in an interview that he was "deeply disappointed" with the decision by Mr. Crist, his successor and a fellow Republican, calling the move to halt the projects a setback for restoration.

"To replace projects that were under way for a possibility of a project decades from now is not a good trade," Mr. Bush said. "On a net basis, this appears to me there has been a replacement of science-based environmental policy for photo-op environmental policy."

In its current form, the deal's only clear, immediate beneficiaries would be United States Sugar, a privately held company based in Clewiston, Fla., and its law firm, Gunster, which is expected to collect tens of millions of dollars in fees for its work on the sale, according to current and former United States Sugar executives.

The sale, scheduled to close March 31, amounts to a lifeline for the company, which entered negotiations at a time of profound weakness; it was facing a costly shareholder lawsuit, sinking profit margins and increased foreign competition. The deal would enable it to wipe nearly all the debt from its books.

United States Sugar had an unusually powerful advocate in Gunster, a West Palm Beach law firm that had represented it since 1990. Gunster's chairman, George LeMieux, was Governor Crist's chief of staff when the deal was first conceived. Mr. LeMieux, who began working at the law firm in 1994, returned to it in January 2008 as the deal was being renegotiated.

He and Mr. Crist are confidants, and the governor referred to Mr. LeMieux as the "maestro" of his 2006 election victory. When a United States Senate seat was vacated in 2009, Mr. Crist appointed Mr. LeMieux to fill it. The governor is now campaigning for that post and has often described the United States Sugar purchase as a crowning achievement of his administration.

Mr. LeMieux said in an interview that he had recused himself from the United States Sugar negotiations while he was chief of staff, to avoid a conflict of interest. He said he had never discussed the deal with Mr. Crist, which was "awkward as heck," given how close they are.

Back at the law firm, Mr. LeMieux sent an e-mail message on Dec. 18, 2008, to its compensation committee, saying "I should not be compensated" for the firm's United States Sugar representation, according to a copy of the message. H. William Perry, Gunster's managing partner, said the firm complied. Mr. LeMieux said that he had only "management type discussions" about the case as chairman.

Rick J. Burgess, a Gunster partner, said he spoke to Mr. LeMieux on occasion about the deal, using him "as a sounding board."

Mr. LeMieux played a similar role for Kirk Fordham, who runs the powerful Everglades Foundation. Mr. Fordham said he spoke two or three times with Mr. LeMieux when he was at the law firm for updates about the negotiations.

For United States Sugar, "it's a fantastic deal," said a former senior executive of the company, who described his colleagues as "elated."

"I won't lie to you — it's a damn good price for that land," said the executive, who spoke on the condition of anonymity because he had signed a nondisclosure agreement. "But it's not as good a deal for the Everglades. If the district doesn't have any money after this purchase, then they won't be able to do any restoration projects. It could be a disaster in the making."

A Governor's Overture

On Route 27 heading out of Palm Beach, towering piles of rocks extend for more than a mile on the site of what was to become the largest man-made reservoir on the planet. Consuming more than 16,000 acres, it would hold enough water to fill 100,000 Olympic-size swimming pools.

The reservoir was a vital piece of the $7.8 billion restoration project put together by President Bill Clinton in 2000. Under the plan, reservoirs, marshes and hundreds of wells would collect, clean and deliver rainwater to the Everglades, where an array of plants and animals are threatened with extinction.

Environmentalists had long sought to restore the historic flow way, or waterway, from Lake Okeechobee south through the glades and into Florida Bay, a dream that had been hampered by more than a century of piping, dredging and development. The flow way required land owned by United States Sugar and its chief competitor, Florida Crystals, both of which refused to sell for years.

The system of wells and reservoirs was a way to circumvent that need. Like many previous restoration efforts, though, the Clinton plan hit obstacles, including competing local interests and insufficient financing from the federal government.

Even so, in 2004, Governor Bush was able to accelerate eight projects; some $282 million alone was spent on the giant reservoir.

But by 2007, with a sagging sugar business looking to prop up its balance sheet and a new governor looking to burnish his environmental and national credentials, the fate of the Everglades was about to take another abrupt turn.

United States Sugar's debt soared that year to more than $500 million, former executives said, as operational problems and competitive pressures mounted. The company was in its second year of drought and further hampered by a recent water district restriction limiting a method of irrigation that sugar growers relied on during the dry seasons.

On Nov. 15, 2007, two United States Sugar lobbyists met in the governor's office with Mr. Crist and Eric Eikenberg, the deputy chief of staff under Mr. LeMieux.

The lobbyists, J. M. Stipanovich and Brian Ballard, had supported Mr. Crist's campaign for governor, and Mr. Ballard was one of its major fund-raisers. United States Sugar was still reeling from the government's decision to limit irrigation.

"It was a visit to open his eyes, to open his ears to the idea that a lot of these decisions were affecting their livelihood," Malcolm S. Wade Jr., a senior vice president at United States Sugar, said in an interview.

At the meeting, the governor announced that the state might be interested in buying United States Sugar. Mr. Crist said in an interview that he could not remember "the particulars" of when or how the idea had originated.

"There was a sense, or some indirect communication, that they might be a willing seller," the governor said.

Mr. Wade said that the company had been taken by surprise. "It caught everyone out of the blue," he said.

For its board members, Mr. Crist's overture was appealing in part because they figured a government purchase would be far more lucrative than a private deal.

"It wasn't another company coming in and bottom-fishing you," Mr. Wade said. "They knew it would be for fair-market appraisals."

A Setback Seems Averted

When the state began negotiating its ambitious plan to save the Everglades, key players were, notably, not invited.

Missing from the table, according to interviews and e-mail messages, were Miccosukee Indian tribe members, some of whom live in the Everglades; the Florida Crystals Corporation, the other major landowner in the area; and the federal agencies that partner with the state on restoration efforts.

Lawyers for the Miccosukees and Florida Crystals said their clients found out about the proposed deal with United States Sugar just a few days before it was announced to the public.

Likely supporters of the deal had been told months earlier, including Paul Tudor Jones II, a billionaire hedge-fund manager and philanthropist who co-founded the Everglades Foundation. The governor was friendly with Mr. Jones, who had contributed $400,000 to the state Republican Party — the largest single donation it ever received. And Mr. Jones was influential with other environmental groups that he and his foundation helped finance with millions of dollars.

As the negotiations proceeded, it became clear that financing was problematic. The cost of the land deal had initially been estimated at nearly $2 billion. But the water district was already committed to spending about $800 million for the giant reservoir outside Palm Beach. It could not afford both.

Responding to an e-mail message from a fellow environmentalist saying that the governor needed to understand the threat the reservoir posed to the United States Sugar land purchase, Mr. Jones replied, "He knows that and is doing the best he can."

Yet stopping construction of the reservoir presented a potential political disaster.

So on May 15, 2008, with the United States Sugar deal still not public, the water board suspended work on the reservoir because of "uncertainties related to unresolved litigation."

The litigation referred to a lawsuit environmental groups had filed over water usage from the reservoir. The announcement stunned the groups, which had made it clear that they did not want the project stopped.

"We were a convenient pretext," said Bradford H. Sewell, a lawyer for one of the groups.

There were enormous financial consequences. The district had to pay the reservoir's contractor a $2 million-a-month penalty for suspending the work. It eventually paid $25 million in penalties and fines for canceling the contract, on top of the $282 million it had already spent on the construction.

Fallout from the suspension was mounting when Shannon A. Estenoz, a member of the district's advisory board who had been on the board of the Everglades Foundation, reached out to Mr. Jones. In an e-mail message on May 21, Ms. Estenoz urged Mr. Jones to send a message to the governor: "For your information only, our decision to pause construction is entirely justifiable on its own even without the US Sugar deal hanging out there, but once the litigation is finished our legitimate reason for delay goes away," she said. "The message to the Governor is that we have until the end of the June at most."

On June 24, 2008, with Florida already experiencing a recession and property values sinking, Ms. Estenoz stood beside the governor at the edge of the Everglades as he unveiled the $1.75 billion deal. Local cheers and sweeping national headlines followed.

Politically, the timing was perfect. Mr. Crist was on the short list of potential running mates for Senator John McCain, the presumptive Republican nominee for president.

Ellen Simms, a former United States Sugar comptroller who views the deal skeptically, said that despite the high cost to taxpayers, it was difficult in those early days to question it. "Who can be against it?" she said. "This was going to save the Everglades. It's like being against motherhood and apple pie."

A few did speak out. The Miccosukee Tribe quickly filed a lawsuit, saying that the purchase would delay the restoration. "This is a death warrant for the Everglades," said Dexter Lehtinen, a lawyer for the tribe. "It sucks away all the money devoted to projects now in the pipeline."

Florida Crystals labeled the deal a taxpayer-supported buyout of United States Sugar, and seemed to be smarting from being left out of it. Some of its land, in fact, was needed to recreate the waterway through the Everglades, which Mr. Crist called "the missing link" of restoration.

Interviews and previously undisclosed records showed that Florida Crystals had made two written offers to join in the deal. But, with United States Sugar resisting having its competitor involved, talks with the governor's office went nowhere.

"For some reason, they weren't willing to negotiate in a way that would bring us to an accord," Mr. Crist said in an interview. "U.S. Sugar was. End of story."

Twists and Disappointments

The growing financial crisis in the summer of 2008 was rapidly changing the scope of the deal. On Nov. 11, 2008, Mr. Crist announced a smaller, $1.34 billion purchase of just over 180,000 acres of United States Sugar's land, but this time not including its other assets.

At a press conference, Mr. Crist called the new deal "miraculous."

For United States Sugar, at least, it looked that way. David Guest, an environmental lawyer and vocal supporter of the full buyout plan, said that the state's lead negotiator, Michael W. Sole, secretary of Florida's Environmental Protection Department, had given away far too much to United States Sugar.

"He got scammed," Mr. Guest said. "Everyone gasped in disbelief when he came back with what he did."

Mr. Sole said in an interview that he got the best deal he could.

But internal district documents revealed that the land had been overvalued by the two firms that performed the independent appraisals. Both relied on figures from 2004 to 2008, when a speculative real estate market had prices soaring.

If the current prices had been used, the state would be paying far less. For example, while the water district agreed to pay United States Sugar nearly $7,000 an acre for citrus land, it is now selling for $4,000 an acre, independent appraisers said recently in interviews.

The two outside appraisal firms used by the district — Anderson & Carr, of West Palm Beach, Fla., and Sewell, Valentich, Tillis & Associates, of Sarasota — came up with almost identical figures of around $1.3 billion, a rarity that raised some eyebrows.

"When I had heard that number, I couldn't swallow it — it was an unbelievable number," said Woody Hanson, a land appraiser in Fort Myers with extensive experience in the Everglades. "Then I looked closely at the appraisals to test them for reasonableness and, wow, there is just no way it makes sense for the taxpayers."

Neither appraisal firm used by the district would comment.

Eric Buermann, chairman of the district's advisory board, defended the appraisals but acknowledged that they had used outdated values. "At the time we had to make the decision," he said, "those were the latest, best numbers available."

Yet when the appraisals were updated in 2009, they still relied on sale prices from 2004 to 2006, documents showed. District officials said the appraisers assured them that prices had held steady.

In an interview, Mr. Crist said critics of the appraisals were underestimating the land's environmental value.

But the appraisers for the Florida Department of Environmental Protection had also questioned the methods of the two firms. According to internal e-mail, Thomas Porter, one of the department's appraisers, would not give his requisite approval by the deadline.

In response, United States Sugar's lawyers at Gunster persuaded the water district to change the contract so the department's sign-off was no longer required, records showed. Several days after Mr. Crist's November press conference, the water district learned that the firm it had hired to render the fairness opinion — an analysis of the entire deal — had also concluded that the land was worth far less.

The firm, Duff & Phelps, based in Manhattan, estimated the United States Sugar property was worth $930 million, about $400 million less than what the district would be paying.

When the firm's opinion arrived at the district, officials there consulted with Mr. Sole, the Environmental Protection secretary, about the best way to respond. The timing was critical because the district's board was scheduled to vote less than one month later, in mid-December, on the $1.34 billion purchase.

Officials who had commissioned the Duff & Phelps report, at a cost of $1.5 million, were now scrambling to minimize its impact. Internal e-mail messages showed that the district's scripted response for reporters was sent to Mr. Eikenberg, Mr. Crist's deputy chief of staff, as well as several prominent environmentalists.

"It is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose," the district's statement said.

The deputy executive director for government and public affairs at the water district wrote talking points. "Note: There are differing views about the merit of fairness opinions within the business and academic communities," the public affairs official wrote, according to the e-mail.

Robert E. Coker, a United States Sugar vice president, was more blunt, characterizing Duff & Phelps publicly as "Huey, Dewey and Louie." He argued that Florida was paying bargain-basement prices, saying "the state is getting the Hope Diamond at cubic zirconia prices."

Paying for the land was only the beginning. A slide show prepared by the district on restoration projects and construction detailed one estimate that put the effort at $8.6 billion and another at $12.3 billion, according to records obtained by The New York Times.

Even at the lower estimate and with the federal government paying its share, the district would struggle to bear the costs. The details of the deal were now raising concerns among some district board members and environmentalists.

An unlikely cheerleader emerged. George LeMieux, despite having insisted that he had nothing to do with the deal, appeared at a legal conference in Deerfield Beach and offered "an insider's account" of Everglades restoration.

In a keynote address that went uncovered by the local media, Mr. LeMieux described the United States Sugar deal as "an unprecedented opportunity, really a game changer."

"We really stand at the intersection of opportunity and possibility," he said. "We have a historic opportunity to change the face of the Everglades and our environment with this acquisition of the U.S. Sugar lands."

In Deal on Everglades, a Dream Is Deferred

03/08/2010
Ocala.com

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The sale, scheduled to close March 31, amounts to a lifeline for the company, which entered negotiations at a time of profound weakness; it was facing a costly shareholder lawsuit, sinking profit margins and increased foreign competition. The deal would enable it to wipe nearly all the debt from its books.

United States Sugar had an unusually powerful advocate in Gunster, a West Palm Beach law firm that had represented it since 1990. Gunster's chairman, George LeMieux, was Governor Crist's chief of staff when the deal was first conceived. Mr. LeMieux, who began working at the law firm in 1994, returned to it in January 2008 as the deal was being renegotiated.

He and Mr. Crist are confidants, and the governor referred to Mr. LeMieux as the "maestro" of his 2006 election victory. When a United States Senate seat was vacated in 2009, Mr. Crist appointed Mr. LeMieux to fill it. The governor is now campaigning for that post and has often described the United States Sugar purchase as a crowning achievement of his administration.

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For United States Sugar, "it's a fantastic deal," said a former senior executive of the company, who described his colleagues as "elated."

"I won't lie to you — it's a damn good price for that land," said the executive, who spoke on the condition of anonymity because he had signed a nondisclosure agreement. "But it's not as good a deal for the Everglades. If the district doesn't have any money after this purchase, then they won't be able to do any restoration projects. It could be a disaster in the making."

A Governor's Overture

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The reservoir was a vital piece of the $7.8 billion restoration project put together by President Bill Clinton in 2000. Under the plan, reservoirs, marshes and hundreds of wells would collect, clean and deliver rainwater to the Everglades, where an array of plants and animals are threatened with extinction.

Environmentalists had long sought to restore the historic flow way, or waterway, from Lake Okeechobee south through the glades and into Florida Bay, a dream that had been hampered by more than a century of piping, dredging and development. The flow way required land owned by United States Sugar and its chief competitor, Florida Crystals, both of which refused to sell for years.

The system of wells and reservoirs was a way to circumvent that need. Like many previous restoration efforts, though, the Clinton plan hit obstacles, including competing local interests and insufficient financing from the federal government.

Even so, in 2004, Governor Bush was able to accelerate eight projects; some $282 million alone was spent on the giant reservoir.

But by 2007, with a sagging sugar business looking to prop up its balance sheet and a new governor looking to burnish his environmental and national credentials, the fate of the Everglades was about to take another abrupt turn.

United States Sugar's debt soared that year to more than $500 million, former executives said, as operational problems and competitive pressures mounted. The company was in its second year of drought and further hampered by a recent water district restriction limiting a method of irrigation that sugar growers relied on during the dry seasons.

On Nov. 15, 2007, two United States Sugar lobbyists met in the governor's office with Mr. Crist and Eric Eikenberg, the deputy chief of staff under Mr. LeMieux.

The lobbyists, J. M. Stipanovich and Brian Ballard, had supported Mr. Crist's campaign for governor, and Mr. Ballard was one of its major fund-raisers. United States Sugar was still reeling from the government's decision to limit irrigation.

"It was a visit to open his eyes, to open his ears to the idea that a lot of these decisions were affecting their livelihood," Malcolm S. Wade Jr., a senior vice president at United States Sugar, said in an interview.

At the meeting, the governor announced that the state might be interested in buying United States Sugar. Mr. Crist said in an interview that he could not remember "the particulars" of when or how the idea had originated.

"There was a sense, or some indirect communication, that they might be a willing seller," the governor said.

Mr. Wade said that the company had been taken by surprise. "It caught everyone out of the blue," he said.

For its board members, Mr. Crist's overture was appealing in part because they figured a government purchase would be far more lucrative than a private deal.

"It wasn't another company coming in and bottom-fishing you," Mr. Wade said. "They knew it would be for fair-market appraisals."

A Setback Seems Averted

When the state began negotiating its ambitious plan to save the Everglades, key players were, notably, not invited.

Missing from the table, according to interviews and e-mail messages, were Miccosukee Indian tribe members, some of whom live in the Everglades; the Florida Crystals Corporation, the other major landowner in the area; and the federal agencies that partner with the state on restoration efforts.

Lawyers for the Miccosukees and Florida Crystals said their clients found out about the proposed deal with United States Sugar just a few days before it was announced to the public.

Likely supporters of the deal had been told months earlier, including Paul Tudor Jones II, a billionaire hedge-fund manager and philanthropist who co-founded the Everglades Foundation. The governor was friendly with Mr. Jones, who had contributed $400,000 to the state Republican Party — the largest single donation it ever received. And Mr. Jones was influential with other environmental groups that he and his foundation helped finance with millions of dollars.

As the negotiations proceeded, it became clear that financing was problematic. The cost of the land deal had initially been estimated at nearly $2 billion. But the water district was already committed to spending about $800 million for the giant reservoir outside Palm Beach. It could not afford both.

Responding to an e-mail message from a fellow environmentalist saying that the governor needed to understand the threat the reservoir posed to the United States Sugar land purchase, Mr. Jones replied, "He knows that and is doing the best he can."

Yet stopping construction of the reservoir presented a potential political disaster.

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The litigation referred to a lawsuit environmental groups had filed over water usage from the reservoir. The announcement stunned the groups, which had made it clear that they did not want the project stopped.

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There were enormous financial consequences. The district had to pay the reservoir's contractor a $2 million-a-month penalty for suspending the work. It eventually paid $25 million in penalties and fines for canceling the contract, on top of the $282 million it had already spent on the construction.

Fallout from the suspension was mounting when Shannon A. Estenoz, a member of the district's advisory board who had been on the board of the Everglades Foundation, reached out to Mr. Jones. In an e-mail message on May 21, Ms. Estenoz urged Mr. Jones to send a message to the governor: "For your information only, our decision to pause construction is entirely justifiable on its own even without the US Sugar deal hanging out there, but once the litigation is finished our legitimate reason for delay goes away," she said. "The message to the Governor is that we have until the end of the June at most."

On June 24, 2008, with Florida already experiencing a recession and property values sinking, Ms. Estenoz stood beside the governor at the edge of the Everglades as he unveiled the $1.75 billion deal. Local cheers and sweeping national headlines followed.

Politically, the timing was perfect. Mr. Crist was on the short list of potential running mates for Senator John McCain, the presumptive Republican nominee for president.

Ellen Simms, a former United States Sugar comptroller who views the deal skeptically, said that despite the high cost to taxpayers, it was difficult in those early days to question it. "Who can be against it?" she said. "This was going to save the Everglades. It's like being against motherhood and apple pie."

A few did speak out. The Miccosukee Tribe quickly filed a lawsuit, saying that the purchase would delay the restoration. "This is a death warrant for the Everglades," said Dexter Lehtinen, a lawyer for the tribe. "It sucks away all the money devoted to projects now in the pipeline."

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Twists and Disappointments

The growing financial crisis in the summer of 2008 was rapidly changing the scope of the deal. On Nov. 11, 2008, Mr. Crist announced a smaller, $1.34 billion purchase of just over 180,000 acres of United States Sugar's land, but this time not including its other assets.

At a press conference, Mr. Crist called the new deal "miraculous."

For United States Sugar, at least, it looked that way. David Guest, an environmental lawyer and vocal supporter of the full buyout plan, said that the state's lead negotiator, Michael W. Sole, secretary of Florida's Environmental Protection Department, had given away far too much to United States Sugar.

"He got scammed," Mr. Guest said. "Everyone gasped in disbelief when he came back with what he did."

Mr. Sole said in an interview that he got the best deal he could.

But internal district documents revealed that the land had been overvalued by the two firms that performed the independent appraisals. Both relied on figures from 2004 to 2008, when a speculative real estate market had prices soaring.

If the current prices had been used, the state would be paying far less. For example, while the water district agreed to pay United States Sugar nearly $7,000 an acre for citrus land, it is now selling for $4,000 an acre, independent appraisers said recently in interviews.

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"When I had heard that number, I couldn't swallow it — it was an unbelievable number," said Woody Hanson, a land appraiser in Fort Myers with extensive experience in the Everglades. "Then I looked closely at the appraisals to test them for reasonableness and, wow, there is just no way it makes sense for the taxpayers."

Neither appraisal firm used by the district would comment.

Eric Buermann, chairman of the district's advisory board, defended the appraisals but acknowledged that they had used outdated values. "At the time we had to make the decision," he said, "those were the latest, best numbers available."

Yet when the appraisals were updated in 2009, they still relied on sale prices from 2004 to 2006, documents showed. District officials said the appraisers assured them that prices had held steady.

In an interview, Mr. Crist said critics of the appraisals were underestimating the land's environmental value.

But the appraisers for the Florida Department of Environmental Protection had also questioned the methods of the two firms. According to internal e-mail, Thomas Porter, one of the department's appraisers, would not give his requisite approval by the deadline.

In response, United States Sugar's lawyers at Gunster persuaded the water district to change the contract so the department's sign-off was no longer required, records showed. Several days after Mr. Crist's November press conference, the water district learned that the firm it had hired to render the fairness opinion — an analysis of the entire deal — had also concluded that the land was worth far less.

The firm, Duff & Phelps, based in Manhattan, estimated the United States Sugar property was worth $930 million, about $400 million less than what the district would be paying.

When the firm's opinion arrived at the district, officials there consulted with Mr. Sole, the Environmental Protection secretary, about the best way to respond. The timing was critical because the district's board was scheduled to vote less than one month later, in mid-December, on the $1.34 billion purchase.

Officials who had commissioned the Duff & Phelps report, at a cost of $1.5 million, were now scrambling to minimize its impact. Internal e-mail messages showed that the district's scripted response for reporters was sent to Mr. Eikenberg, Mr. Crist's deputy chief of staff, as well as several prominent environmentalists.

"It is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose," the district's statement said.

The deputy executive director for government and public affairs at the water district wrote talking points. "Note: There are differing views about the merit of fairness opinions within the business and academic communities," the public affairs official wrote, according to the e-mail.

Robert E. Coker, a United States Sugar vice president, was more blunt, characterizing Duff & Phelps publicly as "Huey, Dewey and Louie." He argued that Florida was paying bargain-basement prices, saying "the state is getting the Hope Diamond at cubic zirconia prices."

Paying for the land was only the beginning. A slide show prepared by the district on restoration projects and construction detailed one estimate that put the effort at $8.6 billion and another at $12.3 billion, according to records obtained by The New York Times.

Even at the lower estimate and with the federal government paying its share, the district would struggle to bear the costs. The details of the deal were now raising concerns among some district board members and environmentalists.

An unlikely cheerleader emerged. George LeMieux, despite having insisted that he had nothing to do with the deal, appeared at a legal conference in Deerfield Beach and offered "an insider's account" of Everglades restoration.

In a keynote address that went uncovered by the local media, Mr. LeMieux described the United States Sugar deal as "an unprecedented opportunity, really a game changer."

"We really stand at the intersection of opportunity and possibility," he said. "We have a historic opportunity to change the face of the Everglades and our environment with this acquisition of the U.S. Sugar lands."

'In the Driver's Seat'

In deal on Everglades, a dream is deferred

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By Don Van Natta Jr. and Damien Cave / New York Times

When Gov. Charlie Crist announced Florida's $1.75 billion plan to save the Everglades by buying out a major landowner, U.S. Sugar, he declared that the deal would be remembered as a public acquisition "as monumental as the creation of the nation's first national park, Yellowstone."

Standing amid the marshes at the Loxahatchee National Wildlife Refuge in June 2008, Crist said, "I can envision no better gift to the Everglades, the people of Florida and the people of America -- as well as our planet -- than to place in public ownership this missing link that represents the key to true restoration."

Nearly two years later, the governor's ambitious plan to reclaim the river of grass, as the famed wetlands are known, is instead on track to rescue the fortunes of U.S. Sugar.

The proposal was downsized only five months after it was announced. By April 2009, amid the deepening recession, the state said it could afford to purchase only 72,800 acres of U.S. Sugar's land, for $536 million. The company would stay in business and the state would retain the option of buying the remaining 107,000 acres at a future date.

U.S. Sugar dictated many of the terms of the deal as state officials repeatedly made decisions against the immediate needs of the Everglades and the interests of taxpayers, an examination of thousands of state e-mail messages and records and more than 60 interviews showed.

Efforts to restore the Everglades have picked up urgency in the last decade: The vast subtropical wetland, the only ecosystem of its kind, is dying for lack of clean water. Many environmentalists remain convinced that Crist's deal with U.S. Sugar, even in its downsized form, offers the Everglades its best hope.

But documents and interviews suggest that the price tag and terms of the deal could set back Everglades restoration for years, or even decades.

Negotiations favored U.S. Sugar from the start, when the state accepted two outside firms' appraisals of the company's land that used figures from the height of the real estate market, according to documents.

When a "fairness opinion" commissioned by the state found that those appraisals had overvalued the land by $400 million, Florida officials orchestrated a public relations campaign to discredit the findings, internal e-mail showed. Appraisers from the Florida Department of Environmental Protection, which was required to sign off on the deal, were also cut out of the process after raising concerns, e-mail messages showed.

When it came time to decide which land to buy, state officials acknowledged that U.S. Sugar was, as one official put it during an interview, "pretty much in the driver's seat." The water district overseeing the restoration will end up with six large disconnected parcels under the current deal, including all of U.S. Sugar's citrus groves.

State officials acknowledged that some of that land, which has been ravaged by canker, a plant disease, is useless for restoration.

The officials defended the negotiations as appropriate, saying that U.S. Sugar needed certain tracts of farmland to continue operating.

Crist said in an interview that officials had "negotiated to try to get the very best deal we could." He added, "We have a duty and a responsibility as good stewards to understand that we may never have this opportunity again, ever, ever."

Supporters of the plan said the land would enable the state and federal government to build reservoirs and water treatment systems. But doing so would require deep financial reserves from the South Florida Water Management District, which oversees restoration and is financed by taxpayers in 16 counties. Internal district documents put the price tag at up to $12 billion and projected that the district would have nowhere near that amount.

In the meantime, more than a dozen projects under way as part of a 10-year-old federal and district restoration effort have been suspended or canceled in anticipation of the cost of the U.S. Sugar deal. Among them is a massive reservoir in western Palm Beach County that was seen as a major step toward restoration of the Everglades. In total, $1.3 billion had already been spent on the projects, according to an internal water district document.

Former Gov. Jeb Bush, who initiated most of that work, said in an interview that he was "deeply disappointed" with the decision by Crist, his successor and a fellow Republican, calling the move to halt the projects a setback for restoration.

"To replace projects that were under way for a possibility of a project decades from now is not a good trade," Bush said. "On a net basis, this appears to me there has been a replacement of science-based environmental policy for photo-op environmental policy."

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SURPRISES AND SETBACKS MOUNT

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Officials who had commissioned the Duff & Phelps report, at a cost of $1.5 million, were now scrambling to minimize its impact. Internal e-mail messages showed that the district's scripted response for reporters was sent to Eikenberg, Crist's deputy chief of staff, as well as several prominent environmentalists.

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Even at the lower estimate and with the federal government paying its share, the district would struggle to bear the costs. The details of the deal were now raising concerns among some district board members and environmentalists.

An unlikely cheerleader emerged. George LeMieux, despite having insisted that he had nothing to do with the deal, appeared at a legal conference in Deerfield Beach and offered "an insider's account" of Everglades restoration.

In a keynote address that went uncovered by the local media, LeMieux described the U.S. Sugar deal as "an unprecedented opportunity, really a game changer."

"We really stand at the intersection of opportunity and possibility," he said. "We have a historic opportunity to change the face of the Everglades and our environment with this acquisition of the U.S. Sugar lands."

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In April 2009, Crist announced a second downsizing of the deal, necessitated again, he said, by the state's shrinking economy. The district would now buy 72,800 acres for $536 million. Critics said that as the deal got smaller, it got better for U.S. Sugar.

Under the terms of the new deal, U.S. Sugar will be able to keep farming some of the land for at least seven years. As a result, some environmental experts believe, the Everglades will be worse off in the short term.

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Criticism from other environmentalists, though, has been muted. Some have acknowledged concerns, but do not want to say anything that might help kill what would be the largest land purchase ever for the Everglades. With the state retaining an option to buy the rest of U.S. Sugar's land, there also remains a romantic adherence in some quarters to the dream of a restored river of grass from Lake Okeechobee to Florida Bay.

"The whole concept that we are able to get additional land out of the EAA -- that has always been very difficult to do in the past," said John H. Hankinson Jr., chairman of the board of directors at Audubon of Florida, referring to the Everglades Agricultural Area. "And that I think is ingrained in a lot of the consciousness of the people involved in this."

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In an interview on Feb. 26, by phone as he traveled through the Everglades on the road known as Alligator Alley, the governor said that critics of the deal would come up with "all kinds of reasons not to do something."

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Tom Torok contributed reporting.

When Gov. Charlie Crist announced Florida's $1.75 billion plan to save the Everglades by buying out a major landowner, U.S. Sugar, he declared that the deal would be remembered as a public acquisition "as monumental as the creation of the nation's first national park, Yellowstone."

Standing amid the marshes at the Loxahatchee National Wildlife Refuge in June 2008, Crist said, "I can envision no better gift to the Everglades, the people of Florida and the people of America -- as well as our planet -- than to place in public ownership this missing link that represents the key to true restoration."

Nearly two years later, the governor's ambitious plan to reclaim the river of grass, as the famed wetlands are known, is instead on track to rescue the fortunes of U.S. Sugar.

The proposal was downsized only five months after it was announced. By April 2009, amid the deepening recession, the state said it could afford to purchase only 72,800 acres of U.S. Sugar's land, for $536 million. The company would stay in business and the state would retain the option of buying the remaining 107,000 acres at a future date.

U.S. Sugar dictated many of the terms of the deal as state officials repeatedly made decisions against the immediate needs of the Everglades and the interests of taxpayers, an examination of thousands of state e-mail messages and records and more than 60 interviews showed.

Efforts to restore the Everglades have picked up urgency in the last decade: The vast subtropical wetland, the only ecosystem of its kind, is dying for lack of clean water. Many environmentalists remain convinced that Crist's deal with U.S. Sugar, even in its downsized form, offers the Everglades its best hope.

But documents and interviews suggest that the price tag and terms of the deal could set back Everglades restoration for years, or even decades.

Negotiations favored U.S. Sugar from the start, when the state accepted two outside firms' appraisals of the company's land that used figures from the height of the real estate market, according to documents.

When a "fairness opinion" commissioned by the state found that those appraisals had overvalued the land by $400 million, Florida officials orchestrated a public relations campaign to discredit the findings, internal e-mail showed. Appraisers from the Florida Department of Environmental Protection, which was required to sign off on the deal, were also cut out of the process after raising concerns, e-mail messages showed.

When it came time to decide which land to buy, state officials acknowledged that U.S. Sugar was, as one official put it during an interview, "pretty much in the driver's seat." The water district overseeing the restoration will end up with six large disconnected parcels under the current deal, including all of U.S. Sugar's citrus groves.

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Crist said in an interview that officials had "negotiated to try to get the very best deal we could." He added, "We have a duty and a responsibility as good stewards to understand that we may never have this opportunity again, ever, ever."

Supporters of the plan said the land would enable the state and federal government to build reservoirs and water treatment systems. But doing so would require deep financial reserves from the South Florida Water Management District, which oversees restoration and is financed by taxpayers in 16 counties. Internal district documents put the price tag at up to $12 billion and projected that the district would have nowhere near that amount.

In the meantime, more than a dozen projects under way as part of a 10-year-old federal and district restoration effort have been suspended or canceled in anticipation of the cost of the U.S. Sugar deal. Among them is a massive reservoir in western Palm Beach County that was seen as a major step toward restoration of the Everglades. In total, $1.3 billion had already been spent on the projects, according to an internal water district document.

Former Gov. Jeb Bush, who initiated most of that work, said in an interview that he was "deeply disappointed" with the decision by Crist, his successor and a fellow Republican, calling the move to halt the projects a setback for restoration.

"To replace projects that were under way for a possibility of a project decades from now is not a good trade," Bush said. "On a net basis, this appears to me there has been a replacement of science-based environmental policy for photo-op environmental policy."

In its current form, the deal's only clear, immediate beneficiaries would be U.S. Sugar, a privately held company based in Clewiston, Fla., and its law firm, Gunster, which is expected to collect tens of millions of dollars in fees for its work on the sale, according to current and former U.S. Sugar executives.

The sale, scheduled to close March 31, amounts to a lifeline for the company, which entered negotiations at a time of profound weakness; it was facing a costly shareholder lawsuit, sinking profit margins and increased foreign competition. The deal would enable it to wipe nearly all the debt from its books.

U.S. Sugar had an unusually powerful advocate in Gunster, a West Palm Beach law firm that had represented it since 1990. Gunster's chairman, George LeMieux, was Crist's chief of staff when the deal was conceived. LeMieux, who began working at the law firm in 1994, returned to it in January 2008 as the deal was being renegotiated.

He and Crist are confidants, and the governor referred to LeMieux as the "maestro" of his 2006 election victory. When a U.S. Senate seat was vacated in 2009, Crist appointed LeMieux to fill it. The governor is now campaigning for that post and has often described the U.S. Sugar purchase as a crowning achievement of his administration.

LeMieux said in an interview that he had recused himself from the U.S. Sugar negotiations while he was chief of staff, to avoid a conflict of interest. He said he had never discussed the deal with Crist, which was "awkward as heck," given how close they are.

Back at the law firm, LeMieux sent an e-mail message on Dec. 18, 2008, to its compensation committee, saying "I should not be compensated" for the firm's U.S. Sugar representation, according to a copy of the message. H. William Perry, Gunster's managing partner, said the firm complied. LeMieux said that he had only "management type discussions" about the case as chairman.

Rick J. Burgess, a Gunster partner, said he spoke to LeMieux on occasion about the deal, using him "as a sounding board."

LeMieux played a similar role for Kirk Fordham, who runs the powerful Everglades Foundation. Fordham said he spoke two or three times with LeMieux when he was at the law firm for updates about the negotiations.

For U.S. Sugar, "it's a fantastic deal," said a former senior executive of the company, who described his colleagues as "elated."

"I won't lie to you -- it's a damn good price for that land," said the executive, who spoke on condition of anonymity because he had signed a nondisclosure agreement. "But it's not as good a deal for the Everglades. If the district doesn't have any money after this purchase, then they won't be able to do any restoration projects. It could be a disaster in the making."

A GOVERNOR'S OVERTURE

On Route 27 heading out of Palm Beach, towering piles of rocks extend for more than a mile on the site of what was to become the largest man-made reservoir on the planet. Consuming more than 16,000 acres, it would hold enough water to fill 100,000 Olympic-size swimming pools.

The reservoir was a vital piece of the $7.8 billion restoration project put together by President Bill Clinton in 2000. Under the plan, reservoirs, marshes and hundreds of wells would collect, clean and deliver rainwater to the Everglades, where an array of plants and animals are threatened with extinction.

Environmentalists had long sought to restore the historic flow way, or waterway, from Lake Okeechobee south through the glades and into Florida Bay, a dream that had been hampered by more than a century of piping, dredging and development. The flow way required land owned by U.S. Sugar and its chief competitor, Florida Crystals, both of which refused to sell for years.

The system of wells and reservoirs was a way to circumvent that need. Like many previous restoration efforts, though, the Clinton plan hit obstacles, including competing local interests and insufficient financing from the federal government.

Even so, in 2004, Bush was able to accelerate eight projects; some $282 million alone was spent on the giant reservoir.

But by 2007, with a sagging sugar business looking to prop up its balance sheet and a new governor looking to burnish his environmental and national credentials, the fate of the Everglades was about to take another abrupt turn.

U.S. Sugar's debt soared that year to more than $500 million, former executives said, as operational problems and competitive pressures mounted. The company was in its second year of drought and further hampered by a recent water district restriction limiting a method of irrigation that sugar growers relied on during the dry seasons.

On Nov. 15, 2007, two U.S. Sugar lobbyists met in the governor's office with Crist and Eric Eikenberg, the deputy chief of staff under LeMieux.

The lobbyists, J.M. Stipanovich and Brian Ballard, had supported Crist's campaign for governor, and Ballard was one of its major fundraisers. U.S. Sugar was still reeling from the government's decision to limit irrigation.

"It was a visit to open his eyes, to open his ears to the idea that a lot of these decisions were affecting their livelihood," Malcolm S. Wade Jr., a senior vice president at U.S. Sugar, said in an interview.

At the meeting, the governor announced that the state might be interested in buying U.S. Sugar. Crist said in an interview that he could not remember "the particulars" of when or how the idea had originated.

"There was a sense, or some indirect communication, that they might be a willing seller," the governor said.

Wade said that the company had been taken by surprise. "It caught everyone out of the blue," he said.

For its board members, Crist's overture was appealing in part because they figured a government purchase would be far more lucrative than a private deal.

"It wasn't another company coming in and bottom-fishing you," Wade said. "They knew it would be for fair-market appraisals."

A SETBACK SEEMS AVERTED

When the state began negotiating its ambitious plan to save the Everglades, key players were, notably, not invited.

Missing from the table, according to interviews and e-mail messages, were Miccosukee Indian tribe members, some of whom live in the Everglades; Florida Crystals Corp., the other major landowner in the area; and the federal agencies that partner with the state on restoration efforts.

Lawyers for the Miccosukees and Florida Crystals said their clients found out about the proposed deal with U.S. Sugar just a few days before it was announced to the public.

Likely supporters of the deal had been told months earlier, including Paul Tudor Jones II, a billionaire hedge-fund manager and philanthropist who co-founded the Everglades Foundation. The governor was friendly with Jones, who had contributed $400,000 to the state Republican Party -- the largest single donation it ever received. And Jones was influential with other environmental groups that he and his foundation helped finance with million of dollars.

As the negotiations proceeded, it became clear that financing was problematic. The cost of the land deal had initially been estimated at nearly $2 billion. But the water district was already committed to spending about $800 million for the giant reservoir outside Palm Beach. It could not afford both.

Responding to an e-mail message from a fellow environmentalist saying that the governor needed to understand the threat the reservoir posed to the U.S. Sugar land purchase, Jones replied, "He knows that and is doing the best he can."

Yet stopping construction of the reservoir presented a potential political disaster.

So on May 15, 2008, with the U.S. Sugar deal still not public, the water board suspended work on the reservoir because of "uncertainties related to unresolved litigation."

The litigation referred to a lawsuit environmental groups had filed over water usage from the reservoir. The announcement stunned the groups, which had made it clear that they did not want the project stopped.

"We were a convenient pretext," said Bradford H. Sewell, a lawyer for one of the groups.

There were enormous financial consequences. The district had to pay the reservoir's contractor a $2 million-a-month penalty for suspending the work. It eventually paid $25 million in penalties and fines for canceling the contract, on top of the $282 million it had already spent on the construction.

Fallout from the suspension was mounting when Shannon A. Estenoz, a member of the district's advisory board who had been on the board of the Everglades Foundation, reached out to Jones. In an e-mail message on May 21, Estenoz urged Jones to send a message to the governor: "For your information only, our decision to pause construction is entirely justifiable on its own even without the U.S. Sugar deal hanging out there, but once the litigation is finished our legitimate reason for delay goes away," she said. "The message to the governor is that we have until the end of the June at most."

On June 24, 2008, with Florida already experiencing a recession and property values sinking, Estenoz stood beside the governor at the edge of the Everglades as he unveiled the $1.75 billion deal. Local cheers and sweeping national headlines followed.

Politically, the timing was perfect. Crist was on the short list of potential running mates for Sen. John McCain, the presumptive Republican nominee for president.

Ellen Simms, a former U.S. Sugar comptroller who views the deal skeptically, said that despite the high cost to taxpayers, it was difficult in those early days to question it. "Who can be against it?" she said. "This was going to save the Everglades. It's like being against motherhood and apple pie."

A few did speak out. The Miccosukee Tribe quickly filed a lawsuit, saying that the purchase would delay the restoration. "This is a death warrant for the Everglades," said Dexter Lehtinen, a lawyer for the tribe. "It sucks away all the money devoted to projects now in the pipeline."

Florida Crystals labeled the deal a taxpayer-supported buyout of U.S. Sugar, and seemed to be smarting from being left out of it. Some of its land, in fact, was needed to recreate the waterway through the Everglades, which Crist called "the missing link" of restoration.

Interviews and previously undisclosed records showed that Florida Crystals had made two written offers to join in the deal. But, with U.S. Sugar resisting having its competitor involved, talks with the governor's office went nowhere.

"For some reason, they weren't willing to negotiate in a way that would bring us to an accord," Crist said in an interview. "U.S. Sugar was. End of story."

SURPRISES AND SETBACKS MOUNT

The growing financial crisis in the summer of 2008 was rapidly changing the scope of the deal. On Nov. 11, 2008, Crist announced a smaller, $1.34 billion purchase of just over 180,000 acres of U.S. Sugar's land, but this time not including its other assets.

At a press conference, Crist called the new deal "miraculous."

For U.S. Sugar, at least, it looked that way. David Guest, an environmental lawyer and vocal supporter of the full buyout plan, said that the state's lead negotiator, Michael W. Sole, secretary of Florida's Environmental Protection Department, had given away far too much to U.S. Sugar.

"He got scammed," Guest said. "Everyone gasped in disbelief when he came back with what he did."

Sole said in an interview that he got the best deal he could.

But internal district documents revealed that the land had been overvalued by the two firms that performed the independent appraisals. Both relied on figures from 2004 to 2008, when a speculative real estate market had prices soaring.

If the current prices had been used, the state would be paying far less. For example, while the water district agreed to pay U.S. Sugar nearly $7,000 an acre for citrus land, it is now selling for $4,000 an acre, independent appraisers said recently in interviews.

The two outside appraisal firms used by the district -- Anderson & Carr, of West Palm Beach, Fla., and Sewell, Valentich, Tillis & Associates, of Sarasota -- came up with almost identical figures of around $1.3 billion, a rarity that raised some eyebrows.

"When I had heard that number, I couldn't swallow it -- it was an unbelievable number," said Woody Hanson, a land appraiser in Fort Myers with extensive experience in the Everglades. "Then I looked closely at the appraisals to test them for reasonableness and, wow, there is just no way it makes sense for the taxpayers."

Neither appraisal firm used by the district would comment.

Eric Buermann, chairman of the district's advisory board, defended the appraisals but acknowledged that they had used outdated values. "At the time we had to make the decision," he said, "those were the latest, best numbers available."

Yet when the appraisals were updated in 2009, they still relied on sale prices from 2004 to 2006, documents showed. District officials said the appraisers assured them that prices had held steady.

In an interview, Crist said critics of the appraisals were underestimating the land's environmental value.

But the appraisers for the Florida Department of Environmental Protection had also questioned the methods of the two firms. According to internal e-mail, Thomas Porter, one of the department's appraisers, would not give his requisite approval by the deadline.

In response, U.S. Sugar's lawyers at Gunster persuaded the water district to change the contract so the department's sign-off was no longer required, records showed. Several days after Crist's November press conference, the water district learned that the firm it had hired to render the fairness opinion -- an analysis of the entire deal -- had also concluded that the land was worth far less.

The firm, Duff & Phelps, based in Manhattan, estimated the U.S. Sugar property was worth $930 million, about $400 million less than what the district would be paying.

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In Deal on Everglades, a Dream Is Deferred

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DON VAN NATTA Jr. and DAMIEN CAVE

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FIELDS OF CANE United States Sugar's Clewiston sugar cane refinery. A $1.75 billion deal to sell land and assets to Florida was reduced to 72,800 acres, in separate parcels, for $536 million.

Chang W. Lee/The New York Times

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Mr. Crist said in an interview that officials had "negotiated to try to get the very best deal we could." He added, "We have a duty and a responsibility as good stewards to understand that we may never have this opportunity again, ever, ever."

Supporters of the plan said the land would enable the state and federal government to build reservoirs and water treatment systems. But doing so would require deep financial reserves from the South Florida Water Management District, which oversees restoration and is financed by taxpayers in 16 counties. Internal district documents put the price tag at up to $12 billion and projected that the district would have nowhere near that amount.

In the meantime, more than a dozen projects under way as part of a 10-year-old federal and district restoration effort have been suspended or canceled in anticipation of the cost of the United States Sugar deal. Among them is a massive reservoir in western Palm Beach County that was seen as a major step toward restoration of the Everglades. In total, $1.3 billion had already been spent on the projects, according to an internal water district document.

Former Gov. Jeb Bush, who initiated most of that work, said in an interview that he was "deeply disappointed" with the decision by Mr. Crist, his successor and a fellow Republican, calling the move to halt the projects a setback for restoration.

"To replace projects that were under way for a possibility of a project decades from now is not a good trade," Mr. Bush said. "On a net basis, this appears to me there has been a replacement of science-based environmental policy for photo-op environmental policy."

In its current form, the deal's only clear, immediate beneficiaries would be United States Sugar, a privately held company based in Clewiston, Fla., and its law firm, Gunster, which is expected to collect tens of millions of dollars in fees for its work on the sale, according to current and former United States Sugar executives.

The sale, scheduled to close March 31, amounts to a lifeline for the company, which entered negotiations at a time of profound weakness; it was facing a costly shareholder lawsuit, sinking profit margins and increased foreign competition. The deal would enable it to wipe nearly all the debt from its books.

United States Sugar had an unusually powerful advocate in Gunster, a West Palm Beach law firm that had represented it since 1990. Gunster's chairman, George LeMieux, was Governor Crist's chief of staff when the deal was first conceived. Mr. LeMieux, who began working at the law firm in 1994, returned to it in January 2008 as the deal was being renegotiated.

He and Mr. Crist are confidants, and the governor referred to Mr. LeMieux as the "maestro" of his 2006 election victory. When a United States Senate seat was vacated in 2009, Mr. Crist appointed Mr. LeMieux to fill it. The governor is now campaigning for that post and has often described the United States Sugar purchase as a crowning achievement of his administration.

Mr. LeMieux said in an interview that he had recused himself from the United States Sugar negotiations while he was chief of staff, to avoid a conflict of interest. He said he had never discussed the deal with Mr. Crist, which was "awkward as heck," given how close they are.

Back at the law firm, Mr. LeMieux sent an e-mail message on Dec. 18, 2008, to its compensation committee, saying "I should not be compensated" for the firm's United States Sugar representation, according to a copy of the message. H. William Perry, Gunster's managing partner, said the firm complied. Mr. LeMieux said that he had only "management type discussions" about the case as chairman.

Rick J. Burgess, a Gunster partner, said he spoke to Mr. LeMieux on occasion about the deal, using him "as a sounding board."

Mr. LeMieux played a similar role for Kirk Fordham, who runs the powerful Everglades Foundation. Mr. Fordham said he spoke two or three times with Mr. LeMieux when he was at the law firm for updates about the negotiations.

For United States Sugar, "it's a fantastic deal," said a former senior executive of the company, who described his colleagues as "elated."

"I won't lie to you — it's a damn good price for that land," said the executive, who spoke on the condition of anonymity because he had signed a nondisclosure agreement. "But it's not as good a deal for the Everglades. If the district doesn't have any money after this purchase, then they won't be able to do any restoration projects. It could be a disaster in the making."

A Governor's Overture

On Route 27 heading out of Palm Beach, towering piles of rocks extend for more than a mile on the site of what was to become the largest man-made reservoir on the planet. Consuming more than 16,000 acres, it would hold enough water to fill 100,000 Olympic-size swimming pools.

The reservoir was a vital piece of the $7.8 billion restoration project put together by President Bill Clinton in 2000. Under the plan, reservoirs, marshes and hundreds of wells would collect, clean and deliver rainwater to the Everglades, where an array of plants and animals are threatened with extinction.

Environmentalists had long sought to restore the historic flow way, or waterway, from Lake Okeechobee south through the glades and into Florida Bay, a dream that had been hampered by more than a century of piping, dredging and development. The flow way required land owned by United States Sugar and its chief competitor, Florida Crystals, both of which refused to sell for years.

The system of wells and reservoirs was a way to circumvent that need. Like many previous restoration efforts, though, the Clinton plan hit obstacles, including competing local interests and insufficient financing from the federal government.

Even so, in 2004, Governor Bush was able to accelerate eight projects; some $282 million alone was spent on the giant reservoir.

But by 2007, with a sagging sugar business looking to prop up its balance sheet and a new governor looking to burnish his environmental and national credentials, the fate of the Everglades was about to take another abrupt turn.

United States Sugar's debt soared that year to more than $500 million, former executives said, as operational problems and competitive pressures mounted. The company was in its second year of drought and further hampered by a recent water district restriction limiting a method of irrigation that sugar growers relied on during the dry seasons.

On Nov. 15, 2007, two United States Sugar lobbyists met in the governor's office with Mr. Crist and Eric Eikenberg, the deputy chief of staff under Mr. LeMieux.

The lobbyists, J. M. Stipanovich and Brian Ballard, had supported Mr. Crist's campaign for governor, and Mr. Ballard was one of its major fund-raisers. United States Sugar was still reeling from the government's decision to limit irrigation.

"It was a visit to open his eyes, to open his ears to the idea that a lot of these decisions were affecting their livelihood," Malcolm S. Wade Jr., a senior vice president at United States Sugar, said in an interview.

At the meeting, the governor announced that the state might be interested in buying United States Sugar. Mr. Crist said in an interview that he could not remember "the particulars" of when or how the idea had originated.

"There was a sense, or some indirect communication, that they might be a willing seller," the governor said.

Mr. Wade said that the company had been taken by surprise. "It caught everyone out of the blue," he said.

For its board members, Mr. Crist's overture was appealing in part because they figured a government purchase would be far more lucrative than a private deal.

"It wasn't another company coming in and bottom-fishing you," Mr. Wade said. "They knew it would be for fair-market appraisals."

A Setback Seems Averted

When the state began negotiating its ambitious plan to save the Everglades, key players were, notably, not invited.

Missing from the table, according to interviews and e-mail messages, were Miccosukee Indian tribe members, some of whom live in the Everglades; the Florida Crystals Corporation, the other major landowner in the area; and the federal agencies that partner with the state on restoration efforts.

Lawyers for the Miccosukees and Florida Crystals said their clients found out about the proposed deal with United States Sugar just a few days before it was announced to the public.

Likely supporters of the deal had been told months earlier, including Paul Tudor Jones II, a billionaire hedge-fund manager and philanthropist who co-founded the Everglades Foundation. The governor was friendly with Mr. Jones, who had contributed $400,000 to the state Republican Party — the largest single donation it ever received. And Mr. Jones was influential with other environmental groups that he and his foundation helped finance with millions of dollars.

As the negotiations proceeded, it became clear that financing was problematic. The cost of the land deal had initially been estimated at nearly $2 billion. But the water district was already committed to spending about $800 million for the giant reservoir outside Palm Beach. It could not afford both.

Responding to an e-mail message from a fellow environmentalist saying that the governor needed to understand the threat the reservoir posed to the United States Sugar land purchase, Mr. Jones replied, "He knows that and is doing the best he can."

Yet stopping construction of the reservoir presented a potential political disaster.

So on May 15, 2008, with the United States Sugar deal still not public, the water board suspended work on the reservoir because of "uncertainties related to unresolved litigation."

The litigation referred to a lawsuit environmental groups had filed over water usage from the reservoir. The announcement stunned the groups, which had made it clear that they did not want the project stopped.

"We were a convenient pretext," said Bradford H. Sewell, a lawyer for one of the groups.

There were enormous financial consequences. The district had to pay the reservoir's contractor a $2 million-a-month penalty for suspending the work. It eventually paid $25 million in penalties and fines for canceling the contract, on top of the $282 million it had already spent on the construction.

Fallout from the suspension was mounting when Shannon A. Estenoz, a member of the district's advisory board who had been on the board of the Everglades Foundation, reached out to Mr. Jones. In an e-mail message on May 21, Ms. Estenoz urged Mr. Jones to send a message to the governor: "For your information only, our decision to pause construction is entirely justifiable on its own even without the US Sugar deal hanging out there, but once the litigation is finished our legitimate reason for delay goes away," she said. "The message to the Governor is that we have until the end of the June at most."

On June 24, 2008, with Florida already experiencing a recession and property values sinking, Ms. Estenoz stood beside the governor at the edge of the Everglades as he unveiled the $1.75 billion deal. Local cheers and sweeping national headlines followed.

Politically, the timing was perfect. Mr. Crist was on the short list of potential running mates for Senator John McCain, the presumptive Republican nominee for president.

Ellen Simms, a former United States Sugar comptroller who views the deal skeptically, said that despite the high cost to taxpayers, it was difficult in those early days to question it. "Who can be against it?" she said. "This was going to save the Everglades. It's like being against motherhood and apple pie."

A few did speak out. The Miccosukee Tribe quickly filed a lawsuit, saying that the purchase would delay the restoration. "This is a death warrant for the Everglades," said Dexter Lehtinen, a lawyer for the tribe. "It sucks away all the money devoted to projects now in the pipeline."

Florida Crystals labeled the deal a taxpayer-supported buyout of United States Sugar, and seemed to be smarting from being left out of it. Some of its land, in fact, was needed to recreate the waterway through the Everglades, which Mr. Crist called "the missing link" of restoration.

Interviews and previously undisclosed records showed that Florida Crystals had made two written offers to join in the deal. But, with United States Sugar resisting having its competitor involved, talks with the governor's office went nowhere.

"For some reason, they weren't willing to negotiate in a way that would bring us to an accord," Mr. Crist said in an interview. "U.S. Sugar was. End of story."

Twists and Disappointments

The growing financial crisis in the summer of 2008 was rapidly changing the scope of the deal. On Nov. 11, 2008, Mr. Crist announced a smaller, $1.34 billion purchase of just over 180,000 acres of United States Sugar's land, but this time not including its other assets.

At a press conference, Mr. Crist called the new deal "miraculous."

For United States Sugar, at least, it looked that way. David Guest, an environmental lawyer and vocal supporter of the full buyout plan, said that the state's lead negotiator, Michael W. Sole, secretary of Florida's Environmental Protection Department, had given away far too much to United States Sugar.

"He got scammed," Mr. Guest said. "Everyone gasped in disbelief when he came back with what he did."

Mr. Sole said in an interview that he got the best deal he could.

But internal district documents revealed that the land had been overvalued by the two firms that performed the independent appraisals. Both relied on figures from 2004 to 2008, when a speculative real estate market had prices soaring.

If the current prices had been used, the state would be paying far less. For example, while the water district agreed to pay United States Sugar nearly $7,000 an acre for citrus land, it is now selling for $4,000 an acre, independent appraisers said recently in interviews.

The two outside appraisal firms used by the district — Anderson & Carr, of West Palm Beach, Fla., and Sewell, Valentich, Tillis & Associates, of Sarasota — came up with almost identical figures of around $1.3 billion, a rarity that raised some eyebrows.

"When I had heard that number, I couldn't swallow it — it was an unbelievable number," said Woody Hanson, a land appraiser in Fort Myers with extensive experience in the Everglades. "Then I looked closely at the appraisals to test them for reasonableness and, wow, there is just no way it makes sense for the taxpayers."

Neither appraisal firm used by the district would comment.

Eric Buermann, chairman of the district's advisory board, defended the appraisals but acknowledged that they had used outdated values. "At the time we had to make the decision," he said, "those were the latest, best numbers available."

Yet when the appraisals were updated in 2009, they still relied on sale prices from 2004 to 2006, documents showed. District officials said the appraisers assured them that prices had held steady.

In an interview, Mr. Crist said critics of the appraisals were underestimating the land's environmental value.

But the appraisers for the Florida Department of Environmental Protection had also questioned the methods of the two firms. According to internal e-mail, Thomas Porter, one of the department's appraisers, would not give his requisite approval by the deadline.

In response, United States Sugar's lawyers at Gunster persuaded the water district to change the contract so the department's sign-off was no longer required, records showed. Several days after Mr. Crist's November press conference, the water district learned that the firm it had hired to render the fairness opinion — an analysis of the entire deal — had also concluded that the land was worth far less.

The firm, Duff & Phelps, based in Manhattan, estimated the United States Sugar property was worth $930 million, about $400 million less than what the district would be paying.

When the firm's opinion arrived at the district, officials there consulted with Mr. Sole, the Environmental Protection secretary, about the best way to respond. The timing was critical because the district's board was scheduled to vote less than one month later, in mid-December, on the $1.34 billion purchase.

Officials who had commissioned the Duff & Phelps report, at a cost of $1.5 million, were now scrambling to minimize its impact. Internal e-mail messages showed that the district's scripted response for reporters was sent to Mr. Eikenberg, Mr. Crist's deputy chief of staff, as well as several prominent environmentalists.

"It is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose," the district's statement said.

The deputy executive director for government and public affairs at the water district wrote talking points. "Note: There are differing views about the merit of fairness opinions within the business and academic communities," the public affairs official wrote, according to the e-mail.

Robert E. Coker, a United States Sugar vice president, was more blunt, characterizing Duff & Phelps publicly as "Huey, Dewey and Louie." He argued that Florida was paying bargain-basement prices, saying "the state is getting the Hope Diamond at cubic zirconia prices."

Paying for the land was only the beginning. A slide show prepared by the district on restoration projects and construction detailed one estimate that put the effort at $8.6 billion and another at $12.3 billion, according to records obtained by The New York Times.

Even at the lower estimate and with the federal government paying its share, the district would struggle to bear the costs. The details of the deal were now raising concerns among some district board members and environmentalists.

An unlikely cheerleader emerged. George LeMieux, despite having insisted that he had nothing to do with the deal, appeared at a legal conference in Deerfield Beach and offered "an insider's account" of Everglades restoration.

In a keynote address that went uncovered by the local media, Mr. LeMieux described the United States Sugar deal as "an unprecedented opportunity, really a game changer."

"We really stand at the intersection of opportunity and possibility," he said. "We have a historic opportunity to change the face of the Everglades and our environment with this acquisition of the U.S. Sugar lands."

Facing Big Budget Gaps, Water Managers Near Deadline on Everglades Land Deal

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Sun Sentinel - Deerfield Beach Bureau
Reid, Andy

Facing big budget gaps, water managers near deadline on Everglades land deal
The dream of buying sugar cane land to help save the Everglades now must survive the economic nightmare of looming budget shortfalls and worsening financial forecasts.

The South Florida Water Management District is to decide Thursday whether to keep alive a $536 million deal to buy 73,000 acres from U.S. Sugar Corp. to help restore water flows from Lake Okeechobee to the Everglades.

The deal proposed by Gov. Charlie Crist calls for borrowing the $536 million, with South Florida property taxpayers paying off the long-term debt.

Water managers must decide whether to extend a March 31 deadline in the U.S. Sugar contract while the district faces sobering financial projections.

The district's financial adviser, The PFM Group, in a Feb. 17 memo cited potential budget shortfalls of $89 million and $110 million during the next two years, likely prompting the need to cut back on the district's operating and maintenance costs to afford the U.S. Sugar deal.

"The district must make some very difficult decisions," according to the PFM Group memo. "It is difficult to see how the District can make changes of this magnitude."

The South Florida Water Management District is responsible for protecting the region's water supplies and guarding against flooding, as well as leading Everglades restoration.

The proposal to extend the U.S. Sugar land deal contract to Sept. 30 would allow time for the Florida Supreme Court to rule on a legal challenge to the deal. The case is to go before the court April 7.

Opponents of the U.S. Sugar deal say it would costs taxpayers too much and take away money needed for other long-stalled Everglades restoration projects. The Miccosukee Tribe and U.S. Sugar-competitor Florida Crystals filed the legal challenge.

The district shouldn't allow the cost of a "political boondoggle" to end up delaying critical maintenance on South Florida's vast flood control system, warned Miccosukee attorney Dexter Lehtinen.

"They are in big financial trouble," Lehtinen said. "They seem to have no shame. ... The [district] board members are irresponsible if they don't pay attention to this."

Environmental groups counter that the potential costs are worth the chance to buy land once considered off limits to Everglades restoration.

Plans call for using the farmland to build reservoirs and treatment areas that could restore water flows that once naturally stretched south over land that was drained to make way for agriculture.

In addition to reviving the Everglades, the restoration plan offers a chance to bolster South Florida's water supply.

"We have to think about Everglades restoration in a longer-term scale," said Eric Draper, Audubon of Florida's executive director. "Price should not get in the way of this historic opportunity."

Crist in June 2008 first proposed buying U.S. Sugar land for Everglades restoration. The worsening economy twice forced the governor to scale down what started as a $1.75 billion deal to buy all of U.S. Sugar's land, mills and other facilities.

The new deal instead would phase in the acquisition of U.S. Sugar's property, with a 10-year option for the district to buy an additional 107,000 acres from U.S. Sugar. The deal would allow the company to continue to operate its mill and lease back most of its 73,000 acres for up to 20 years.

U.S. Sugar remains willing to extend the deal, said company spokeswoman Judy Sanchez.

The district's nine-member, volunteer board of directors, appointed by the governor, is to decide Thursday whether to extend the contract with U.S. Sugar.

Gubernatorial candidate and state Sen. Paula Dockery sent the district board a letter calling the U.S. Sugar deal "bad public policy." She contended the deal's costs could jeopardize the district's ability to perform its flood protection and water supply duties.

"I believe that continuing to pursue this purchase is not just financially irresponsible, it is nothing short of reckless," Dockery, R-Lakeland, wrote in her Friday letter.

Even if the district board decides Thursday to extend the U.S. Sugar contract, the deal would allow the district to back out before the planned June closing if cost concerns become too great.

Keeping the deal alive would give the district more time to try to overcome budget concerns, said Board Member Shannon Estenoz.

The long-term payoff of locking up land needed to store and clean water is "almost immeasurable," Estenoz said.

"It all adds up to a generational opportunity," Estenoz said.

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---SANDRA ONCAM TAG--- Yesterday the House passed a 15 billion dollar jobs bill that would give tax breaks to businesses and fund new construction projects. The Senate is expected to vote on it in the coming week. In Washington. I'm Sandra Endo. REGULATORS HAVE SHUT DOWN A BOCA RATON-BASED BANK. THE F-D-I-C TOOK OVER SUN AMERICA BANK ON FRIDAY. IT HAS MORE THAN 5-HUNDRED- MILLION-DOLL ARS IN ASSETS... AND ANOTHER FOUR- HUNDRED-MILLION IN DEPOSITS. SO FAR THIS YEAR, 25 BANKS IN THE U-S HAVE FOLDED. FLORIDA'S MULTI- MILLION DOLLAR PLAN TO RESTORE THE EVERGLADES MIGHT BE IN JEOPARDY. A STATE FINANCIAL CONSULTANT IS QUESTIONING WHETHER THE STATE CAN AFFORD TO BUY LAND FROM THE U-S SUGAR CORPORATION. HE SAYS THAT IF THE DEAL GOES THROUGH, THE STATE WILL BE HUNDREDS OF MILLIONS OF DOLLARS IN THE **RED. IT'S SET TO GO BEFORE THE STATE SUPREME COURT NEXT MONTH. FLORIDA LAWMAKERS WANT TO MAKE IT A FELONY FOR SOMEONE TO IMPERSONATE A VETERAN ... IN ORDER TO SOLICIT DONATIONS. THEY SAY IT'S A DISHONOR TO THOSE WHO HAVE *REALLY SERVED. 1:31 i believe that this is a measure that is well intended, it is going to do the right thing, and it is really going to help stop this kind of impersonation that's going on across our state 1:40 SOLICITORS KEEPING A LARGE CHUNK OF THE CASH THEY RECEIVE. 15-PERCENT OR LESS GETS DONATED TO *ACTUAL VETERAN GROUPS. ITS XXX... IN JUST A MATTER OF HOURS, THE RED

Even after downsizing, Crist's plan to save Everglades by buying sugar land is under siege

03/07/2010
Palm Beach Post - Online
Curtis Morgan
Miami Herald Staff Writer

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It started out so big, so bold and with so much promise for healing the River of Grass that environmentalists proclaimed it the holy grail of Everglades restoration.

But 20 months after Gov. Charlie Crist unveiled his $1.75 billion bid to buy out the U.S. Sugar Corp., the grail is at serious risk of slipping away -- rather, what's left of it.

Crist remains confident his landmark land buy will survive. ``It's a done deal,' he told The Miami Herald. ``It's got to be done.'

Others, even supporters like Drew Martin, Everglades chairman for the Sierra Club, are less certain. ``There is no question it's hanging by a thread,' he said.

With revenues evaporating like Lake Okeechobee on a summer day, South Florida Water Management District leaders are balking at bankrolling even the whittled-down first phase approved nine months ago: $536 million for 72,800 acres of citrus groves and sugar fields, with options on 107,500 more.

Water District Chairman Eric Buermann expects the governing board to crunch the numbers again when it meets this week. Buermann, a Miami lawyer appointed by Crist, has championed ``the governor's vision,' but acknowledged he now questions if the agency can still afford it.

Property values in the 16 counties that pay the district's bills have dropped an estimated 16 percent since 2008. In a February letter made public Friday, the district's outside financial advisor warned that mounting deficits -- projected to hit $110 million by 2012 -- could force ``very difficult decisions.' A financial ``out' clause in the contract gives the board an option to walk away.

``It's not a rosy picture, and I'm not going to try to portray it as one,' Buermann said.

The chunk of Big Sugar offers the promise of fixing -- someday, at uncertain but staggering cost -- what many experts see as a gaping hole in plans to replumb the Everglades: Not enough land to catch and clean water.

But a deal that Crist had hoped would ensure his environmental legacy has morphed into a 900-pound political gorilla toting a ton of questions, along with $45 million in budget-straining annual debt for the district.

The reeling economy has forced two down-sizings. An ambitious five-month fast track to get it done has slowed to a crawl. Plans to bankroll the deal with bonds have been pinched by state lawmakers and a Palm Beach County judge, and face more scrutiny from the Florida Supreme Court in April.

Two powerful foes -- rival grower Florida Crystals and the Miccosukee Tribe -- have led a legal and lobbying assault. They paint the deal as a sweetheart bailout for a major Crist campaign donor that would stick the state with land it can't afford to build anything on for decades.

``It's not driven by science. It's not driven by need,' said Gaston Cantens, a Florida Crystals vice president. ``It was driven by one person's political ambition and one company's necessities.'

But environmentalists doubt U.S. Sugar's chief competitor has interest in protecting anything but its bottom line.

``It's ridiculous,' said Kirk Fordham, chief executive officer of the Everglades Foundation. ``If we thought the purchase would paralyze every restoration project, we wouldn't support it.'

During a phone interview last week from a car crossing Alligator Alley, Crist bristled at critics' allegations.

``I understand Florida Crystals plays hardball, but I really don't give a damn,' he said. ``What's important is doing what's right. What is right is preserving this magnificent place.'

A lot has soured since since the sunny day in June 2008 when Crist laid out his ``monumental' plan: Buy out Florida's largest sugar grower and use its 300-square-mile empire to restore the ``missing link' between Lake Okeechobee and the Everglades, long ago severed by farms.

U.S. Sugar would pocket $1.75 billion and profits from at least six years of continued farming. The state would get a real chance to salvage what's left of the Everglades.

The deal offers what the $12 billion state-federal restoration approved a decade ago did not: enough land to store and clean water south of Lake Okeechobee, which once spilled over freely to drive the flow of the River of Grass.

To protect the fragile Glades from pollution flowing off farms, ranches and yards, water managers are forced to flush Lake O's dirty excess where it isn't needed -- down the Caloosahatchee and St. Lucie rivers, triggering fish-killing algae blooms in delicate estuaries and anger in waterfront homes.

Because Big Sugar was off-limits, engineers originally planned around it, concocting an uncertain $1 billion scheme to hold water in hundreds of wells deep underground. But a decade of study since, honed with computer and climate models, showed the Glades need more water and places to store and scrub it.

``From a scientific perspective, we know that answer was staring us right in the face,' said Water District Deputy Executive Director Tommy Strowd. ``In the natural system, water doesn't go to the estuaries. That water had to go south.'

Crist's ``missing link' rhetoric, summoning visions of marsh and hammock, oversold reality. Most scientists consider sugar lands -- saturated with fertilizers and sunken from erosion -- too far gone to revive.

The real plan is less picturesque but, water managers say, critical: dammed reservoirs, pollution treatment marshes and diesel pumps.

Crist dropped his bombshell offer in November 2007 to two high-powered U.S. Sugar lobbyists, Brian Ballard and J.M. `Mac' Stipanovich.

They had wanted to gripe about a milestone defeat at the hands of Crist's appointees to the water board, who halted the practice of ``back-pumping' polluted farm canals to replenish Lake Okeechobee. They emerged, after eight months of hush-hush talks, with what would rank as the biggest conservation land buy in state history.

Politically, it seemed to shape up as a done deal.

The governor, with politicos touting him as running mate material for presidential candidate John McCain, stood at the peak of his popularity and clout. The Water District had the power to finance the deal without approval from a potentially meddlesome Legislature. Its board was controlled by Crist picks, other than one hold-over from Gov. Jeb Bush.

It was all so dazzling it was easy to be distracted from critical details.

That month, Florida ascended to No. 2 nationally for rotten mortgages, on the way to a housing market meltdown. Five months later, citing the economy, Crist downsized to a $1.34 billion land-only deal. Four months after that, that proposal was split into two cheaper chunks.

``In hindsight, the attempt to purchase every nut and bolt, every rail car, was probably too ambitious,' Fordham said. ``Now, it's something we can digest.'

But the deal hasn't been just victim of the burst real estate bubble. The governor's office rolled it out without cluing in, let alone cutting in, important Glades players.

``This was a deal cut behind closed doors, then shoved down everybody's throats,' said Barbara Miedema, vice president of the Belle Glade-based Sugar Cane Growers Cooperative.

Questions soon drowned hoopla. Florida Crystals, controlled by the influential Fanjul family, and the Miccosukee Tribe have hammered away, winning delays and constraints.

Their lawsuit persuaded a Palm Beach judge to slash district borrowing plans by two-thirds -- a major blow to the bigger Phase Two land buy environmentalists consider critical. Crystals lobbyists worked the Legislature, coming away with a debt cap that will crimp future bond deals. The Supreme Court rebuffed Water District requests to expedite an appeal, setting its hearing for April 7 -- a week after a contract deadline expires, opening the door for a board vote this week on whether to extend the deal.

Tribe attorney Dexter Lehtinen see big problems in the smaller deal: half a billion dollars spent on land that will require multibillion-dollar projects the state can't afford. Shredding of a restoration blueprint that took years to craft. Millions diverted from projects that promised faster relief.

The way Lehtinen reads the terms and the economy, U.S. Sugar can keep farming for decades while pollution pushes deep into tribal lands.

``The only thing this guarantees is delay,' he said.

Florida Crystals' Cantens called it ``a deal done backwards. Instead of identifying what you need, we're just going to buy this land.'

Most of U.S. Sugar's broadly scattered parcels are miles from marshes they're intended to help. District engineers say they can do the job with those tracts alone, but not as cheaply or simply. Still, most concepts that water managers have sketched so far -- with eye-popping price tags estimated at $3 billion to $30 billion -- target more land owned by its chief rival.

Cantens said early talks of swapping land or buying U.S. Sugar's assets went nowhere. He and other growers believe U.S. Sugar is fighting to hang on to a deal designed to boost its flagging fortunes, letting it unload money-losing citrus groves and pay down hundreds of millions it borrowed for a state-of-the-art mill.

Robert Coker, a U.S Sugar vice president, said the company is sound and has been flexible to help preserve ``the governor's bold vision for the Everglades.' He sees only one major obstacle to closing the deal: Florida Crystals. ``They have said things, alleged things, done everything humanly, legally and emotionally possible to try to keep this from happening.'

Historically, a lot of mud is slung in Glades disputes. This one has been no exception.

Skeptics roll their eyes at Crist's claim of conceiving the buyout, saying it smacks more of the high-wire high-finance practiced by Paul Tudor Jones II, a billionaire Wall Street wizard, part-time Islamorada resident, avid tarpon angler and chair of the Everglades Foundation.

They fume over, as Miedema put it, ``cozy' connections. U.S. Sugar is a big campaign donor. Its lobbyists are political confidantes to Crist. The chairman of its law firm, Gunster, Yoakley & Stewert, is George LeMieux, who left as Crist's chief of staff a month after the governor pitched the buyout. It goes on.

``They think if you just put `Everglades restoration' on the cover sheet, we're all going to buy it,' Lehtinen said. ``You're just using that to excuse insider deals and sweetheart deals.'

Crist dismissed charges of impropriety. An aide for LeMieux, later appointed by Crist to fill a vacant U.S. Senate seat, said the senator did not work on the deal and would not profit from it.

To Florida environmental Secretary Mike Sole, who negotiated the deal, critics are trying to connect dots that lead nowhere. ``There is absolutely no shred of truth to any accusations,' he said.

Supporters concede the deal has trade-offs, but only short-term. They say there may never be a better or cheaper chance to grab so much land where it is needed.

``It's a blessing and a curse,' said Everglades authority Martha Musgrove, who led civic forums on the deal's pros and cons. ``It's a blessing because there is land available from a willing seller. It's a curse because it's so damn hard financing it.'

For water managers, looming new demands to settle water quality violations in a national wildlife refuge and meet tough new federal water pollution standards add to the frustration. They need more land now more than when the governor unveiled the deal.

``Setting aside for a minute where you put it, north of the lake, south of the lake, in downtown Fort Lauderdale, it's absolutely 100 percent necessary to expand,' said Water District board member Shannon Estenoz, a Plantation environmentalist who has backed the deal.

Crist has pulled the deal from the brink once before. In the days before a critical vote in December 2009, he phoned board members while on his honeymoon and dispatched Sole to push the deal in person. Two of his appointees defected but it survived, 4-3.

Now he's a lame duck governor trailing in a Senate race. Supporters wonder if he can still hold the controversial deal together. He shored up support two week ago, filling three seats on what is now an all-Crist water board. The Sugar deal was his litmus test.

``I won't appoint people to the board who don't believe in it,' he said. ``If we don't do this, if we don't save this treasure, shame on us.'

In Deal on Everglades, a Dream Is Deferred

03/07/2010
New York Times - Online

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Note: Story also appeared in The (Lakeland) Ledger and The Sarasota Herald Tribune

When Gov. Charlie Crist announced Florida's $1.75 billion plan to save the Everglades by buying out a major landowner, United States Sugar, he declared that the deal would be remembered as a public acquisition "as monumental as the creation of the nation's first national park, Yellowstone."

Standing amid the marshes at the Loxahatchee National Wildlife Refuge in June 2008, Mr. Crist said, "I can envision no better gift to the Everglades, the people of Florida and the people of America as well as our planet than to place in public ownership this missing link that represents the key to true restoration."

Nearly two years later, the governor's ambitious plan to reclaim the river of grass, as the famed wetlands are known, is instead on track to rescue the fortunes of United States Sugar.

The proposal was downsized only five months after it was announced. By April 2009, amid the deepening recession, the state said it could afford to purchase only 72,800 acres of United States Sugar's land, for $536 million. The company would stay in business and the state would retain the option of buying the remaining 107,000 acres at a future date. United States Sugar dictated many of the terms of the deal as state officials repeatedly made decisions against the immediate needs of the Everglades and the interests of taxpayers, an examination of thousands of state e-mail messages and records and more than 60 interviews showed.

Efforts to restore the Everglades have picked up urgency in the last decade: the sprawling subtropical wetland, the only ecosystem of its kind, is dying for lack of clean water. Many environmentalists remain convinced that Mr. Crist's deal with United States Sugar, even in its downsized form, offers the Everglades its best hope.

But documents and interviews suggest that the price tag and terms of the deal could set back Everglades restoration for years, or even decades.

Negotiations favored United States Sugar from the start, when the state accepted two outside firms' appraisals of the company's land that used figures from the height of the real estate market, according to documents.

When a "fairness opinion" commissioned by the state found that those appraisals had overvalued the land by $400 million, Florida officials orchestrated a public relations campaign to discredit the findings, internal e-mail showed. Appraisers from the Florida Department of Environmental Protection, which was required to sign off on the deal, were also cut out of the process after raising concerns, e-mail messages showed.

When it came time to decide which land to buy, state officials acknowledged that United States Sugar was, as one official put it during an interview, "pretty much in the driver's seat." The water district overseeing the restoration will end up with six large disconnected parcels under the current deal, including all of United States Sugar's citrus groves.

State officials acknowledged that some of that land, which has been ravaged by canker, a plant disease, is useless for restoration.

The officials defended the negotiations as appropriate, saying that United States Sugar needed certain tracts of farmland to continue operating.

Mr. Crist said in an interview that officials had "negotiated to try to get the very best deal we could." He added, "We have a duty and a responsibility as good stewards to understand that we may never have this opportunity again, ever, ever."

Supporters of the plan said the land would enable the state and federal government to build reservoirs and water treatment systems. But doing so would require deep financial reserves from the South Florida Water Management District, which oversees restoration and is financed by taxpayers in 16 counties. Internal district documents put the price tag at up to $12 billion and projected that the district would have nowhere near that amount.

In the meantime, more than a dozen projects under way as part of a 10-year-old federal and district restoration effort have been suspended or canceled in anticipation of the cost of the United States Sugar deal. Among them is a massive reservoir in western Palm Beach County that was seen as a major step toward restoration of the Everglades. In total, $1.3 billion had already been spent on the projects, according to an internal water district document.

Former Gov. Jeb Bush, who initiated most of that work, said in an interview that he was "deeply disappointed" with the decision by Mr. Crist, his successor and a fellow Republican, calling the move to halt the projects a setback for restoration.

EVERGLADES PLAN NEARS A DEADLINE

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03/07/2010
Sun Sentinel

The dream of buying sugar cane land to help save the Everglades now must survive the economic nightmare of looming budget shortfalls and worsening financial forecasts.

The South Florida Water Management District is to decide Thursday whether to keep alive a $536 million deal to buy 73,000 acres from U.S. Sugar Corp. to help restore water flows from Lake Okeechobee to the Everglades.

The deal proposed by Gov. Charlie Crist calls for borrowing the $536 million, with South Florida property taxpayers paying off the long-term debt.

Water managers must decide whether to extend a March 31 deadline in the U.S. Sugar contract while the district faces sobering financial projections.

The district's financial adviser, The PFM Group, in a Feb. 17 memo cited potential budget shortfalls of $89 million and $110 million during the next two years, likely prompting the need to cut back on the district's operating and maintenance costs to afford the U.S. Sugar deal.

"The district must make some very difficult decisions," according to the PFM Group memo. "It is difficult to see how the District can make changes of this magnitude."

The South Florida Water Management District is responsible for protecting the region's water supplies and guarding against flooding, as well as leading Everglades restoration.

The proposal to extend the U.S. Sugar land deal contract to Sept. 30 would allow time for the Florida Supreme Court to rule on a legal challenge to the deal. The case is to go before the court April 7.

Opponents of the U.S. Sugar deal say it would costs taxpayers too much and take away money needed for other long-stalled Everglades restoration projects. The Miccosukee Tribe and U.S. Sugar-competitor Florida Crystals filed the legal challenge.

The district shouldn't allow the cost of a "political boondoggle" to end up delaying critical maintenance on South Florida's vast flood control system, warned Miccosukee attorney Dexter Lehtinen.

"They are in big financial trouble," Lehtinen said. "They seem to have no shame. ... The [district] board members are irresponsible if they don't pay attention to this."

Environmental groups counter that the potential costs are worth the chance to buy land once considered off limits to Everglades restoration.

Plans call for using the farmland to build reservoirs and treatment areas that could restore water flows that once naturally stretched south over land that was drained to make way for agriculture.

In addition to reviving the Everglades, the restoration plan offers a chance to bolster South Florida's water supply.

"We have to think about Everglades restoration in a longer-term scale," said Eric Draper, Audubon of Florida's executive director. "Price should not get in the way of this historic opportunity."

Crist in June 2008 first proposed buying U.S. Sugar land for Everglades restoration. The worsening economy twice forced the governor to scale down what started as a $1.75 billion deal to buy all of U.S. Sugar's land, mills and other facilities.

The new deal instead would phase in the acquisition of U.S. Sugar's property, with a 10-year option for the district to buy an additional 107,000 acres from U.S. Sugar. The deal would allow the company to continue to operate its mill and lease back most of its 73,000 acres for up to 20 years.

U.S. Sugar remains willing to extend the deal, said company spokeswoman Judy Sanchez.

The district's nine-member, volunteer board of directors, appointed by the governor, is to decide Thursday whether to extend the contract with U.S. Sugar.

Even if the district board decides Thursday to extend the U.S. Sugar contract, the deal would allow the district to back out before the planned June closing if cost concerns become too great.

Keeping the deal alive would give the district more time to try to overcome budget concerns, said Board Member Shannon Estenoz.

The long-term payoff of locking up land needed to store and clean water is "almost immeasurable," Estenoz said.

"It all adds up to a generational opportunity," Estenoz said.

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PHOTO: Map: Locates U.S. Sugar land to bought and remaining land available for purchase in South Florida. Kwency Norman Sun Sentinel

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Compra de azucareras podría estar al borde del fracaso total

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Elnuevoherald.com

CURTIS MORGAN

Pero 20 meses despus que el gobernador Charlie Crist anunci un plan de $1,750 millones para comprar los terrenos de U.S. Sugar Corp., el plan corre un gran riesgo de fracasar, no todo, sino lo que queda.

Crist se mantiene confiado de que el plan sobrevivir. ``Es un hecho'', le declar a The Miami Herald. ``Tiene que concretarse''.

Pero otros, incluso partidarios del plan como Drew Martin, presidente de la divisin del Sierra Club relacionada con los Everglades, no estn tan seguros. ``No hay duda de que cuelga de un hilo'', dijo.

En momentos en que los ingresos se evaporan como el agua del lago Okeechobee en un da de verano, los directivos del Distrito Hidrulico del han comenzado a rechazar el financiamiento incluso de una primera fase venida a menos que se aprob hace seis meses: $536 millones para comprar 72,800 acres de campos de caa de azcar y ctricos, con la opcin de comprar 107,500 ms. Eric Buermann, presidente del directorio del Distrito Hidrulico, espera que la junta directiva vuelva a sacar las cuentas otra vez cuando se rena esta semana. Buermann, abogado miamense nombrado por Crist, ha defendido ``la visin del gobernador' pero reconoce que ahora se cuestiona si el Distrito tiene los fondos necesarios.

El valor de la propiedad en los 16 condados que pagan las cuentas del Distrito ha bajado aproximadamente 16 por ciento desde el 2008. En una carta dada a conocer en febrero, el asesor financiero del Distrito advirti que un aumento del dficit, que se proyecta suba a $110 millones en el 2012, pudiera obligar a tomar ``decisiones muy difciles''. Una clusula en el contrato le da a la junta directiva la opcin de no implementar el plan por razones financieras.

``No es un panorama halagador y no voy a tratar de presentarlo como tal'', dijo Buermann.

El plan promete solucionar, algn da, pero a un costo enorme y todava desconocido, lo que muchos expertos consideran un gran reto en la solucin de los problemas de los Everglades: que no hay tierra suficiente para atrapar y limpiar el agua.

Pero el acuerdo que Crist esper que asegurara su legado en materia ambiental se ha convertido en una papa caliente poltica llena de interrogantes, adems de una deuda anual de $45 millones para el Distrito, que est en muy buenas condiciones financieras que digamos.

La fuerte desaceleracin econmica ha obligado a reducir el plan dos veces. Un plan de cinco meses para concretarlo ahora avanza a paso de tortuga. Los planes de financiar la compra con emisiones de deuda han sido rechazados por legisladores estatales y un juez del Condado Palm Beach, y ahora enfrenta ms escrutinio de la Corte Suprema de la Florida en abril.

Dos poderosos enemigos --la empresa azucarera Florida Crystals y la tribu Miccosukee han lanzado una ofensiva jurdica y de cabildeo, presentando el acuerdo como el rescate de un importante donante de campaa de Crist que le vender al estado tierras en las que no se puede dar el lujo de construir nada durante varias dcadas. se complace en ofrecerle a sus lectores la oportunidad de compartir experiencias e intercambiar observaciones sobre lo que publicamos diariamente en nuestra edicin digital. Los instamos a participar en nuestros debates de manera abierta y franca, pero sin hacer juicios hirientes o fuera de orden. Nos reservamos el derecho a eliminar las opiniones que no cumplan estas normas. Algunos de las comentarios que usted hace pueden ser reproducidos en el diario impreso o en otras pginas de nuestro sitio.

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Fair price? That depends

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03/07/2010
Miami Herald - Online, The
CURTIS MORGAN

Posted on Sunday, 03.07.10

THE DEAL

Through three separate deals with the state, U.S. Sugar has held tough on what it will accept for its sprawling acreage

Real estate values have plunged across the South Florida Water Management District, which stretches from Kissimmee to Key West. But not for the U.S. Sugar Corp.

Through two years of negotiations with the state and three deals, the company has barely budged off its bottom line to sell its land for Everglades restoration: $7,400 an acre. Each deal got cheaper, but mainly because its agricultural empire was cut into smaller bites.

Of all the questions about the land buy, one has been the most persistent and perplexing: Is the state overpaying?

Gov. Charlie Crist, who conceived it, and Florida environmental Secretary Mike Sole, who negotiated it with Water District managers, insist it's a fair price and good deal for taxpayers in the 16 counties who will pay.

Others look at gaps between appraised values and the higher purchase prices -- as much as $300 million in deal No. 2 for 180,000 acres -- and suspect a shrewd, politically connected company cut a too-sweet deal.

U.S. Sugar has made concessions to preserve the deal, including giving up a lucrative lease rate that angered rivals. But Robert Coker, a U.S. Sugar vice president, said executives drew the line on the value of assets and land.

By one measure, he said, the company may be selling too cheap. With sugar prices at a 30-year high, ``I've got to believe that the land they're buying is more valuable than when we were negotiating.''

The current $536 million for 72,800 acres gave a small break, lopping $38 off each acre, but an option for 107,500 more sets the minimum price per acre at $7,400.

An appraiser hired by the district set the value of the total deal at $19 million more, but the value of the land alone at $486 million -- $50 million less.

That difference of $69 million was ascribed to ``option value'' -- appreciation the district would net, but only if it purchases the remaining land, which includes high-value rock mines. Without it, the deal would fall $700 short of U.S. Sugar's $7,400 bar.

Dexter Lehtinen, an attorney for the Miccosukee Tribe, which has sued to stop the deal, said ``option value'' amounts to a fat bonus for executives, lawyers and lobbyists. If water managers can't afford to pick up the option -- hard without federal help -- they would pay up front for appreciation on land they wouldn't own.

``They're paying for nothing,'' he said.

Ruth Clements, the district's director of land acquisitions, said appraisers followed appropriate practices in a complex purchase. The district routinely pays up to 30 percent over appraisal on smaller land deals, she said, because it's cheaper than going to court to set a price.

Attorney David Guest, with the ecological law firm, Earthjustice, said the unique nature of an Everglades restoration deal must be factored in. Unlike the housing market, there was only one seller.

``Did they pay too much? Yes, they did,'' he said. ``The problem is, there are no other Everglades.''

Even after downsizing, Crist's plan to save Everglades by buying sugar land is under siege

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03/07/2010
Miami Herald, The
Morgan, Curtis

It started out so big, so bold and with so much promise for healing the River of Grass that environmentalists proclaimed it the holy grail of Everglades restoration.

But 20 months after Gov. Charlie Crist unveiled his $1.75 billion bid to buy out the U.S. Sugar Corp. , the grail is at serious risk of slipping away -- rather, what's left of it.

Crist remains confident his landmark land buy will survive. ``It's a done deal,'' he told The Miami Herald . ``It's got to be done.''

Others, even supporters like Drew Martin , Everglades chairman for the Sierra Club, are less certain. ``There is no question it's hanging by a thread,'' he said.

With revenues evaporating like Lake Okeechobee on a summer day, South Florida Water Management District leaders are balking at bankrolling even the whittled-down first phase approved nine months ago: $536 million for 72,800 acres of citrus groves and sugar fields, with options on 107,500 more.

Water District Chairman Eric Buermann expects the governing board to crunch the numbers again when it meets this week. Buermann, a Miami lawyer appointed by Crist, has championed ``the governor's vision,'' but acknowledged he now questions if the agency can still afford it.

Property values in the 16 counties that pay the district's bills have dropped an estimated 16 percent since 2008. In a February letter made public Friday, the district's outside financial advisor warned that mounting deficits -- projected to hit $110 million by 2012 -- could force ``very difficult decisions.'' A financial ``out'' clause in the contract gives the board an option to walk away.

``It's not a rosy picture, and I'm not going to try to portray it as one,'' Buermann said.

The chunk of Big Sugar offers the promise of fixing -- someday, at uncertain but staggering cost -- what many experts see as a gaping hole in plans to replumb the Everglades: Not enough land to catch and clean water.

But a deal that Crist had hoped would ensure his environmental legacy has morphed into a 900-pound political gorilla toting a ton of questions, along with $45 million in budget-straining annual debt for the district.

The reeling economy has forced two down-sizings. An ambitious five-month fast track to get it done has slowed to a crawl. Plans to bankroll the deal with bonds have been pinched by state lawmakers and a Palm Beach County judge, and face more scrutiny from the Florida Supreme Court in April.

Two powerful foes -- rival grower Florida Crystals and the Miccosukee Tribe -- have led a legal and lobbying assault. They paint the deal as a sweetheart bailout for a major Crist campaign donor that would stick the state with land it can't afford to build anything on for decades.

``It's not driven by science. It's not driven by need,'' said Gaston Cantens, a Florida Crystals vice president. ``It was driven by one person's political ambition and one company's necessities.''

But environmentalists doubt U.S. Sugar's chief competitor has interest in protecting anything but its bottom line.

``It's ridiculous,'' said Kirk Fordham , chief executive officer of the Everglades Foundation . ``If we thought the purchase would paralyze every restoration project, we wouldn't support it.''

During a phone interview last week from a car crossing Alligator Alley, Crist bristled at critics' allegations.

``I understand Florida Crystals plays hardball, but I really don't give a damn,'' he said. ``What's important is doing what's right. What is right is preserving this magnificent place.''

A lot has soured since since the sunny day in June 2008 when Crist laid out his ``monumental'' plan: Buy out Florida's largest sugar grower and use its 300-square-mile empire to restore the ``missing link'' between Lake Okeechobee and the Everglades, long ago severed by farms.

U.S. Sugar would pocket $1.75 billion and profits from at least six years of continued farming. The state would get a real chance to salvage what's left of the Everglades.

The deal offers what the $12 billion state-federal restoration approved a decade ago did not: enough land to store and clean water south of Lake Okeechobee, which once spilled over freely to drive the flow of the River of Grass.

To protect the fragile Glades from pollution flowing off farms, ranches and yards, water managers are forced to flush Lake O's dirty excess where it isn't needed -- down the Caloosahatchee and St. Lucie rivers, triggering fish-killing algae blooms in delicate estuaries and anger in waterfront homes.

Because Big Sugar was off-limits, engineers originally planned around it, concocting an uncertain $1 billion scheme to hold water in hundreds of wells deep underground. But a decade of study since, honed with computer and climate models, showed the Glades need more water and places to store and scrub it.

``From a scientific perspective, we know that answer was staring us right in the face,'' said Water District Deputy Executive Director Tommy Strowd . ``In the natural system, water doesn't go to the estuaries. That water had to go south.''

Crist's ``missing link'' rhetoric, summoning visions of marsh and hammock, oversold reality. Most scientists consider sugar lands -- saturated with fertilizers and sunken from erosion -- too far gone to revive.

The real plan is less picturesque but, water managers say, critical: dammed reservoirs, pollution treatment marshes and diesel pumps.

Crist dropped his bombshell offer in November 2007 to two high-powered U.S. Sugar lobbyists, Brian Ballard and J.M. `Mac' Stipanovich.

They had wanted to gripe about a milestone defeat at the hands of Crist's appointees to the water board, who halted the practice of ``back-pumping'' polluted farm canals to replenish Lake Okeechobee. They emerged, after eight months of hush-hush talks, with what would rank as the biggest conservation land buy in state history.

Politically, it seemed to shape up as a done deal.

The governor, with politicos touting him as running mate material for presidential candidate John McCain , stood at the peak of his popularity and clout. The Water District had the power to finance the deal without approval from a potentially meddlesome Legislature. Its board was controlled by Crist picks, other than one hold-over from Gov. Jeb Bush .

It was all so dazzling it was easy to be distracted from critical details.

That month, Florida ascended to No. 2 nationally for rotten mortgages, on the way to a housing market meltdown. Five months later, citing the economy, Crist downsized to a $1.34 billion land-only deal. Four months after that, that proposal was split into two cheaper chunks.

``In hindsight, the attempt to purchase every nut and bolt, every rail car, was probably too ambitious,'' Fordham said.

``Now, it's something we can digest.''

But the deal hasn't been just victim of the burst real estate bubble. The governor's office rolled it out without cluing in, let alone cutting in, important Glades players.

``This was a deal cut behind closed doors, then shoved down everybody's throats,'' said Barbara Miedema , vice president of the Belle Glade-based Sugar Cane Growers Cooperative.

Questions soon drowned hoopla. Florida Crystals, controlled by the influential Fanjul family, and the Miccosukee Tribe have hammered away, winning delays and constraints.

Their lawsuit persuaded a Palm Beach judge to slash district borrowing plans by two-thirds -- a major blow to the bigger Phase Two land buy environmentalists consider critical. Crystals lobbyists worked the Legislature, coming away with a debt cap that will crimp future bond deals. The Supreme Court rebuffed Water District requests to expedite an appeal, setting its hearing for April 7 -- a week after a contract deadline expires, opening the door for a board vote this week on whether to extend the deal.

Tribe attorney Dexter Lehtinen see big problems in the smaller deal: half a billion dollars spent on land that will require multibillion-dollar projects the state can't afford. Shredding of a restoration blueprint that took years to craft. Millions diverted from projects that promised faster relief.

The way Lehtinen reads the terms and the economy, U.S. Sugar can keep farming for decades while pollution pushes deep into tribal lands.

``The only thing this guarantees is delay,'' he said.

Florida Crystals' Cantens called it ``a deal done backwards. Instead of identifying what you need, we're just going to buy this land.''

Most of U.S. Sugar's broadly scattered parcels are miles from marshes they're intended to help. District engineers say they can do the job with those tracts alone, but not as cheaply or simply. Still, most concepts that water managers have sketched so far -- with eye-popping price tags estimated at $3 billion to $30 billion -- target more land owned by its chief rival.

Cantens said early talks of swapping land or buying U.S. Sugar's assets went nowhere. He and other growers believe U.S. Sugar is fighting to hang on to a deal designed to boost its flagging fortunes, letting it unload money-losing citrus groves and pay down hundreds of millions it borrowed for a state-of-the-art mill.

Robert Coker , a U.S Sugar vice president, said the company is sound and has been flexible to help preserve ``the governor's bold vision for the Everglades.'' He sees only one major obstacle to closing the deal: Florida Crystals. ``They have said things, alleged things, done everything humanly, legally and emotionally possible to try to keep this from happening.''

Historically, a lot of mud is slung in Glades disputes. This one has been no exception.

Skeptics roll their eyes at Crist's claim of conceiving the buyout, saying it smacks more of the high-wire high-finance practiced by Paul Tudor Jones II , a billionaire Wall Street wizard, part-time Islamorada resident, avid tarpon angler and chair of the Everglades Foundation .

They fume over, as Miedema put it, ``cozy'' connections. U.S. Sugar is a big campaign donor. Its lobbyists are political confidantes to Crist. The chairman of its law firm, Gunster, Yoakley & Stewert, is George LeMieux , who left as Crist's chief of staff a month after the governor pitched the buyout. It goes on.

``They think if you just put `Everglades restoration' on the cover sheet, we're all going to buy it,'' Lehtinen said. ``You're just using that to excuse insider deals and sweetheart deals.''

Crist dismissed charges of impropriety. An aide for LeMieux, later appointed by Crist to fill a vacant U.S. Senate seat, said the senator did not work on the deal and would not profit from it.

To Florida environmental Secretary Mike Sole , who negotiated the deal, critics are trying to connect dots that lead nowhere. ``There is absolutely no shred of truth to any accusations,'' he said.

Supporters concede the deal has trade-offs, but only short-term. They say there may never be a better or cheaper chance to grab so much land where it is needed.

``It's a blessing and a curse,'' said Everglades authority Martha Musgrove , who led civic forums on the deal's pros and cons. ``It's a blessing because there is land available from a willing seller. It's a curse because it's so damn hard financing it.''

For water managers, looming new demands to settle water quality violations in a national wildlife refuge and meet tough new federal water pollution standards add to the frustration. They need more land now more than when the governor unveiled the deal.

``Setting aside for a minute where you put it, north of the lake, south of the lake, in downtown Fort Lauderdale, it's absolutely 100 percent necessary to expand,'' said Water District board member Shannon Estenoz, a Plantation environmentalist who has backed the deal.

Crist has pulled the deal from the brink once before. In the days before a critical vote in December 2009, he phoned board members while on his honeymoon and dispatched Sole to push the deal in person. Two of his appointees defected but it survived, 4-3.

Now he's a lame duck governor trailing in a Senate race. Supporters wonder if he can still hold the controversial deal together. He shored up support two week ago, filling three seats on what is now an all-Crist water board. The Sugar deal was his litmus test.

``I won't appoint people to the board who don't believe in it,'' he said. ``If we don't do this, if we don't save this treasure, shame on us.''

Timeline for the save-the-Everglades sugar deal

03/07/2010
Miami Herald, The
Herald, Miami

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Here are key dates marking Gov. Charlie Crist's bid to buy a big chunk of Big Sugar:

• DEC. 2006: U.S. District Judge Cecilia Altonaga finds practice of ``back-pumping'' polluted runoff from sugar farms into Lake Okeechobee violates federal water quality law.

• FEB. 2007: Hedge fund billionaire Paul Tudor Jones II , ardent environmentalist and angler, part-time Islamorada resident and longtime Big Sugar foe, takes newly elected governor fishing in Florida Bay and urges him to do something big in the Everglades.

• AUG. 2007: Water managers, led by Crist appointees, hand sugar industry a milestone defeat, rejecting back-pumping to boost drought-depleted Lake Okeechobee.

• NOV. 2007: U.S. Sugar Corp. sends two lobbyists, Brian Ballard and J.M. ``Mac'' Stipanovich, both political confidants of Crist, to gripe to the governor about back-pumping. Crist makes stunning offer to buy out company.

• JUNE 2008: Crist publicly unveils $1.75 billion bid to take over 187,000 acres of sugar farms and citrus groves across four counties, along with railroads, mills and plants.

• JULY 2008: South Florida Water Management District governing board agrees to begin negotiations.

• NOV. 2008: With Water District balking at taking on massive debt as tax revenues decline, Crist downsizes to a $1.34 billion land-only deal.

• DEC. 2008: By 4-3 vote, district board approves purchase but adds ``out'' clause if cost threatens ``core'' flood control and water supply operations.

• MARCH 2009: Forced by failing economy, Crist shrinks deal again -- to $536 million for 72,800 acres -- with a three-year option to buy remaining 107,500 acres at $7,400 an acre.

• MAY 2009: District board approves new deal 6-1.

• AUG. 2009: In a lawsuit brought by Miccosukee Tribe and rival grower Florida Crystals, Palm Beach Circuit Judge Don Hafele approves district plan to borrow up to $650 million through a bond issue for first phase of land buy, but rejects extending $2.2 billion in credit that water managers initially sought to finance purchase of all U.S. Sugar land.

• WEDNESDAY: District governing board meets, opening door to reconsider the deal.

Phosphorous Load Reduction Targets Met in Everglades Agricultural Region, State Report Confirms

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03/06/2010
WaterWorld

Feds turn focus to pollution north of Lake Okeechobee

WEST PALM BEACH, FL, March 5, 2010 -- The Everglades Agricultural Area (EAA) receives praise for its proven success in cleaning water south of Lake Okeechobee by two top state environmental agencies in their annual restoration report.

The 2010 South Florida Environmental Report, published by the Florida Department of Environmental Protection and the South Florida Water Management District, reveals the EAA achieved a 68 percent reduction in phosphorus loads in 2009 and an overall 54 percent long-term reduction in phosphorus loading during its 14th straight year of meeting water quality goals. The target for reductions is 25 percent.

The farming area's Best Management Practices (BMP) coupled with the 45,000 acres of Stormwater Treatment Areas (STA), which are constructed on former farmland, have prevented more than 3,200 metric tons of phosphorus from entering the Everglades Protection Area (EPA). Farmers south of Lake Okeechobee have contributed nearly $200 million in special agricultural property taxes to build the STAs.

The success is even more impressive due to the circumstances that occurred in Water Year 2009. According to the Environmental Report, while the average phosphorus concentration decreased from 9.5 to 8.1 parts per billion in Everglades National Park, the phosphorus load into the EPA was 77 percent higher than the previous year, due to Tropical Storm Fay and other subsequent rains that occurred during severe drought. Despite rising phosphorus loads, the report credits the farming area, stating: "the reduced (phosphorus) inflow concentrations demonstrate the efficacy of BMP and STA nutrient removal."

While the EAA south of Lake Okeechobee is regulated and must meet mandatory standards, the northern Lake Okeechobee watershed is not and revealed a much different story.

According to the report, the average annual total phosphorus load to Lake Okeechobee from 2005 to 2009 was 572 metric tons, which is four times greater than the established standard for phosphorus entering the lake.

"Sugar farmers in the agricultural region south of the lake have worked tirelessly and have invested millions of dollars in BMPs to achieve 14 straight years of more than doubling the target performance for water quality goals," said Gaston Cantens, vice president of Florida Crystals. "We are proud of what we have accomplished. Nevertheless, at some point, we need help. Each year, water flowing into Lake Okeechobee is increasingly phosphorus rich, and farmers to the south are burdened with the sole responsibility of cleaning the water and meeting stringent water quality standards, with little help from the rest of the state."

Florida Crystals applauds the Nature Conservancy and the federal government for their newly announced efforts to create water storage and treatment features north of the lake that could help filter phosphorus-laden water from central Florida before it reaches the lake.

"It is critical that we quickly begin reducing phosphorus loads to Lake Okeechobee from the northern basins," said Sam Poole, former executive director of the South Florida Water Management District. "The increasing concentration of phosphorus seriously threatens the health of the lake and is beginning to impact the effectiveness of the Stormwater Treatment Areas in preventing damaging levels of phosphorus from reaching the Everglades Protection

Area."

In view of these efforts for the Northern Everglades, as well as next week's consideration of the U.S. Sugar contract extension, Florida Crystals is hopeful the South Florida Water Management District and the governor's office will come to the same conclusion: Our valuable resources are better spent cleaning water north of the lake, instead of wasting taxpayer dollars acquiring more land to the south, which will not address the growing problem.

Consultant Questions Viability of U.S. Sygar Deal

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03/06/2010
Associated Press

WEST PALM BEACH, Fla. (AP) -- A state financial consultant is questioning whether Florida's multimillion-dollar plan to buy land from U.S. Sugar Corp. for Everglades restoration remains affordable.

In a Feb. 17 letter to the South Florida Water Management District's chief financial officer, the consultant warns the district has difficult "financial decisions." He says projections show deficits in 2011 and 2012 of $89 million and $110 million, respectively, if the sugar deal goes through.

The deal is set to go before the Florida Supreme Court next month after opponents argued the $536 million plan to buy 73,000 acres of farmland is an irresponsible use of taxpayer dollars.

The district overseas Everglades restoration and flood control in South Florida. The agency says it is reviewing options.

State Finance Consultant Questions Affordability of Everglades Land Buy

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03/06/2010
Palm Beach Post
Paul Quinlan

Gloomy economic skies will require the state to either fundamentally rethink how it will finance Gov. Charlie Crist's Everglades restoration land deal with U.S. Sugar Corp. or scrap it, depending on whom you ask.

Concerns that finance costs for the $536 million, 73,000-acre land purchase could soar have even staunch advocates talking about seeking either cash or a partner to help pay for the land — even if that partner is U.S. Sugar's chief rival, Florida Crystals Corp., which has vehemently opposed the deal

"I don't think anybody disagrees with the notion that the state's finances and the district's finances continue to erode," said Kirk Fordham, CEO of the Everglades Foundation, adding that the state "is going to have to think creatively."

Crist has twice downsized the deal to less than a third of his original, June 2008 proposal of a total buyout of U.S. Sugar for $1.75 billion.

Even so, the state's financial consultant has raised new questions about affordability.

In a Feb. 17 memo circulated Friday the consultant said the South Florida Water Management District — the agency Crist tapped to finance the purchase — "must make some very difficult decisions," including big cuts in operations and maintenance of its 16-county water supply and flood control system.

The reason: deficit projections of $89 million and $110 million in 2011 and 2012.

But Wall Street would likely view heavy cutbacks "very skeptically," wrote consultant David Moore, of the Public Financial Management Group. That could drive down the district's bond ratings and make financing more expensive.

"It is difficult to see how the district can make changes of this magnitude," Moore wrote.

The memo's release came at the worst possible time for the monumental land deal, which environmentalists argue would be the greatest boon to the restoration effort in a decade. Water managers are tentatively set to vote next week on whether to grant a necessary deadline extension for the land purchase. Proponents say the largely procedural vote could nonetheless provide an opportunity for opponents to derail the deal.

Board chairman Eric Buermann cited an "out-clause" in the contract that allows the purchase to be scuttled if the massive expense would affect the water agency's ability to perform its core responsibilities of water supply management and flood control. With 9 to 12 months to go before a closing, he said, next week was too soon to make that final analysis.

"Those who have crystal balls may profess to have the answer," Buermann said. "The decision point is not now."

A favorable vote seemed more assured last week, after Crist appointed two new members to the agency's governing board, a decision he based in part on their agreement to vote "yes" to the land deal. But on Friday, a Crystals attorney sent a letter to the district alleging that posed a breach of ethics and demanding the new appointees recuse themselves. The attorney threatened legal action if they did not.

Keying in on the financial memo, other critics of the deal lambasted Crist's effort to press forward.

Dexter Lehtinen, attorney for the Miccosukee Tribe of Indians, which lives on a reservation in the Everglades, sent a letter to state lawmakers Friday. Lehtinen wrote that the district is projected to collect $65 million less in property taxes next year — its chief source of income — than the most pessimistic projections of a year ago.

Even if the district taps every resource to buy the land, he said, it would become impossible to later exercise an option to buy U.S. Sugar's remaining 107,000 acres or build the reservoirs and pollution-filtering marshes needed to turn the cane and citrus fields into something that will help the Everglades. Cost estimates for those features range from $5 billion to more than $20 billion.

"The current debate about how to write a check that doesn't bounce for 73,000 acres is an admission that the River of Grass program itself cannot and will not ever happen, because they don't have the rest of the money," Lehtinen said.

State Sen. Paula Dockery, a dark horse Republican candidate for governor who opposes the deal, seized on the finance memo as evidence the proposed purchase represents "bad public policy" that could bring the water agency to the "fiscal brink."

"I believe that continuing to pursue this purchase is not just fiscally irresponsible, it is nothing short of reckless," Dockery wrote Buermann on Friday.

"This leaves the public, and the taxpayers, at a risk that is far to great to bear."

Consultant questions viability of U.S. Sugar deal

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WTSP-TV - Online

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ON HER HAND... AND GRABBED THE RING. LUKAS WAS THROWN OUT OF THE CAR.. AND THE THIEF DROVE OFF. 1-10it's heartbreaking it really is, it's terrible it's really terrible. She didn't care, no she didn't care.. It was so mean THE RING WAS WORTH 25 THOUSAND DOLLARS. PROJECT ECONOMY IS OUR COMMITMENT TO KEEP YOU CLUED IN ON CHANGES IN THE ECONOMY AND HOW THEY AFFECT YOUR EVERYDAY LIFE. TOPPING TONIGHT'S COVERAGE, REGULATORS SHUT DOWN A BOCA RATON BASED BANK. FRIDAY, THE FEDERAL DEPOSIT INSURANCE CORPORATION TOOK OVER SUN AMERICA BANK. IT HAS MORE THAN 5 HUNDRED MILLION DOLLARS IN ASSETS AND MORE THAN ANOTHER FOUR HUNDRED MILLION IN DEPOSITS. THE MOVE MAKES FOR 25 BANKS SHUT DOWN ACROSS THE U-S THIS YEAR ALONE. FLORIDA'S MULTIMILLION DOLLAR PLAN TO RESTORE THE EVERGLADES MIGHT BE IN JEOPARDY TONIGHT. A STATE FINANCIAL CONSULTANT IS NOW QUESTIONING WHETHER THE STATE CAN AFFORD TO BUY LAND FROM THE U-S SUGAR CORPORATION. HE SAYS THE STATE WILL BE HUNDREDS OF MILLIONS OF DOLLARS IN THE RED IF IT GOES THROUGH WITH THE PLAN. THE DEAL IS SET TO GO BEFORE THE FLORIDA SUPREME COURT NEXT MONTH, BECAUSE SOME SAY IT'S AN IRRESPONSIBLE USE OF TAXPAYER CASH. PROJECT ECONOMY CONTINUES ON OUR WEBSITE, W-P-B-F DOT COM. THERE, YOU'LL FIND EVERYTHING FROM 10 ITEMS YOU'RE PROBABLY PAYING TOO MUCH FOR... TO WHAT ALL THOSE BIG ECONOMIC TERMS WE HEAR DAY TO DAY.. ACTUALLY MEAN. JUST LOOK FOR THE LINK ON THE LEFT SIDE OF OUR HOMEPAGE. THOUSANDS CAME OUT TO WEST PALM BEACH TODAY.. TO WALK FOR A CURE. IT WAS ALL PART OF AN EVENT PUT ON BY THE JUVENILE

Consultant Questions Viability Of US Sugar Deal with Florida

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A state financial consultant is questioning whether Florida's multimillion-dollar plan to buy land from U.S. Sugar Corp. for Everglades restoration remains affordable.

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Financial advisor warns sugar land purchase for Everglades restoration could overwhelm South Florida

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03/06/2010
Miami Herald - Online, The
CURTIS MORGAN
Posted on Saturday, 03.06.10

FLORIDA'S FINANCES

An outside firm has raised questions about whether water managers can afford to buy thousands of acres of sugar farms for Everglades restoration.

An outside financial advisor has warned water managers that plummeting revenues could leave them with a difficult choice between cutting operations and maintenance or sticking to Gov. Charlie Crist's controversial deal with the U.S. Sugar Corp.

The memo, sent last month to the chief financial officer of the South Florida Water Management District, paints a bleak forecast, with deficits projected to increase to $110 million by 2012 if it pursues the $536 million land buy for Everglades restoration.

``If these projections (both revenues and expenses) are even close, the district must make some very difficult decisions,'' wrote David Moore of Public Financial Management Inc.

The letter was released Friday by the campaign of state Sen. Paula Dockery, a Lakeland Republican who is running for governor.

She also sent a letter to Eric Buermann, chairman of the district's governing board, saying that while she supported Everglades restoration, ``continuing to pursue this purchase is not just fiscally irresponsible, it is nothing short of reckless.''

``It was a bad deal to begin with,'' said Dockery, one of a number of lawmakers critical of the proposal.

District spokesman Randy Smith released a statement saying the governing board intended to discuss the deal in coming months.

``Government at all levels is facing fiscal challenges brought on by the current economic climate,'' the statement said.

Because of an expiring deadline in the contract, the board could vote on continuing the purchase in meetings Wednesday and Thursday.

Water managers have signaled increasing concern about making a deal that environmentalist consider critical to supplying the Everglades with plentiful and unpolluted water. Plans call for land to eventually be used for reservoirs and marshes to remove phosphorus, which damages Everglades plants.

Critics, led by rival grower Florida Crystals and the Miccosukee Tribe, contend the district can't afford to buy the land or build any of the needed projects.

The governor has already scaled the deal back twice because of the declining economy. But the financial advisor's letter warned it might not be enough.

``Last year,'' Moore wrote, ``when the district prepared its budget and five-year plan, it was very difficult to make all the pieces fit together due to declining revenues.''

The next two years, he wrote, were expected to be worse. Even without making the deal, which will add $45 million in annual debt, the district will face rising expenses and potentially large cuts in operations and maintenance programs.

Last month, the tribe sent water managers a letter warning that the district already had run up a $1.5 billion maintenance backlog that posed a public safety threat.

Compra de azucareras podría generar más déficit, dice asesor

03/06/2010

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Elnuevoherald.com

Un asesor financiero independiente ha advertido a los administradores hidráulicos que el descenso en los ingresos podría llevarlos a una encrucijada difícil: recortar las operaciones y el mantenimiento o atenerse al polémico acuerdo del gobernador Charlie Crist con U.S. Sugar Corp.

El memorándum, enviado el mes pasado al director de finanzas del Distrito Hidráulico del sur de la Florida, presenta un pronóstico sombrío, que dice que los déficits asciendan a $110 millones para el 2012 si lleva a cabo la compra de terrenos por $536 millones para la restauración de los Everglades.

``Si estas dos proyecciones (de ingresos y de gastos) se acercan siquiera un poco a la realidad, el distrito tendrá que tomar algunas decisiones bastante difíciles'', escribió David Moore, de Public Financial Management Inc.

La carta fue publicada el viernes por la campaña de la senadora Paula Dockery, republicana de Lakeland que se ha postulado para gobernadora.

Ella envió además una carta a Eric Buermann, presidente de la junta directiva del distrito, diciendo que, aunque ella apoyaba la restauración de los Everglades, ``seguir adelante con esta compra no es sólo irresponsable en el sentido fiscal, sino es poco menos que arriesgado''.

``Para empezar, ya era un mal negocio'', dijo Dockery, uno de varios legisladores que critican la propuesta.

El portavoz del distrito Randy Smith dijo que la junta directiva se proponía discutir la venta en los próximos meses.

``El gobierno está enfrentando a todos los niveles dificultades fiscales producidas por el clima económico actual'', rezaba la declaración.

Debido a la expiración de una fecha límite en el contrato, la junta podría votar si seguir adelante con la compra durante reuniones a celebrarse el miércoles y el jueves.

Los administradores hidráulicos han expresado crecientes preocupaciones sobre llevar a cabo una compra que los medioambientalistas consideran crítica para suministrar a los Everglades agua abundante y sin contaminar. Según los planes, los terrenos se usarían con el tiempo como embalses y ciénagas artificiales para eliminar el fósforo, que daña las plantas de los Everglades.

Críticos de la compra, encabezados por Florida Crystals, competidora de U.S. Sugar Corp., y la tribu miccosukee, sostienen que el distrito no puede permitirse comprar esos terrenos o construir ninguno de los proyectos necesarios.

El gobernador ya ha aminorado en dos ocasiones los términos del acuerdo debido al declive de la economía. Pero la carta del asesor financiero advirtió que eso no sería suficiente.

``El año pasado'', escribió Moore, ``cuando el distrito preparó su presupuesto y su plan quinquenal, fue muy difícil coordinar todas las piezas debido a la disminución de los ingresos''.

Se esperaba que los dos próximos años fueran peores, escribió. Incluso si no se lleva a cabo la compra, que añadiría $45 millones a la deuda anual, el distrito enfrentaría aumentos en sus gastos y potencialmente recortes en programas de operaciones y mantenimiento.

El mes pasado, la tribu envió al distrito una carta advirtiéndoles que el distrito ya tenía un atraso de mantenimiento de $1,500 millones.

Consultant questions viability of US Sugar deal

03/05/2010

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Palm Beach Post - Online

WEST PALM BEACH, Fla. — A state financial consultant is questioning whether Florida's multimillion-dollar plan to buy land from U.S. Sugar Corp. for Everglades restoration remains affordable.

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The district overseas Everglades restoration and flood control in South Florida. The agency says it is reviewing options.

State finance consultant questions affordability of Everglades land buy

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03/05/2010
Palm Beach Post - Online
Paul Quinlan
Palm Beach Post Staff Writer

The state's own financial consultant has raised sharp questions about whether Gov. Charlie Crist's proposed half-billion-dollar Everglades restoration land deal with the U.S. Sugar Corp. remains affordable in today's shaky economic climate.

The consultant, Public Financial Management Inc., warned in a memo sent Feb. 17 and leaked to the media Friday that the South Florida Water Management District "must make some very difficult financial decisions," given projections of $89 million and $110 million budget deficits in 2011 and 2012, if the U.S. Sugar deal goes through.

The agency, which Crist tapped to finance the purchase, manages Everglades restoration for the state as well as water supply and flood control in the 16 south and central Florida counties where it levies property taxes. It will be required to make "significant decreases" in operations and maintenance to issue future debt, wrote PFM Group's David Moore.

Those decreases, he wrote, will be viewed by credit rating agencies "very skeptically."

"It is difficult to see how the district can make changes of this magnitude," Moore wrote.

State Sen. Paula Dockery, a dark horse Republican gubernatorial candidate opposed to the deal, seized on the letter as evidence that the proposed $536 million purchase of 72,500 acres of sugar cane and citrus land represents "bad public policy" that could bring the South Florida Water Management District to the "fiscal brink."

"I believe that continuing to pursue this purchase is not just fiscally irresponsible, it is nothing short of reckless," Dockery wrote in a letter sent Friday to the water district board's chairman, Eric Buermann.

Dockery's letter and the leaked memo come at the worst possible time for supporters of the monumental Everglades restoration land deal. Environmentalists argue that the deal would be the greatest boon to the Everglades restoration effort in more than a decade. Water managers are tentatively set to vote next week on whether to grant a necessary contract extension for the land purchase.

Proponents say the vote is a simple, procedural matter but have expressed concerns that the vote could provide another opportunity for opponents to derail the deal altogether.

Crist twice downsized the deal from what was originally an unprecedented, $1.75 billion total buyout of U.S. Sugar Corp., whose farmland environmentalists consider key to restoring overland water flows from Lake Okeechobee to the southern Everglades.

Crist has pledged all along to complete the deal without a tax increase.

Dockery's letter concludes with a list of questions she wants Buermann to answer before next week's vote.

Among them: How the district can justify the purchase given the deficit projections; what services will be cut in the absence of a tax increase; how the district can ensure that water supply and flood control responsibilities will be met; and whether Buermann believes that two new appointees to the district's board have enough information to make an "impartial and enlightened decision" on the complex deal.

Crist, who is running for U.S. Senate, chose the appointees in part based on their willingness to vote "yes" to the deal, a key component to his environmental legacy.

But Dockery said the purchase would irresponsibly threaten the district's ability to carry out its core mission of water supply and flood control. "This leaves the public, and the taxpayers, at a risk that is far to great to bear," she wrote.

Consultant questions viability of state purchase of of US Sugar land for Everglades restoration

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Naples Daily News - Online

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Consultant questions viability of US Sugar deal

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News Chief - Online, The

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Ocala.com

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Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report Confirms

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03/05/2010
PR Newswire - Online
Florida Crystals

Feds turn focus to pollution north of Lake Okeechobee

WEST PALM BEACH, Fla., March 5 /PRNewswire/ -- The Everglades Agricultural Area (EAA) receives praise for its proven success in cleaning water south of Lake Okeechobee by two top state environmental agencies in their annual restoration report.

The 2010 South Florida Environmental Report, published by the Florida Department of Environmental Protection and the South Florida Water Management District, reveals the EAA achieved a 68 percent reduction in phosphorus loads in 2009 and an overall 54 percent long-term reduction in phosphorus loading during its 14th straight year of meeting water quality goals. The target for reductions is 25 percent.

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The success is even more impressive due to the circumstances that occurred in Water Year 2009. According to the Environmental Report, while the average phosphorus concentration decreased from 9.5 to 8.1 parts per billion in Everglades National Park, the phosphorus load into the EPA was 77 percent higher than the previous year, due to Tropical Storm Fay and other subsequent rains that occurred during severe drought. Despite rising phosphorus loads, the report credits the farming area, stating: "the reduced (phosphorus) inflow concentrations demonstrate the efficacy of BMP and STA nutrient removal."

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Florida Crystals applauds the Nature Conservancy and the federal government for their newly announced efforts to create water storage and treatment features north of the lake that could help filter phosphorus-laden water from central Florida before it reaches the lake.

"It is critical that we quickly begin reducing phosphorus loads to Lake Okeechobee from the northern basins," said

Sam Poole, former executive director of the South Florida Water Management District. "The increasing concentration of phosphorus seriously threatens the health of the lake and is beginning to impact the effectiveness of the Stormwater Treatment Areas in preventing damaging levels of phosphorus from reaching the Everglades Protection Area."

In view of these efforts for the Northern Everglades, as well as next week's consideration of the U.S. Sugar contract extension, Florida Crystals is hopeful the South Florida Water Management District and the governor's office will come to the same conclusion: Our valuable resources are better spent cleaning water north of the lake, instead of wasting taxpayer dollars acquiring more land to the south, which will not address the growing problem.

Contact:

Gaston Cantens, VP Florida Crystals

561.366.5128

Looking north for the Glades

03/05/2010

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Sarasota Herald-Tribune - Online

PAUL QUINLAN Cox Newspapers

To help the Everglades, above, officials are considering preserving land to the north.NEW YORK TIMES ARCHIVE / 2008

WEST PALM BEACH - To stanch pollution flows into the headwaters of the Everglades, Obama administration officials are considering designating a new national wildlife refuge north of Lake Okeechobee.

The refuge could place 100,000 acres or more under federal protection, according to several sources who were briefed on the plans.

The project could create one of the first new refuges in Florida in more than a decade and amount to a major step to clean a region whose farming, cattle and Orlando-area urban development represent one of the worst and most ignored sources of Everglades pollution.

Planners also envision the land serving as habitat for animals driven north out of the southern Everglades by the effects of climate change, such as rising sea levels, documents show.

The U.S. Fish and Wildlife Service has a team working on the project and an inventory of available land is under way, said Nat Reed, vice chairman of the Everglades Foundation and a former assistant secretary of the interior in the Nixon and Ford administrations. He described the progress as "well along in the thinking stage."

"It all sounds very interesting," said Reed. "I sort of critically noted to myself, I don't know where the hell the money's going to come from."

Land under study includes everything from preserves near the Walt Disney World Resort to the 54,000-acre Kissimmee Preserve State Park.

"If you combined everything, it would be fairly large," said Reed. "It would be over 100,000 acres."

The Florida Chapter of the Nature Conservancy has driven the planning effort and, in a paper published last November, floated a concept that calls for purchasing a 20,000- to 50,000-acre core of "high quality habitat suitable for public access," along with other parcels throughout the region that could be managed as "satellite preserves."

Conservancy spokeswoman Jill Austin confirmed that a plan is "being finalized" that should be ready for the media soon but declined to elaborate in detail. "They're studying it," she said.

The conservancy has identified a much larger area, encompassing much of what is considered the Northern Everglades, for a multi-faceted approach to reduce nutrient pollution. The primary culprit is phosphorus, which leaches out of fertilizer. Cow manure from ranching and treated human sewage that is sprayed and dumped for disposal throughout the region also seeps into the wetlands.

Runoff washes the stuff into the Kissimmee River and other tributaries of Lake Okeechobee, triggering toxic, fish-killing algae blooms and destroying native plants.

The state is under federal pressure to reduce pollution flow into Lake Okeechobee by 2015 to 140 metric tons annually, but that's a target most agree Florida will miss by a mile, given current annual flows of 500 to 600 tons.

Much of the efforts aimed at cleanup thus far -- including Gov. Charlie Crist's proposed $536 million purchase of land from U.S. Sugar Corp. for Everglades restoration -- has focused south of Lake Okeechobee and do nothing to stop what feeds the problem from the north.

Consultant questions viability of US Sugar deal

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Sarasota Herald-Tribune - Online

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Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report Confirms

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South Florida Business Journal - Online

Feds turn focus to pollution north of Lake Okeechobee

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The success is even more impressive due to the circumstances that occurred in Water Year 2009. According to the Environmental Report, while the average phosphorus concentration decreased from 9.5 to 8.1 parts per billion in Everglades National Park, the phosphorus load into the EPA was 77 percent higher than the previous year, due to Tropical Storm Fay and other subsequent rains that occurred during severe drought. Despite rising phosphorus loads, the report credits the farming area, stating: "the reduced (phosphorus) inflow concentrations demonstrate the efficacy of BMP and STA nutrient removal."

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Contact:

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Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report

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03/05/2010
Associated Press (AP)
bc-FL-Florida-Crystals 03-05

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TO ENVIRONMENTAL AND STATE EDITORS:

Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report

Confirms

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CO: Florida Crystals

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IN: ENV AGR

SU: ENP ENI SVY

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Consultant questions viability of US Sugar deal

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03/05/2010
Bradenton Herald - Online

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The district overseas Everglades restoration and flood control in South Florida. The agency says it is reviewing options.

Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report Confirms

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03/05/2010
Business First of Columbus - Online

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Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report Confirms Feds turn focus

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03/05/2010
CNBC - Online
By: PR Newswire | 05 Mar 2010 | 12:30 PM ET

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Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report Confirms

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Earthtimes.org
Author : Florida Crystals

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SOURCE Florida Crystals

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Energy Daily - Online, The
SOURCE Florida Crystals

Sugar Farmers Achieve Another Successful Year Cleaning Water, State Report Confirms

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Consultant questions viability of US Sugar deal

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03/05/2010
Gainesville Sun - Online, The

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03/05/2010
HazMat Management

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Houston Business Journal - Online

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03/05/2010

Ledger - Online, The

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Los Angeles Business Journal - Online

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Consultant questions viability of state purchase of of US Sugar land for Everglades restoration

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03/05/2010
Marco Island Eagle - Online
Marco Eagle

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03/05/2010
Miami Herald - Online, The
SOURCE Florida Crystals

Posted on Friday, 03.05.10

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Phosphorus load reduction targets met in Everglades agricultural region, state report confirms

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03/05/2010
WaterWorld

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03/05/2010
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03/05/2010
SYS-CON Media
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Tampa Bay Business Journal - Online

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03/05/2010

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WEAR-TV

Fort Walton Beach Shooting

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Wichita Business Journal - Online

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Your Story - Online
PR Newswire

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PR Newswire

WEST PALM BEACH, Fla., March 5

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SOURCE Florida Crystals

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