Reality on U.S. Sugar deal

Palm Beach Post Editorial

Friday, March 27, 2009

Fortunately, even the often delusionally optimistic Gov. Crist has acknowledged that the U.S. Sugar deal is too expensive. Crafting a new deal will be more complicated, but it's the only option to get land for Everglades restoration.

As The Post reported Thursday, the governor's office, the South Florida Water Management District and U.S. Sugar are seeking to cut the purchase from all of the company's 180,000 acres to about 75,000 acres. The district wants the land for water storage, since the original idea of storing lots of water underground won't work. Buying sugar land could allow the district to move water south and mimic the original Everglades.

From the start, though, Gov. Crist boxed himself in. The first deal, announced last June, was to buy the whole company - land, railroad, sugar mill, citrus plant - for $1.75 billion. Then it was $1.34 billion just for the 180,000 acres. But the governor who wanted a historic Everglades deal also wanted to remain the no-new-taxes governor. He didn't want the water district to raise taxes, though it was clear months ago that the district couldn't buy the land and perform all its other duties without raising taxes, especially since new property values, released June 1, will drop. If the district can't make the numbers work, the deal won't close on Sept. 25. And the district can't make the $1.34 billion/no-new-taxes number work.

Making the U.S. Sugar purchase work always has required more than U.S. Sugar. The water district wants to trade some of the land for acreage owned by Florida Crystals, the other large sugar company. The state and Florida Crystals have accused each other of being uncooperative. In fact, Florida Crystals filed a legal challenge to the bonds that would finance the U.S. Sugar purchase.

But all sides have a stake in working out a deal. So does the public. Reality may temper the politics and self-interest and refocus everyone on the goal of preserving the Everglades.