U.S. Sugar deal: Plenty of money, but few answers

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On Tuesday, the South Florida Water Management District Governing Board will discuss a deal that Chairman Eric Buermann says would "max out our credit card." But it's unclear if the shopping spree is a good deal for the public.

The proposal is the purchase of Clewiston-based U.S. Sugar's roughly 180,000 acres, which the district would use to restore the Everglades. Terms of the contract were announced last week. Property owners in the 16 counties that make up the district would pay $1.34 billion, financed with bonds that are more expensive because they don't require voter approval. U.S. Sugar could farm the land for seven years. The company and the district would have to approve the contract by Dec. 16.

Given the cost, the public should know everything about the deal and how the district would use the land. Instead, there's a lot the public doesn't know, including:

- How much of the land does the district need? In June, when the deal became public, there was talk of the district needing less than half of U.S. Sugar's land to store water and let it flow from Lake Okeechobee to the Everglades. Last week, Department of
Environmental Protection Secretary Michael Sole said "a majority" will be used for restoration. How much unneeded land would the public buy? Why buy it?

- How much other land would the district need? U.S. Sugar’s land is close to the lake. Creating a flow-way to the Everglades could require another 40,000 acres owned by Florida Crystals, the other dominant sugar grower and private landowner in the Everglades. How would the district get that land? Would the district try to trade some U.S. Sugar land for some Florida Crystals land?

- What would happen with rock-mining leases on two parcels of U.S. Sugar land, leases that have raised the price of the deal roughly $300 million? Would the district buy out the leases so mining wouldn't interfere with restoration? Would the district let the miners operate, collect the lease payments to offset the cost of the land and work restoration around the mining?

- Can the district make changes to the contract before Dec. 16? And why the rush to approve it in just 15 days? Mr. Sole and Mr. Buermann avoided the deadline issue during their conference call with reporters.

- Finally, there’s the biggest and most frustrating unanswered question: What's the plan for Everglades restoration?

If the district could supply that answer or come close, it would be much easier to evaluate the U.S. Sugar deal. But Mr. Sole and Mr. Buermann acknowledge that there won’t be a plan for possibly two years. So they want the public to spend $1.34 billion without knowing how the money will be spent.

Mr. Buermann compares Everglades restoration to "the moon mission."

"We know it's going to be done. It's misleading to talk about specific details." But a plan would reassure the public that the deal makes sense at this price.

U.S. Sugar knows that the district needs the land. Underground storage, envisioned as a key component of Everglades restoration, probably won’t work. District Director Carol Wehle estimated that the U.S. Sugar deal would provide two-thirds of the storage capacity of underground wells. "It isn't the silver bullet," she said, "but it's a big bullet." U.S. Sugar also faces a lawsuit from employees who charge that the company passed on earlier buyout offers that would have increased the value of their stock. The sale
seems well-timed for U.S. Sugar. The company just received a third buyout offer from The Lawrence Group, which claims that it would sell land for restoration at a much lower cost.

There's great potential in this deal. At this point, though, public confidence in the deal is far from the max.