Extend U.S. Sugar contract: Crucial decision on land sale this fall

By THE PALM BEACH POST

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It's tempting to urge the South Florida Water Management District Governing Board to abandon its purchase of U.S. Sugar land when the board considers a contract extension Thursday. Critics now cite Monday's New York Times story, which suggested that the deal is better for U.S. Sugar than the public. New financial projections are so bleak that the district's consultant questions whether the agency can afford the purchase.

But the Times' reporting adds little beyond what readers of The Palm Beach Post knew. And killing the deal at this point over an extension forced by a slow-moving court would be a mistake. Board Chairman Eric Buermann correctly told The Post, "The decision point is not now."

That's because the extension has been forced on the district by critics of the sale: Florida Crystals and the Miccosukee Tribe. They challenged the district's right to issue bonds for the land. They lost. They appealed to the Florida Supreme Court, which refused to grant a speedy hearing. Though the district faces a March 31 deadline to validate the bonds or extend the deadline, the court set arguments for April 7.

U.S. Sugar has said that it will agree to the extension. No surprise there. The Clewiston-based company would get $536 million for 73,000 acres, and could continue farming for as long as 20 years. The governing board is likely to agree as well, particularly since Gov. Crist just stacked the board with two members who support the sale.

The real deadline is November, when Gov. Crist leaves office. So let's get to the real issues.

In a letter to The Post on Monday, state Sen. Paula Dockery, a Republican candidate for governor, concluded erroneously that the deal "would do little to advance the important goal of Everglades restoration." Former Gov. Jeb Bush, who called the deal "photo-op environmental policy" in The New York Times story, also misses the crucial point. To make Everglades restoration work, the district needs land for water storage, since the original idea — underground storage — is not working. Mr. Bush did nothing to find an alternative to underground storage. Without the land, the district can't meet storage needs. With the land, there's a chance.

The critics have a better argument when they claim that the sale will sap the district's ability to continue Everglades projects while performing its routine functions. A memo from The PFM Group, the district's consultant, expressed alarm over projected budget deficits of about $100 million a year for two years. District projections show a $65 million property tax decline this year and a $54 million decline next year.

Fortunately, the district can extend the contract without triggering a financial crisis, because the contract contains an out. With property values falling, The Post editorialized often that the original deal for the district to buy out U.S. Sugar was too generous and too expensive. When board members approved the deal — since cut in half — in December 2008, they added language allowing the district to cancel the contract without penalty if the cost jeopardizes core district functions. That issue is separate from the court case, and Mr. Buermann is right to insist that it be considered separately.

A tax increase across the district's 16 counties could raise about $150 million a year. But Gov. Crist, running for the Senate as a tax-cutter, has insisted that the district not raise taxes. The board should extend the contract Thursday, and base its final decision on the facts, not a campaign.