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Time to renegotiate with U.S. Sugar

The state's deal with U.S. Sugar includes too many major flaws.

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The country's largest subtropical wilderness appears certain to die without a major effort to restore it.

Which is why we backed the agreement between Washington and Florida in 2000 to revive the Everglades, devastated from years of farming, development and mismanagement. And why we later encouraged Gov. Charlie Crist in his efforts in 2008 to leapfrog the earlier agreement.

The federal government had reneged on its obligations to fund the restoration, and Mr. Crist's plan to buy out one of the River of Grass' worst polluters seemed early on a more viable way to extend the ecosystem's life.

But it's not viable any more. Not by a long shot. It's overpriced, unaffordable and, by itself, won't rejuvenate the Glades. The state needs to renegotiate the terms of its deal with U.S. Sugar, or opt out altogether.

Mr. Crist originally proposed purchasing U.S. Sugar's entire operation south of Lake Okeechobee so engineers could build reservoirs and pollution treatment marshes there to store, clean and eventually release millions of gallons of good water that wading birds and other species in the Glades need to survive.

But though the eventual expense of restoring the Everglades under Mr. Crist's plan was forecast to come in less than the 2000 plan, the cost of getting it going — $1.75 billion — seemed prohibitive.

Once property values and Florida's economy began plummeting, the state sought to downsize its deal with U.S. Sugar. It fell to $1.34 billion for 180,000 acres. Then to $536 million for 73,000 acres.

At $1.34 billion, we said the deal seemed way overpriced. Mr. Crist had gotten officials to ignore appraisals showing the state paying up to $400 million more than the land's worth. Why on earth was the state sweetening the deal? Because U.S. Sugar essentially said take it or leave it? U.S. Sugar was hardly in a position to demand terms. Its profits were down, its debt up.

Even now, at $536 million, the deal for a fraction of the acreage doesn't add up. Its price reflects hyperinflated values from 2004-2008. If the land were appraised according to today's market, it might not be worth much more than $300 million.

That's also partly because U.S. Sugar's looking to unload some of its least marketable land on the state, contaminated citrus groves that also won't facilitate the Everglades' restoration.

The deal also doesn't add up because the South Florida Water Management District, the agency steering the deal, can't afford it. It would borrow the $536 million, with district taxpayers paying the interest.

But the district can't do that and pay its other bills without blasting a hole in its budget. A financial adviser to
the district forecasts a $100-million district shortfall over the next two years.

Even if the state could afford the inflated price, the reduced acreage appears insufficient to restore the Glades. It's some 30,000 acres shy of what environmentalists have said is needed.

According to its agreement with Big Sugar, the state has an option to later buy more land on top of what it's now looking to acquire. But if the state's needing 30,000 or more acres later to make the restoration work, U.S. Sugar or other nearby landowners could exact outlandish terms.

The district this month put off a final vote on the deal with U.S. Sugar till September. But it's a deal that no longer makes sense for Florida.

Mr. Crist needs to renegotiate a far better price for land that's more suitable for restoring the Glades. Either that, or his successor will have to finish the job.

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