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## US Sugar buyout: sweet deal for the Everglades?

08/19/2008

Christian Science Monitor

Patrik Jonsson

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Miami - Banged out in secret meetings, a \$1.75 billion taxpayer-funded plan to buy 187,000 acres of US Sugar's cane fields in the Lake Okeechobee basin marks one of the largest conservation buyouts of a major industry in the US, promising to break a major chokehold on the slowly dying Everglades.

But will it really work – and at what cost?

Those are the tough questions facing Floridians from Cracker families of the lake plains to suburbanites in Palm Beach. In a state usually more generous toward sun-seekers than swamp falcons, the buyout reflects a major change of political direction on behalf of the state's fragile backwaters.

What's more, the implications of the US Sugar deal could go far beyond the Sunshine State, offering a new Republican vision for downsizing polluting industries in a globalized economy while reducing – in Big Sugar's case – \$2 billion in annual subsidies from Uncle Sam.

But University of Miami economist Richard Weiskoff warns that the buyout could turn out to be a backroom deal among political and industrial interests that fails to deliver salvation for one of the world's wildest and most important ecosystems.

"This was a great opportunity for US Sugar to get out of the business and give a potentially big boost to [Republican Gov.] Charlie Crist and the Republicans on the environment," says Daniel Smith, a political scientist at the University of Florida in

Gainesville.

But it also seems like such a sweetheart deal, he says, that critics of the deal could be blinded to the potential for cleaning up the Everglades.

Two months after a June 24 announcement that shocked Floridians, the deal is now coming into sharp relief.

The main players include Governor Crist, who is aiming for an environmental legacy that could help his GOP vice-presidential bid; a powerful sugar corporation looking for financial liquidity in a tight global sugar market – perhaps to finance entry into new businesses; a necklace of poor farm communities with few new opportunities; and powerful environmental groups with growing clout in Tallahassee.

Though technically separate from the US Army Corps of Engineers' \$7 billion Comprehensive Everglades Restoration Plan (CERP), the purchase of the so-called Everglades Agricultural Area (EAA) lands would provide a significant boost to a sluggish restoration effort.

Taking huge chunks of cane country out of agricultural use would not only reduce the amount of damaging fertilizers, but could also provide up to 1 million acre feet of water needed to manage in- and out-flows to the dying fringes of the River of Grass.

The Everglades needs at least 5 million more acre feet of water capacity in order to thrive, says Kenneth Ammons, the deputy director of the state's restoration efforts.

Then there's the human cost of taking land out of sugar production: The possible loss of 10,711 farm-related jobs, according to a recent study by the University of Florida.

"This is unprecedented in terms of a state buyout of a private company for the purposes of conservation," says University of Florida economist Alan Hodges, who authored the study.

The proposed purchase, which could be finalized by November, addresses two interests with political clout in the Tallahassee power structure: sugar and environmentalists. Both have been challenged – sugar by globalization, and environmentalists by the slow (some say insignificant) progress of the 14-year restoration process, which was sparked by a 1988 lawsuit against the state by former US Attorney Dexter Lehtinen.

"The sugar industry in Florida has been problematic for years," says David Reiner, the president of Friends of the Everglades, an environmental group in Miami. "It's always been two-faced: The economic bonus to the state has been huge, but the ecological damage it causes has been tremendous."

To many farm families, the purchase is a sellout of a patch of Old Florida, an attack on the state's poorest, least politically powerful counties.

Not only will the tax burden fall on the 16-county South Florida Water Management District, but farmers say they're unfairly being held out as scapegoats for a statewide, even national, issue: The influx of 16 million Florida residents since 1960, bringing

commercial and residential development and more challenges for water – both as a resource in terms of added pollution .

"They removed the mangroves, filled in the swamplands, and inhabited the barrier islands," says Butch Jones, a Glades County commissioner.

"If you want to put Florida back like it used to be, those areas should also" be reverted, he says.

Last week, Federal District Judge Federico Moreno handed Crist's plan a victory when he rejected a motion by the Everglades-dwelling Miccosukee tribe of Indians to restart construction of a \$750 million reservoir. The Miccosukee say the reservoir would provide more rapid relief than the 10 years it likely would take for the US Sugar buyout to restore their water resource.

According to court testimony and local news reports, the state stalled construction on the reservoir in part because it needs the cash to finance the buyout, raising the stakes even further for the plan to work.

"If people are told, you have to readjust in the interest of the Everglades, that's noble," says Professor Weiskoff, author of "The Economics of Everglades Restoration."

"But if it's to make US Sugar wealthy and shaft the Everglades in the process, then they're right to be skeptical," he says.

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## **Saving the Glades: Scripps 2?**

08/19/2008

Palm Beach Post  
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Tuesday, August 19, 2008

Palm Beach County Administrator Bob Weisman fears that the fight brewing over an inland port in the cane fields south of Lake Okeechobee has many of the same elements as the fight over where to build The Scripps Research Institute.

No county administrator in his right mind would welcome that comparison. The dispute over Scripps' location devoured years of staff time, pitted commissioners against one another, polarized the community and wasted millions. It ended when a federal judge blocked construction at Mecca Farms and commissioners bickered their way to building Scripps at Florida Atlantic University in Jupiter.

From the start, the scientists were pawns in a bigger game to assure that development would continue its inexorable western rush. To many environmentalists, hidden agendas are again at work to assure an influential landowner, the Fanjul family-owned Florida Crystals, a cut from the state's planned \$1.75 billion buyout of U.S. Sugar.

Florida Crystals is pitching 9,000 acres for an inland port, where imports would be warehoused and distributed by truck or train. Once again, good things - jobs for Glades communities, expansion for the Port of Palm Beach, less truck traffic on Interstate 95 - are being cited as reasons to do a potentially bad thing - creating intense industrial uses in or around what could one day be the world's largest above-ground reservoir.

Once again, the South Florida Water Management District could play an influential leadership role but prefers to stay out of the political muck. And once again, a court is likely to decide the issue.

Unlike the Scripps debate, the issue isn't housing. Florida Crystals initially sought to rezone 16,000 acres, raising the prospect of an Okeelanta City surrounding its Okeelanta Mill near South Bay. But the company has reduced its request to those 9,000 acres and said housing would be banned.

The site is no Mecca Farms, a former citrus grove. It's already industrial, with 2,300 acres occupied by the sugar mill, a facility that burns sugar byproducts to produce energy and a distribution center. About 2,200 trucks per day traverse the site. A rail line goes right up to the mill's loading dock. Florida Crystals also has pitched the area for Palm Beach County's next landfill.

It's not prime gated-community territory. What the Fanjuls want, though, would transform the farmland around the mill. They would give the port 500 acres but likely seek to retain the rest. That's where the profits lie, in the distribution center. A partnership with the politically powerful Fanjuls may seem too good to be true for Port of Palm Beach officials, but that partnership could make the task of saving the Everglades more difficult.

The Fanjuls are critical players in land swaps to help finance the U. S. Sugar buyout. Will they trade land for land only if they get to keep their mill and convert the land around it? If the inland port gets too much political traction - Tropical Storm Fay forced Palm Beach County to postpone today's discussion - Everglades restoration could be forced to work around the mill, instead of the other way around.

If, like many, you believe that saving the Everglades is nothing more than a feel-good project to save endangered species and plants, it's easy to side with Florida Crystals. But the Everglades are a lifeline for South Florida. If they dry up, so would human habitation. Zephyrhills couldn't bottle enough water to slake South Florida's thirst.

Allowing both the industrial pollutants of an inland port and a giant holding tank for the region's water may prove a combustible mix. Building around the Fanjuls' property could cost as much as buying the Fanjuls' mill. Water managers, still negotiating the buyout with U.S. Sugar, won't take a stand. Their silence adds to Mr. Weisman's unease and the deal's Scripps-like mystique. It's not too much to say that Scripps is a model best not followed.

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## Group Spurs Everglades Restoration

08/19/2008

Newsweek - Online

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On a sweltering day in June, Florida Gov. Charlie Crist convened a press conference at the edge of the Loxahatchee National Wildlife Refuge near Palm Beach to make a blockbuster announcement. The state, he declared, had agreed to buy the U.S. Sugar Corp. for \$1.75 billion in a bold effort to accelerate restoration of the Everglades. The company's vast swath of land would provide a 'missing link' reconnecting Lake Okeechobee with marshlands to the south that depend on it for nourishment. Widely hailed by environmentalists, the deal nevertheless came as a shock to most of them. But not to the folks at the Everglades Foundation, a tiny conservation group that was dialed in to the negotiations months earlier. At the June announcement, its representatives were already armed with gleaming press kits touting the buyout proposal.

The deal has put a spotlight on the foundation, a pint-size powerhouse little known outside Florida, and even within. Though the group didn't play a direct role in striking the accord, it helped pave the way with years of battles against the sugar industry, which is considered a major polluter. Founded by George Barley, a wealthy Orlando developer, and Paul Tudor Jones II, a billionaire Wall Street investor, the Palmetto Bay-based Everglades Foundation is a unique creature in the conservation world. It's not a lefty granola-and-Birkenstock outfit but rather a bipartisan assortment of power brokers, society swells and science whizzes. It has a staff of only 11, yet it wields outsize influence through prodigious fund-raising and well-placed connections. Often, 'advocacy organizations take a back seat to special interests,' says Eric Draper, policy director for Audubon Florida, which has received funding from the group. But 'the Everglades Foundation is one place where environmental advocacy has had a real effect.' The organization boasts a roster of high-profile figures. Its board of directors includes Jimmy Buffett and Jack Nicklaus. Its CEO is Kirk Fordham, a former chief of staff for former U.S. representative Mark Foley and finance director for Sen. Mel Martinez. But the heaviest hitter of them all is Jones, who serves as chairman. With a net worth estimated at \$3.3 billion, he ranks No. 334 on Forbes's 2008 list of the richest Americans. He has injected tens of millions into the foundation and has given generously to both political parties, including \$405,000 to the state GOP only weeks before Crist's 2006 election. A few months after taking office, Crist joined Jones on his boat for a fishing trip in Florida Bay. The two bonded, and Jones impressed upon the governor his passion for Everglades restoration, according to Audubon's Draper and a Crist spokesman (Jones is on vacation and didn't respond to an interview request).

Jones has helped make the foundation a fund-raising force. The group is known for throwing glitzy events, including an annual gala that's been held in recent years at Donald Trump's Mar-A-Lago Club in Palm Beach. At this year's festivities, Diana Ross performed as Everglades advocates hobnobbed with politicians

like Crist and Florida Sen. Bill Nelson. Trump gave more than \$50,000, according to CEO Fordham. With events like these, the foundation generated \$4 million in revenues in 2007. In turn, it disbursed \$1.3 million to other organizations like the Sierra Club and World Wildlife Fund.

Meanwhile, a sister entity, the Everglades Trust, handles lobbying in Washington, D.C., and Tallahassee. Among the recent successes its team has contributed to: Congress's passage of the 2007 Water Resources Development Act, which, among other things, authorized spending on Everglades projects, and the Florida legislature's reauthorization this year of the Florida Forever Act, which allows the state to buy up land for restoration purposes.

In recent years, the Everglades Foundation has significantly beefed up its scientific work. For a long time, 'the sugar industry in particular would hire engineers and consultants that would produce whatever results they wanted, and it would drive a lot of the decision-making in the state and local level,' says Fordham. So the foundation responded by conducting its own research that could challenge such data. Led by senior scientist Tom Van Lent, the foundation's four researchers have tackled a variety of issues: how much water the Everglades needs, where exactly it should go, how many acres are necessary to cleanse it before it enters marshlands. During the U.S. Sugar negotiations, Van Lent provided state planners with models showing how the acquired land could be used most effectively. The foundation has 'been a fantastic source of not only support but information,' says Michael Sole, secretary of the Florida Department of Environmental Protection.

The Everglades are in dire need of such aid. A century ago, water flowed uninterrupted from the Kissimmee River into Lake Okeechobee and then south through the Everglades before emptying into Florida Bay. But decades of agricultural, residential and commercial development fundamentally altered that ecosystem. Water was drained, rerouted and polluted. As a result, the nation's largest subtropical wilderness--which is home to dozens of federally threatened and endangered species, including the Florida panther and American crocodile--has shrunk to half its former size. It is literally dying.

More than 15 years ago, Jones and his friend Barley grew aghast at this ecological disaster, which was ruining their beloved sport of tarpon fishing with pollution-induced algae blooms. So in 1993, they started the Everglades Foundation. Two years later, however, Barley died in an airplane crash while on the way to a meeting in Jacksonville about the Everglades. At Barley's graveside, his widow, Mary, and Jones vowed to carry on the fight. 'We all became more committed,' says Mary Barley, now the foundation's vice chair. 'It gave me something to do to shut my pain down.' One of the foundation's earliest battles, in 1996, was a drive to levy a penny-per-pound pollution tax on sugar growers. Though Jones poured \$11 million into that effort, the industry responded with a \$24 million countercampaign that succeeded in stifling the measure. But another proposal backed by the foundation--a constitutional amendment requiring that polluters bear the brunt of cleanup costs--was approved by voters that same year.

The foundation has found an ally in Crist. When Jones took him on that 2007 fishing trip, he urged the governor to appoint more eco-sensitive people to the South Florida Water Management District, which oversees Everglades projects. Later that year, Crist named a former Everglades Foundation board member, Shannon Estenoz, to the SFWMD's board. Along with other Crist appointees, she helped shift the balance of power away from agribusiness interests. The effect became clear last summer, when the board voted to halt the agricultural industry's longstanding practice of pumping excess water back into Lake Okeechobee.

In response, U.S. Sugar dispatched a few of its lobbyists late last year to complain to Crist, according to the governor's spokesman (the company declined to comment). In the course of that meeting, Crist broached an idea that took the industry representatives by surprise: buying out U.S. Sugar. That launched the discussions that produced the landmark deal, which is scheduled to close in November. The accord is 'the most stunning news since we started working on Everglades restoration,' says Mary Barley. Her husband would undoubtedly be proud.

