## Today's U.S. Sugar News for November 1-10, 2008

### Compiled by: South Florida Water Management District
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<table>
<thead>
<tr>
<th>Headline</th>
<th>Date</th>
<th>Outlet</th>
<th>Reporter</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Storage issues challenge water managers</strong></td>
<td>11/02/2008</td>
<td>Jupiter Courier</td>
<td></td>
</tr>
<tr>
<td><strong>Co-op wants slice of land from U.S. Sugar buyout</strong></td>
<td>11/03/2008</td>
<td>Palm Beach Post - Online</td>
<td>PAUL QUINLAN</td>
</tr>
<tr>
<td><strong>Guest opinion John Cassani</strong></td>
<td>11/04/2008</td>
<td>News-Press</td>
<td></td>
</tr>
<tr>
<td><strong>Co-Op Wants Slice of Land from U.S. Sugar Buyout</strong></td>
<td>11/04/2008</td>
<td>Florida Trend</td>
<td></td>
</tr>
<tr>
<td><strong>Co-op Wants Slice of Land from US Sugar Buyout</strong></td>
<td>11/04/2008</td>
<td>Palm Beach Post</td>
<td>Quinlan, Paul</td>
</tr>
<tr>
<td><strong>DIGEST</strong></td>
<td>11/07/2008</td>
<td>Sun Sentinel, Fort Lauderdale, FL</td>
<td></td>
</tr>
<tr>
<td><strong>Conflicts of interest possible in U.S. Sugar buyout negotiations</strong></td>
<td>11/09/2008</td>
<td>Calibre MacroWorld</td>
<td></td>
</tr>
<tr>
<td><strong>U.S. SUGAR BUYOUT MAY POSE CONFLICT QUESTIONS</strong></td>
<td>11/09/2008</td>
<td>Sun Sentinel, Fort Lauderdale, FL</td>
<td></td>
</tr>
<tr>
<td><strong>Editorial: We think: The governor's plan to restore Everglades isn't a done deal</strong></td>
<td>11/09/2008</td>
<td>Orlando Sentinel</td>
<td></td>
</tr>
<tr>
<td><strong>Conflicts of Interest Possible in U.S. Sugar Buyout Negotiations: Independent Analysis of Deal Could</strong></td>
<td>11/09/2008</td>
<td>iStockAnalyst</td>
<td></td>
</tr>
</tbody>
</table>
A recent article in The Jupiter Courier captures key realities about living with Florida's weather extremes.

The flood control system designed 50 years ago to allow a population of two million to reside safely in South Florida lacks the capacity to store enough water for the driest of times.

That means record-breaking rainfalls, such as Tropical Storm Fay this year, require the release of water to the ocean to prevent flooding of roadways, neighborhoods and businesses.

Given these facts, a case for a culture of water conservation becomes crystal clear. We must reduce our personal water use to ensure there is enough for those dry times, such as the extended 2006-2007 water shortage, to meet the needs of South Florida's 7.5 million residents and its unique landscapes and wildlife. Water conservation is a vital tool that allows the South Florida Water Management District to serve the public with flood protection, adequate water supply and environmental restoration.

Currently, up to one half of all potable water produced in our region goes to outdoor irrigation. More than 50 percent of that water is simply lost to evaporation and is wasted. The district is now seeking public comment on a year-round conservation rule that would limit landscape irrigation to two-days a week -- a sufficient amount of water to keep lawns healthy.

A question that residents may ask is, "What's being done to address the water storage issue?"

Storage is a vital component of the state's Northern Everglades Protection Plan and the federal/state Comprehensive Everglades Restoration Plan.

The district has undertaken several projects to expedite planning for and construction of more water storage. Since 2000, Florida has invested more than $2 billion to restore the South Florida ecosystem. Major reservoirs are part of the plan, including the C-44 (St. Lucie Canal) Reservoir and the C-43 (Caloosahatchee River) West Reservoir, among others.

The proposed acquisition of vast tracts of land from U.S. Sugar...
Corporation in the Everglades Agricultural Area also represents immense water storage possibilities and operational flexibility which greatly complement ongoing restoration efforts.

These projects will further enhance water storage and water quality throughout the South Florida ecosystem.

As the district continues its investments to expand water storage in the system, we can all do our part. Protect the water supply by conserving and reducing your water use.

Water saving information is available at www.safewaterfl.com.

Chip Merriam is deputy executive director of South Florida Water Management District.

This commentary has been edited for space. For the full commentary, log on to YourHub.com.

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Co-op wants slice of land from U.S. Sugar buyout
11/03/2008
Palm Beach Post - Online
PAUL QUINLAN

The smallest of Florida's three major sugar companies wants a piece of the 187,000 acres the state is negotiating to purchase in its $1.75 billion buyout of U.S. Sugar Corp.

So do several surrounding cities and counties - raising the question of how much land will be left to restore the Everglades, the deal's overriding purpose when the state announced it in June.

So far, state officials say, the only private suitor to make a formal pitch for a slice of the deal is the Sugar Cane Growers Cooperative of Florida, dubbed "Little Sugar." It has told state water managers it wants to claim 15,000 acres of U.S. Sugar's land through a lease, purchase or some combination of the two.

The Belle Glade-based co-op, hit hard by declining acreage, hopes cane farmed on the extra land would bring its mill back to full capacity.

Meanwhile, Hendry and Glades counties and the cities of Clewiston and Pahokee have asked that about 6,500 acres of U.S. Sugar's land be used for roads, commerce parks and homes. That would cushion the economic blow from U.S. Sugar's expected departure in six years.

"There are a lot of people who look at this as, hey, U.S. Sugar's got some nice warm land close to the lake," said co-op spokeswoman Barbara Miedema. "Everybody wants a piece of it."
Water managers say their top priorities will be restoring the Everglades and meeting the cities and counties' needs. Those will take precedence over private buyers such as the co-op, said Ken Ammon, a deputy executive director at the South Florida Water Management District.

The district's early estimates say between 65,000 and 95,000 acres of the U.S. Sugar property will be used to treat and store water for Everglades restoration.

But Tom Van Lent, a senior scientist with the Everglades Foundation, said the district should plan to use between 130,000 and 140,000 acres of the U.S. Sugar land to treat and store water for the Everglades. He said the district's lower estimates are based on the shaky assumption that additional land will be available north of Lake Okeechobee.

The sugar co-op would be willing to pay between $3,000 and $5,000 an acre, about what Palm Beach County's property appraiser has said the land is worth, Miedema said. The co-op says its acreage has fallen in recent years from a peak of 80,200 in 2000 to about 60,000 last year.

Meanwhile, Hendry County wants the district to deed over about 1,000 U.S. Sugar acres to widen part of State Road 80 and make at least another 2,000 acres available for development. Glades County commissioners have asked for an unspecified tract to develop into eco-friendly industry.

Clewiston's wish list includes the old Clewiston Airport, which it had been negotiating to buy from U.S. Sugar since 2004. And Pahokee is seeking a 3,000-acre swath surrounding the city that has been "historically difficult to acquire," a city resolution says.

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**Guest opinion John Cassani**  
11/04/2008  
News-Press

The South Florida Water Management District Caloosahatchee River and Watershed Protection Plan aimed at cleaning up the Caloosahatchee Estuary is nearing completion. It's a good plan that identifies problems and recommends restoration projects that will reduce nutrient pollution and increase storage to minimize flows that are too high and too low. It's one of those feel-good plans that gives you a sense that the problem is being adequately managed and major changes are in the works, until you read the bottom line.

The cost of implementing the first three years of the plan (Phase I) has a $1.2 billion-to-$1.8 billion price tag. To try and put this into perspective, the Legislature has proposed $15 million per year ($5 million from Lee County) to implement the Caloosahatchee Plan. At that funding level, it would take conservatively 40 years to complete Phase I, planned for completion in 2012. At twice that level of funding for each of the next three years, it would only represent 5 percent to 7 percent of...
the funding necessary to finish the first three years of the plan. Even if funding for Phase I were a reality and all projects completed as planned, nitrogen loading would be reduced to 3,011 tons annually, a significant improvement but a level that some believe is still beyond the assimilative capacity of the estuary.

This is a sobering reality to decades of policy that put water supply and flood control ahead of resource protection. It's much the same story for Lake Okeechobee. It makes you wonder where the agencies responsible for sustaining our resources have been with a plethora of regulations. The same agencies responsible for making water supply readily available and water quality from deteriorating were so busy giving it away or looking the other way that no one stopped in time to figure out how much was too much. In many ways it's the story of Florida.

No one disputes that agriculture and domestic water supply are vital elements of everyday life, but the agencies vested with simultaneously protecting the public interest (water resources that belong to all of us) have been a sorry failure with regard to the resource. Even some of our aquatic preserves and waters designated Outstanding Florida Waters have become impaired. We are now faced with the costs of this failure and it is incomprehensible. Unfortunately, competing interests for limited local, state and federal funds including health care, education, transportation, energy, foreign wars and employment may end up keeping resource protection at the back of the line.

At this point we should be asking ourselves: will water resource policy ever change regarding the unsustainable policies that led us to the prohibitive cost of any substantive restoration? The proposed buyout of sugar land in the Everglades gives one distant hope as do past success with the Kissimmee River Restoration, but I often wonder if we won't be confronted with the same issue again 25 years down the road, wondering why we haven't progressed more.

And so the cycle continues about every 6 or 7 years with another ribbon-cutting ceremony on the shores of Lake O or the banks of the Caloosahatchee with politicians announcing another new plan. Achieving restoration success is a noble cause but significant and timely progress is looking increasingly unrealistic. It's a cause worth pursuing only if the policy that got us here takes a new course. - John Cassani, resource manager for the Lee County Hyacinth Control District, is chairman of the Southwest Florida Watershed Council.

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**Co-Op Wants Slice of Land from U.S. Sugar Buyout**
11/04/2008
Florida Trend
After nearly two years of roller-coaster campaigning, a billion dollars in campaign spending, and the most diverse slate of major candidates ever, this historic presidential election comes to a close today. Polls close at 7 p.m. Given the importance of Florida's 27 electoral votes, Sens. John McCain and Barack Obama both hit the state Monday for one last pitch. 'We will win Florida, and we will win this race. There is one day left until we take America in a new direction, my friends. We need your help and we will win,' McCain told supporters outside Raymond James Stadium in Tampa on Monday morning. Obama drew more than 7,000 to a rally in Jacksonville: 'Don't believe for a second this election is over," he said. 'Don't think for a minute that power will concede anything for a minute without a fight. This is going to be close here in Florida.' [Source: St. Petersburg Times]

More on Election 2008:

Blog: Up-to-the-minute news [SP Times]

4.2 million Floridians already have voted [Sun-Sentinel]

Get free coffee, donuts, ice cream today [AP]

GOP vows no mass challenges to voters tomorrow [Post]

Judge tosses amendment 2 lawsuit [Post]

Crist's former top aide says Obama will win [Herald-Tribune]

TALLAHASSEE:

Florida Teachers Work at Last Year's Salaries Amid Tight State Budget

Three months into the school year, most Florida teachers are working for the same pay they got last year, as a grim state budget has stalled salary negotiations in districts across the state. So far, only 13 of 67 school districts have settled on pay-hike agreements for the current year. Typically, more than 30 districts would have wrapped up union negotiations by this time, said Max Schmidt, executive director of the Florida School Labor Relations Service. None of the Central Florida districts have reached new salary settlements. Some districts have delayed negotiations until new state budget forecasts are issued. Some, such as Polk and Seminole, have bargained with their unions but then found themselves at an impasse. [Source: Orlando Sentinel]

Also: Lee County school board OKs teacher raises

TAMPA:

Publix Takes Fresh Approach with GreenWise Market

Publix GreenWise Market is nothing like the 1,000 traditional stores run by the nation's fourth-largest supermarket chain. The Lakeland company's first bay area take on a natural/organic supermarket opens Thursday in Hyde Park. It's the third of the chain's experimental GreenWise chain after Boca Raton and Palm Beach Gardens and the first built from the ground up. Two more will take over former Albertsons locations in Tallahassee and Winter Park. A hybrid will be branded as a Publix in Naples. Organic and gourmet fare beckons. [Source: St. Petersburg
Home Builders Nearly Idle in Quarter

Home building ground to a near-halt in Palm Beach County and the Treasure Coast in the third quarter, a period when housing starts fell to their lowest level in at least a decade - and perhaps much longer. With the region's housing market glutted with homes for sale, builders have cut production by 90% compared with a few years ago, according to housing research firm Metrostudy. The handful of housing starts marks the slowest pace of construction on Metrostudy's records, which go back to the 1990s. [Source: Palm Beach Post]

ALSO AROUND FLORIDA:

Times, Miami Herald to Combine Tallahassee Bureaus [SP Times]

In a collaboration believed to be the first of its kind, the Miami Herald and St. Petersburg Times will combine their Tallahassee staffs into a single bureau to expand news and enterprise coverage of Florida government, politics and statewide issues.

[Source: Palm Beach Post]

The smallest of Florida's three major sugar companies wants a piece of the 187,000 acres the state is negotiating to purchase in its $1.75 billion buyout of U.S. Sugar Corp. So do several surrounding cities and counties - raising the question of how much land will be left to restore the Everglades, the deal's overriding purpose when the state announced it in June.

Sotheby's International Closes the Door on Sky [Sarasota Herald-Tribune]

On Monday, the real estate arm of auction house Sotheby's formally severed its relationship with the four-year-old company.

A Few Stations Sell Gas Below Cost [Orlando Sentinel]

It's against the law in Florida to sell gasoline at less than cost, but many convenience stores use low fuel prices to attract consumers, said Gregg Laskoski, managing director of public relations for AAA Auto Club South in Tampa. Also: Florida gas prices sank $1.21 in a month.

The City Commission on Monday approved a roughly $16 million contract with Catalfumo Construction Ltd. for design and construction work on the city's waterfront makeover. Related: Delray Beach approves expansion of city's largest hotel.

Geo Group 3Q Revenue Flat [Palm Beach Post]

Geo Group Inc., the Boca Raton-based operator of prisons and mental health centers, reported third quarter revenue of $265.4 million, nearly flat from the $266.1 million in the third quarter 2007.

Go to page 2 for more stories ...
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Palm Beach Post
Quinlan, Paul

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U.S. Sugar deal

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**DIGEST**

11/07/2008
Sun Sentinel, Fort Lauderdale, FL

**Palm Beach County**

Grand jury indicts 1 of 2 teens in killing

A Palm Beach County grand jury has indicted 17-year-old Carl Lee Booth, Jr. for one count each of first-degree murder with a firearm, attempted robbery with a firearm while masked and shooting into an occupied vehicle.

Booth and 16-year-old Willie Felton are accused of fatally shooting Norman Griffith Jr., 18, on Sept. 27.

Authorities say the motive for the killing was a gold necklace the suspects wanted.

Griffith played tight end and defensive end for the Pahokee Blue Devils.

**Palm Beach County**

Expansion plan for power plant favored

Palm Beach County zoning commissioners on Thursday endorsed plans to expand the Okeelanta power plant near South Bay, despite its location in an area potentially targeted for Everglades restoration.

Florida Crystals proposes expanding to three acres and adding a boiler at the plant that turns agricultural waste into energy. The proposal goes to the County Commission on Dec. 4.

The state is in the midst of negotiating to buy out Florida Crystal's competitor, U.S. Sugar Corp., and plans to use the company's land to restore water flows between Lake Okeechobee and the Everglades.
Land swaps with Florida Crystals could become part of the restoration plan, but selling off the Okeelanta plant has not been proposed, company spokesman Gaston Cantens said.

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**Conflicts of interest possible in U.S. Sugar buyout negotiations**

**Independent analysis of deal could**

11/09/2008

Calibre MacroWorld

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Nov. 9--The $1.75 billion state buyout of U.S. Sugar Corp. creates potential conflicts of interest for three present and past members of the board that decides whether to move forward with the deal.

Gov. Charlie Crist proposed acquiring U.S. Sugar's 187,000 acres -- plus rail lines, a sugar mill and other assets -- to allow restoring water flows from Lake Okeechobee to the Everglades.

The South Florida Water Management District continues to negotiate the terms with U.S. Sugar. The district's nine-member board, appointed by the governor, could vote soon on a contract.

That board remains one member short because U.S. Sugar Vice President Malcolm 'Bubba' Wade Jr. resigned his district post the same day in June that Crist announced the proposed deal. But for seven months before the announcement, Wade served on the board while his company and the state held secret talks about a possible taxpayer-backed buyout. Wade was the agricultural community's key representative on the board.

In addition, two other board members, Paul Huck Jr. who represents Miami-Dade County, and Shannon Estenoz, who represents Broward County, have business or personal relationships that could create conflicts if they vote on the deal. Huck's law firm represents former U.S. Sugar employees suing the company over stock values, and Estenoz's husband, a lawyer, represents environmental groups trying to stop rock mining on U.S. Sugar land.

The vacancy, coupled with at least two board members possibly having to abstain from voting, concerns critics who question whether the public interest will be protected. 'It's a big concern. ... We are not getting an independent analysis of this deal,' said Dexter Lehtinen, an Everglades advocate and former U.S. attorney who filed suit against the district, arguing that the buyout will further sidetrack long-stalled restoration plans.

While the buyout could be a boon to the health of the Everglades, the economic ripple effects of closing U.S. Sugar extend to businesses in the Glades and independent growers who rely on U.S. Sugar's mill. 'We have gone through a million 'what if?' scenarios,' said Barbara Miedema, vice president of the Sugar Cane Growers Cooperative of Florida. She wants another
agricultural representative on the board.

Water district board members, who are unpaid and are confirmed by the state Legislature, must declare potential conflicts of interest and are expected to abstain from votes that could benefit them, their family or their business associates.

Because of conflict concerns, Huck has said he will not vote on the U.S. Sugar deal. He is, however, permitted to participate in board discussions. Huck could not be reached for comment, despite several attempts by phone and e-mail.

Estenoz's husband, Richard Grosso, is an environmental lawyer who filed suit to stop plans for rock mining on U.S. Sugar land. That land could be part of the U.S. Sugar buyout or get left out of the deal to allow mining.

Either way, the district's decision likely affects the potential for mining on U.S. Sugar land.

Estenoz said that once negotiators present the board with the terms and conditions, she will consult with agency attorneys to determine if she has a conflict. 'I don't foresee a conflict arising,' she said. Wade declined to comment, citing the ongoing negotiations and his position on U.S. Sugar's senior management team, company spokeswoman Judy Sanchez said.

Sanchez said Wade did not participate in the initial talks between the state and U.S. Sugar. 'He was very careful not to do anything that would present a conflict of interest,' Sanchez said. 'As soon as it became obvious that we had an agreement ... he resigned his position.' During Wade's three years on the district board, he frequently abstained from votes that created the appearance of a conflict with his professional life, Sanchez said.

Miedema said Wade's history of abstaining from votes to avoid conflicts makes it surprising he didn't step down sooner. 'How far along was he brought in [and] what role did he play?' Miedema asked. The district came close to an agreement this month, but negotiations now are expected to go into 2009.

On Friday, the governor's office said applications for the vacant board position are under review.

Why it has taken so long with such a big vote looming remains a concern for the agricultural community, said Charles Shinn, the South Florida representative for the Florida Farm Bureau. 'Politics plays some pretty odd games sometimes,' he said. Andy Reid can be reached at abreid@Sun Sentinel.com or 561-228-5504.
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Andy Reid can be reached at abreid@Sun Sentinel.com or 561-228-5504.

INFORMATIONAL BOX:

Behind the scenes

Paul Huck Jr., left, Shannon Estenoz, center, and U.S. Sugar Vice President Malcolm "Bubba" Wade Jr., right, all have potential conflicts of interest in the water district deal.

PHOTO: Paul Huck Jr., left, Shannon Estenoz, center, and U.S. Sugar Vice President Malcolm "Bubba" Wade Jr., right

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Editorial: We think: The governor's plan to restore Everglades isn't a done deal
11/09/2008
Orlando Sentinel

Remember Gov. Charlie Crist's plan to speed the restoration of the Everglades? The one he announced in June -- and which officials said would be finalized by November -- that had the state purchasing 187,000 acres from U.S. Sugar and using it to help clean and rejuvenate the River of Grass?

You can scratch November. Officials say it won't be Thanksgiving but rather Christmas -- if then -- before they can work out its details.

We urged Mr. Crist in June to personally pound through or finesse the plan he termed as "monumental as the creation of our nation's first national park." We did so even though we knew that was asking a lot of the governor.

Mr. Crist likes announcing, or announcing his support for, big, popular initiatives -- remember the times he said he backs commuter rail? But closing the deals is another story. Recall, painful as it may be, his way-too-little, way-too-late effort to get the Legislature to back commuter rail. It came the last day of the lawmakers' session.

With his hopes for securing a high-level post in a McCain administration now dashed, there's nothing keeping Mr. Crist from making the Everglades deal happen -- except, perhaps, the enormity and complexity of it.

The purchase of U.S. Sugar's property is just part of Mr. Crist's plan to restore the Everglades, though by itself it has some advocates sweating like Alligator Alley motorists in July. That's because appraisals of the land's worth haven't yet come in. With property values in Florida as soft as the sediment in U.S. Sugar's marshes, the $1.75 billion purchase price could shrink. If the appraisals compel the state to offer a significantly lower price for the land, will U.S. Sugar accept it?

Coming to terms on a final contract price could come more easily than financing the plan, however. When the governor and U.S. Sugar preliminarily agreed in June for the state to buy the conglomerate's 300 square miles of land just south of Lake Okeechobee, credit houses on Wall Street hadn't yet collapsed.

With the state looking to borrow the money through bonds and pay off the debt with property taxes collected from Orlando to the Keys, convincing lenders that's a safe bet becomes Job 1.

Convincing them won't come easily, though, with the state's real-estate market in shambles.

Should the state get the financing, there's the titanic issue of how
to actually conduct the restoration and bankroll it.

One way to restore the Everglades is to build reservoirs and "filter marshes" to help cleanse areas that development and the sugar industry have polluted. That could be done on land purchased from U.S. Sugar.

Another way would be for the state also to acquire 40,000 to 50,000 nearby acres from Florida Crystals, which it potentially could do by swapping some of the land it acquires from U.S. Sugar. Added to property the state retains from the U.S. Sugar purchase, the Florida Crystals land would allow the state to create a wide, shallow expanse that could send fresh water from Lake Okeechobee south to the Everglades.

Either option could cost a couple billion dollars -- and force the state to get even more financing.

It's all cause for not just the governor's staff working the deal to restore the Everglades, but Mr. Crist himself.

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**Conflicts of Interest Possible in U.S. Sugar Buyout Negotiations:**

Independent Analysis of Deal Could

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iStockAnalyst

(Source: South Florida Sun-Sentinel)By Andy Reid, Sun Sentinel, Fort Lauderdale, Fla.

Nov. 9--The $1.75 billion state buyout of U.S. Sugar Corp. creates potential conflicts of interest for three present and past members of the board that decides whether to move forward with the deal.

Gov. Charlie Crist proposed acquiring U.S. Sugar's 187,000 acres -- plus rail lines, a sugar mill and other assets -- to allow restoring water flows from Lake Okeechobee to the Everglades.

The South Florida Water Management District continues to negotiate the terms with U.S. Sugar. The district's nine-member board, appointed by the governor, could vote soon on a contract.

That board remains one member short because U.S. Sugar Vice President Malcolm "Bubba" Wade Jr. resigned his district post the same day in June that Crist announced the proposed deal. But for seven months before the announcement, Wade served on the board while his company and the state held secret talks about a possible taxpayer-backed buyout. Wade was the agricultural community's key representative on the board.

In addition, two other board members, Paul Huck Jr. who represents Miami-Dade County, and Shannon Estenoz, who represents Broward County, have business or personal relationships that could create conflicts if they vote on the deal. Huck's law firm represents former U.S. Sugar employees suing the company over stock values, and Estenoz's husband, a lawyer, represents environmental groups trying to stop rock mining on U.
The state and U.S. Sugar Corp. are on the verge of striking a new, scaled-down deal that provides land for Everglades restoration but also keeps the sugar cane giant in business, sources familiar with the deal confirmed on Monday.

In a departure from the grand, $1.75 billion buyout that Gov. Charlie Crist proposed in June to acquire U.S. Sugar's 187,000 acres and all of the company's assets, the new deal would allow U.S. Sugar to keep its sugar mill, citrus processing plant and extensive rail lines.

The state would get land to build reservoirs and water treatment areas that would help restore flows of water from Lake Okeechobee to the Everglades. But U.S. Sugar would remain, likely leasing back land to keep growing and processing sugar cane.

The new terms could reduce the cost of the deal. U.S. Sugar Senior Vice President Robert Coker declined to comment, saying any announcements would have to come from the governor's
office. 'I'm not in a position where I can comment,' Coker said. When the proposed deal was first announced in June, U.S. Sugar officials said they would only sell under an all-or-nothing deal with the state buying them out completely. The company was to shut down operations within six years and the state planned to sell off assets it didn't need for the restoration effort, such as the sugar mill in Clewiston.

On Thursday, the South Florida Water Management District - charged with negotiating the final terms of the deal and paying for the purchase - plans to consider a scaled-down option that calls for the state to buy 182,500 acres while U.S. Sugar keeps the mill and other 'business assets.' The state would also get the right of first refusal for the rest of U.S. Sugar's holdings, should the company decide to sell.

District officials over the weekend and early Monday would not comment on the details of the negotiations. 'I think we are getting there. It appears we are making good progress,' district governing board chairman Eric Buermann said Saturday.

When announced in June, the proposed buyout was considered a boon to the environment, but potentially devastating to the economy in the Glades communities. Losing U.S. Sugar was estimated to effect 1,700 jobs and have trickle-down effects on businesses that rely on those customers as well as independent growers used to doing business with U.S. Sugar.

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**State shrinking $1.75B U.S. Sugar buyout, nearing contract details**

11/10/2008

Palm Beach Post

Kam, Dara

Online Version

TALLAHASSEE — Gov. Charlie Crist and U.S. Sugar Corp. have struck a modified deal that buys the sugar giant's land for Everglades restoration. But it's a slimmed-down version of the original blockbuster $1.75 billion proposal - shaving as much as $500 million off the price tag.

U.S. Sugar Corp. and the state are "in the very, very last stages" of a contract to move the purchase forward, one person familiar with the negotiations said today.

"Now we've got the guts of the contract done," the person said. The person added that lawyers for both sides are fine-tuning the language.

Under the new plan, scheduled to be announced Tuesday in Miami, the state will purchase U.S. Sugar's 187,000 acres but will not purchase the manufacturer's assets as Crist originally proposed in June, sources familiar with the agreement said.

That means the state will not buy the corporation's sugar mill, railroad lines and citrus processing plant. The changes could trim
"hundreds of millions of dollars" off the deal, one source said.

U.S. Sugar will lease back the property and continue sugar cane operations for about six years, sources said. That type of arrangement had been expected to be part of the deal since the beginning.

The board of the South Florida Water Management District is scheduled to vote Thursday on a resolution that would authorize purchasing only U.S. Sugar's land minus the "business assets" of the sugar-growing operation, roughly estimated to be worth more than half a billion dollars. The land is mainly in western Palm Beach and eastern Hendry counties.

The original buyout proposal had drawn praise from environmentalists, who have long yearned to place the sugar giant's land in public ownership as a step toward restoring the historic flow of water from Lake Okeechobee to the Everglades. But talks are months behind schedule, and the deal's cost to South Florida's water managers is rising.

Meanwhile, tensions have arisen between Crist's office and the water management district, the 16-county state agency charged with managing the negotiation, financing and execution of the deal, people familiar with the proposal say.

That's because the deal, as originally proposed, would undoubtedly strain the water agency.

The district had recently taken steps to rewrite its finance policies to take out take on an unprecedented debt of as much as $2.2 billion, to be paid off with property tax collections within the 16 counties. But the original buyout also proposed buying assets worthless to Everglades restoration, such as the company's mill, refinery and railroad, which the district would be forced to sell off.

And with the economy's recent nosedive, at least two investment banks expected to help with financing went out of business just as credit markets began to freeze up.

"I know that the governor's office is trying very hard to make this be a good thing," said one person knowledgeable about the negotiations. "I think the water management district is more concerned that they get stuck with something that they can't handle."

Meanwhile, creating a solid path for water to flow between the lake and the Everglades would still require swapping parcels with other, potentially reluctant landowners - chiefly, the Fanjul family's Florida Crystals Corp. Even some environmentalists who supported the buyout worried that the Fanjuls may demand more concessions than the state could to agree to.

Audubon of Florida policy director Eric Draper expressed cautious enthusiasm for the revamped deal, saying he was relieved the two sides had come to an agreement. But the cost of the purchase is still a concern in a time when the state's revenues are expected to be more than $2 billion less than expected.

"Price is going to make a difference to the legislature and to the public. We want to make sure that we're getting the most land we can for the money," Draper said.
Crist's office has scheduled a news conference for 2:15 p.m. Tuesday at the Miami home of the late Marjory Stoneman Douglas, Florida's most famous Everglades advocate.