

Subject: U.S. Sugar Dec. 5 to Dec. 8**SFWMD**

Compiled by: South Florida Water Management District
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Total Clips: 10

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Legalities Arise in Bids at U.S. Sugar

12/08/2008

New York Times

MARY WILLIAMS WALSH

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By MARY WILLIAMS WALSH

Published: December 7, 2008

As Florida moves ahead with its costly plan to buy a huge swath of land from the United States Sugar Corporation and use it to restore the Everglades, a rival plan has emerged that could prove superior for taxpayers, shareholders and perhaps even the Everglades itself.

But because of legal questions, the company's shareholders may not get a chance to decide between the two.

Gov. Charlie Crist is proposing that Florida buy all of U.S. Sugar's land — roughly 181,000 acres — for \$1.3 billion, then lease it back to the company for seven years so that farming can continue while the state starts building systems to restore the flow of water to the Everglades.

After seven years, the company would sell off its extensive sugar milling and refining assets, and production would cease. Control of the company would remain with the current shareholders.

U.S. Sugar's chief executive, Robert H. Buker Jr., has estimated that shareholders could receive \$365 a share over seven years under these arrangements. He did not break down how much they would receive upfront, how much from the seven years of production, and how much from the final equipment sales.

The board of U.S. Sugar is scheduled to meet Monday to review the state's buyout proposal. All indications are that the directors will recommend it over the rival proposal, an offer of \$300 a share in cash for all of the company's stock, made by the Lawrence Group, a large and reclusive father-son agriculture concern.

Robert E. Coker, a senior vice president at U.S. Sugar, has said that a letter from the Lawrences summing up their offer was insufficient and did not amount to a firm proposal. He also called it a hostile offer that could not be compared with the Florida bid.

A U.S. Sugar spokeswoman, Judy C. Sanchez, said the letter was merely "a nonbinding proposal" and not a formal offer that the board could evaluate.

The Lawrences dispute that, insisting that their offer is complete and hostile only to the company's management, which does not want to be replaced.

After Monday's meeting, the board is expected to send its recommendations to U.S. Sugar's shareholders for a vote. But no matter what the board recommends, the major shareholders of U.S. Sugar may have no choice. Some of the biggest ones are philanthropic institutions in Flint, Mich., that long ago signed confidential agreements that they would not sell their shares to

anyone trying to take over the company.

That would appear to preclude them from accepting the Lawrence Group's offer, even if it proves superior — which could set the stage for a legal showdown. The boards of public charities are required by law to maximize the value of the assets under their control, on behalf of their beneficiaries. In this case, the beneficiaries include thousands of impoverished children in Flint.

"We've got an offer out on the table to buy the shares at the highest price that anybody has had a chance to sell for," said Gaylon M. Lawrence Jr., the Lawrence son, in the family's first interview since they entered the bid for U.S. Sugar. "If they don't consider taking our offer, I'm at a loss for words."

U.S. Sugar's shares are a big part of the portfolio of the Mott Children's Health Center, a charity that provides low-cost care to needy children in Flint. Another major shareholder is the Charles Stewart Mott Foundation, named for the Flint industrialist who was once the biggest shareholder of General Motors. The Community Foundation of Greater Flint also owns a block of U.S. Sugar shares.

These institutions have not had a chance to sell their shares until now, because there has been no market for the stock since U.S. Sugar went private in 1983. That was not an issue for years, because U.S. Sugar was profitable and paid the charities dividends they could use to finance their operations.

But now the company is losing money and has canceled its dividend, leaving the charities holding paper that was essentially worthless until the Lawrence Group offered to buy it. And now the no-sell agreements are closing off that offer.

A lawyer for the Lawrences, Daniel L. Kurtz, questioned the legality of the decades-old agreements.

"It's very problematic, legally," he said. "You can't have a contract to do something that violates the law." A 1969 law limits the amount of stock wealthy families can hold in

A lawyer in Flint representing the Mott Children's Health Center, Walt Griffin, said the agreement had a provision allowing the center to sell its shares by first giving notice to the Charles Stewart Mott Foundation.

A spokeswoman for the foundation did not respond to a request for comment. A lawyer for the foundation's president, William S. White, who is also chairman of U.S. Sugar and husband of Charles Stewart Mott's granddaughter, did not respond to a request for comment.

Another big block of stock is held by U.S. Sugar's employees, through their retirement plan. The plan lets workers build up their benefits in company stock, then cash in their shares when they retire.

Since the shares are not publicly traded, the price is set in an appraisal, currently at \$152 a share. The workers have sued, saying the company has been deliberately shortchanging them. They now cite the Lawrences' \$300-a-share offer as evidence. U. S. Sugar denies the accusations and is contesting the lawsuit.

Though their company is virtually unknown, the Lawrences are among America's biggest farmers, with some 180,000 acres planted in rice, soybeans, corn, cotton, wheat and citrus. If Mr. Lawrence and his father, Gaylon M. Lawrence Sr., succeed in buying U.S. Sugar, the deal would roughly double their holdings.

Their bid is their third attempt to buy U.S. Sugar. The elder Mr. Lawrence said he began to think of U.S. Sugar as an acquisition target about four years ago, after he moved to Florida, where he grows grapefruit. In 2005, the Lawrences approached U.S. Sugar's chief at the time, Robert A. Dolson, who seemed receptive.

"He said, 'U.S. Sugar is a mature company, and it needs to be sold,' " the elder Mr. Lawrence said. It was Mr. Dolson, he added, who said U.S. Sugar was worth about \$300 a share. The Lawrences countered with \$293. But Mr. Dolson was replaced, and his successors said U.S. Sugar was not for sale.

The Lawrences gave up — until this year, when Governor Crist announced the state's big initiative to restore the Everglades.

"When we saw that the state was buying U.S. Sugar, and that they were buying only the land, we got to adding up," the junior Mr. Lawrence said. "And the offer we were originally giving them was higher than we thought the shareholders would receive. We thought, well, maybe we'd better get back in."

The Lawrences said they had also been talking to the South Florida Water Management District, the body that would direct whatever plan emerges for the Everglades. They said they believed their farming operations could co-exist with efforts to rejuvenate the Everglades, and that the state would pay less because it would buy less land.

"It looks like what they're trying to do is a worthy cause, and it makes a lot of sense," Mr. Lawrence Jr. said. "We're interested in sitting down with them and figuring out what their needs are, and helping them accomplish that. But we figure they can do that, and we can grow a lot of sugar cane."

The district has declined to comment on the rival bids for U.S. Sugar. It has, however, posted to its Web site various appraisals relating to the state's offer. One, a statement by Duff & Phelps, the firm hired by the water district to issue a fairness opinion, indicated that the state's offer price for the land was about \$400 million too high.

Lake Update Encouraging; U.S. Sugar Buyout Plan Controversial

12/08/2008

Okeechobee News

Murphy, Charles M.

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12/07/08

Lake update encouraging
U.S. Sugar buyout plan controversial
By Charles M. Murphy

Okeechobee News Officials with the U.S. Army Corps of Engineers and the South Florida Water Management District both agree, 2008 was a great year for Lake Okeechobee and environmental enhancement projects.

The County Coalition for Responsible Management of Lake Okeechobee, the St. Lucie and Caloosahatchee Estuaries, and the Lake Worth Lagoon heard from the heads of those two agencies Friday during their annual policy meeting at Okeechobee's Shrine Club.

Carol Wehle, Executive Director of the South Florida Water Management District gave an update on work done during 2008. Weather challenges, restoration opportunities, and the drought, were three of the main obstacles this year.

Ms. Wehle said the agency had to respond to a water shortage and a flood in the same year. They initiated water restrictions which for the most part were very well received.

"Water is more at the forefront of the public now than it was before, that's a positive," she noted.

Ms. Wehle said they continued to improve the health of Lake Okeechobee with removal of invasive plants, additional tree planting, the removal of 5,000 discarded tires (50 tons) in the Lake, cultivated apple snails in new trees to provide snail kites with food, and treated torpedo grass.

"We don't necessarily want Lake Okeechobee to be nine feet, but if that's what Mother Nature provides, we try to make a positive difference," she said.

Tropical Storm Fay was the biggest storm of the year. It provided a good drill for the Districts Emergency Preparedness. Some areas of the district saw up to 15 inches of rain. Lake Okeechobee raised their level to close to 15.5 feet. The levels of the Lake have declined since then and the forecast for the dry season in 2009 is less rainfall than normal.

Another big project this year is the state's purchase of U.S. Sugar. Ms. Wehle said a lot of work has been done since June 30. She noted they have received a tremendous amount of input from the public on this purchase. Governing Board meetings are
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planned on December 15-16th to decide on the direction of this purchase.

Wehle was asked about the contamination present on U.S. Sugar property. She noted the district conducted an exhaustive environmental study. The District has required U.S. Sugar to spend the money for the cleanup. U.S. Sugar will pay the district 130 percent of the estimated cost to do the cleanup. She also defended the appraisals on the property.

Martin County Commissioner Sarah Heard said they must get the price right because they are using taxpayers' dollars and will resell part of the property. She noted they must get the taxpayers money back. She said she wants to see more restoration projects. She noted Martin County gave the District \$27 million in taxpayer money and haven't seen any projects.

Federal dollars earmarked for stimulus projects could be used for permit ready projects in Martin and other counties.

Hendry County Commissioner Kevin McCarthy said there is no good plan for what they will use the land for. He said more projects need to be located north of the lake to clean up the water in the Lake. He noted money spent in the lake should mean fewer dollars spent south of the Lake. " We've got to protect the estuaries, but you do it with a plan. We are doing this backward."

" We are all going to be sorry down the road. The sugar industry is going away anyway," he added.

Palm Beach County Commissioner Jess Santamaria said he was concerned about the loss of jobs in the Glades due to the U.S. Sugar purchase. He noted he has not seen a plan to offset the loss of jobs.

"I do hope there is a real serious effort to look into this potential problem. The people of the Glades are already hungry for jobs," he noted. He said unemployment in the Glades and Hendry County are close to 20 percent.

Commissioner Donna Storter of Glades County agreed with Hendry County. She said they need to be cautious with this purchase. She also said she was disappointed the Governor's office and his staff have not provided a plan for the economic impacts. The District has also moved ahead with more land purchases to protect the Everglades and provide more water storage. The District purchased 22,607 acres in 2008 at a cost of \$196 million. The district also completed designs for a C-43 reservoir, and Lakeside Ranch near Okeechobee. They completed the Chandler Slough trailhead in Okeechobee and installed equestrian and hunter trailheads at Allapattah in western Martin County. The district also completed the purchase of the Brady Ranch. The district also constructed a weir to protect the S-65 E structure. It was completed two weeks before Fay hit. Wehle said if the work hadn't been done the structure would have failed and significant flooding would have occurred in the Kissimmee Valley.

Colonel Paul Grosskruger, head of the U.S. Army Corps of Engineers office in Jacksonville, said his department continued to work on Lake Okeechobee, the Kissimmee River restoration and the Herbert Hoover dike in 2008.

He said they have focused on the worst sections of the dike first. A 22-mile section between Port Mayaca and Belle Glade is due to be repaired. 11 miles of the dike are under construction.

Colonel Grosskruger said the new lake regulation schedule has worked better and has helped prevent damaging releases of lake water into the estuaries.

The Department of Agriculture Rich Budell said budget cuts have impacted money available for best management practices for ranchers.

Dr. Paul Gray of the Audubon Society urged the Coalition to support more water storage projects north of Lake Okeechobee. Lee County thanked the South Florida Water Management District for their work on the Caloosahatchee River protection plan. Storter thanked the District and the Florida Department of Environmental Protection for work done on the Pearce Canal in Buckhead Ridge.

U.S. Sugar: The real deal?

12/07/2008

Palm Beach Post

Randy Schultz

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U.S. Sugar: The real deal?

By Randy Schultz

Palm Beach Post Editor of the Editorial Page

Sunday, December 07, 2008

U.S. Sugar may want to sell its land to the state for Everglades restoration, but U.S. Sugar doesn't care about Everglades restoration.

With nine days left before what U.S. Sugar calls the deadline on its offer to sell 182,500 acres for \$1.34 billion, that reality must be understood. In June, when the South Florida Water Management District proposed buying the whole company - including a citrus plant, a railroad and a sugar mill - U.S. Sugar CEO Bob Buker called the deal "the right thing for the state of Florida." He must have needed Botox to say that with a straight face.

Anyone who knows the troubled marriage of the Everglades and farming knows that the sugar growers rarely have had the state or the environment as their priority. It took a federal lawsuit in 1988 and jawboning by former Gov. Lawton Chiles to make the growers part of the 1994 law that set pollution standards for water entering the Everglades. Under the law, they are helping to pay for a problem that for years they claimed they didn't cause.

So if you assume, correctly, that Clewiston-based U.S. Sugar doesn't care first about the environment, you have to assume that U.S. Sugar cares first about U.S. Sugar. No surprise there, right? Companies have to look out for themselves. But not all companies are asking the South Florida Water Management District taxpayers to enrich them in the name of restoring what's left of the Everglades.

Here's a theory:

U.S. Sugar, according to its annual report, has been losing money. U.S. Sugar didn't support Gov. Crist when he ran in 2006. In 2007, because of Gov. Crist's appointments to the water district board, U.S. Sugar for the first time lost big votes. Its employees have sued the company for trying to shortchange them on the sale of their stock. U.S. Sugar is breaking in its expensive, high-tech mill.

Late last year, during a gripe session with Gov. Crist, the governor or someone on his staff asks why the company doesn't just sell out. Environmentalists have fantasized about the end of agriculture in the Everglades, but all the scientists studying Everglades restoration assumed that they would have to work around the sugar land. The people in the Glades communities

assumed that U.S. Sugar would remain loyal to Clewiston.

U.S. Sugar, however, agrees. Top management - executives in Clewiston and the Mott family - concludes that cashing out makes sense. They get richer. Gov. Crist gets to create what he compares to "our nation's first national park." U.S. Sugar and the governor announce the sale one day before Gov. Crist's conference on climate change. In October, Audubon of Florida gives the governor its "Champion of the Everglades" award.

But questions come up. What will the water district do with a citrus plant, railroad and sugar mill? Why is the water district paying so much? What happens to the Glades when all those U.S. Sugar jobs and the company go away? The deal shrinks. Now, it's just for the 182,500 acres. Still, the price shrinks only to \$1.34 billion, and the district says that it may need no more than 45,000 acres of U.S. Sugar land. The company gets to lease the land for six years at a very cheap rate.

To keep the deal from collapsing, the Crist administration lobbies those seven of eight Crist appointees on the water district board to approve the contract. They are torn between this historic opportunity to save the Everglades and the growing worry that the contract terms are far too generous to U.S. Sugar.

That's how you can imagine events developing between last December and last Tuesday, when the water district board spent seven hours without getting sufficient answers to the many questions about the deal. The biggest is whether buying U.S. Sugar's land really would save the Everglades.

Gov. Crist wants this Everglades deal to be his environmental legacy. But that legacy won't be one the governor likes if he only gives a windfall to a company that doesn't care about saving the Everglades.

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Vavrus' land pitched as 'inland port' site

12/07/2008

Palm Beach Post - Online

JENNIFER SORENTTRUE and PAUL QUINLAN

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PALM BEACH GARDENS Two years after plans to turn his ranch into a 10,000-home community fell apart, Charles Vavrus is back with a new proposal.

He wants part of his land to become the future home of the 'inland port' that Glades leaders hope will be built near Lake Okeechobee.

The site is one of a handful of locations being pushed for the project, a warehousing and distribution center that would serve as a landlocked extension of South, Southwest and Central Florida's seaside ports, including the Port of Palm Beach. 'Our property is the closest to the port,' said Gary Vonk, a spokesman for the ranch. 'We've been at this for two years to really try to gain consideration as the closest and most viable option.' The 4,763-acre ranch is along the western section of Northlake Boulevard, just 13 miles from the port, Vonk said. It is also next to the CSX railroad tracks and the north county airport.

Under the plan, roughly 1,700 acres in the north section of the ranch would be used for the port project, Vonk said.

But Vavrus may be in for a tough fight.

Palm Beach County commissioners have already endorsed plans to put the port south of Lake Okeechobee as an employment center for the Glades. And environmentalists have repeatedly opposed development on Vavrus' land. But Vonk said the ranch is a good alternative to a controversial proposal to put the port on land owned by sugar giant Florida Crystals. Environmental groups say development of the sugar land could interfere with the state's plans to restore the Everglades by buying neighboring farmland owned by U.S. Sugar Corp. Water managers are still considering details of the \$1.34 billion purchase.

Building on the ranch would not affect the restoration, Vonk said. 'Who wants to get into a struggle with the environmentalists,' he said. 'Ours is sitting on the Beeline, on Northlake Boulevard, next to a railway.' But environmentalists say they won't support putting the port on the ranch, either.

The ranch is next to Mecca Farms, where the county once planned to build The Scripps Research Institute. A deal to build a community of homes, offices, shops and parks on the ranch to serve Scripps was strongly opposed by environmental groups, who called the site too ecologically valuable.

Plans for the community were killed after county commissioners voted to build Scripps in Jupiter and Palm Beach Gardens instead.

Building the distribution center on the ranch would harm wetlands and native wildlife, said Joanne Davis of the growth watchdog group 1000 Friends of Florida. 'I think it is a dream,' Davis said. 'There are a lot of hurdles. There are significant environmental issues out there.' Lisa Interlandi, regional director for the Everglades Law Center, called Vavrus' port proposal 'dead in the water.' 'It is time to move on to something more productive,' she said. 'Really, what needs to happen with that land, it needs to be put in public ownership and protected and restored.'

Coskata Gets \$40M to Fuel Refinery Construction

12/07/2008

Greentech Media

Ucilia Wang

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The ethanol startup plans to use the money to complete a demonstration plant and design a commercial refinery.

Armed with \$40 million, Coskata now has the means to finish building a small-scaled biofuel refinery to demonstrate its technology.

The ethanol startup said Friday it has raised a Series C round, but didn't say how much. Private Equity Hub reported the funding amount.

The \$40 million round is less than the \$50 million Coskata had aimed for.

The Warrenville, Ill.-based startup is developing ways to turn cellulosic materials - plants that are not grown for food or trash that would otherwise fill city landfills - into transportation fuel. The process would shred the feedstock into pieces and heat them at a high temperature to turn them into synthesis gas, which is then converted into fuel.

Other biofuel startups, such as Fulcrum BioEnergy, also are investigating similar methods (see Fulcrum BioEnergy Turns Trash into Treasure). To compete effectively, these companies will have to figure out how to do it for less.

Coskata has vowed to make biofuel for under \$1 per gallon, a promise that has met no shortage of skepticism (see Cellulosic Firms Match Coskata's Ethanol Claims).

The company, incorporated in 2006, has raised \$76 million to date. The research the company is relying on started in 2001.

Coskata plans to use the funding to finish a 40,000-gallon demonstration plant near Pittsburgh next year (see Coskata Begins Building Demonstration Plant). The company initially had hoped to complete the facility as early as the fourth quarter of this year and deliver the fuel to General Motors, one of its investors.

The startup also will start developing a commercial refinery. Last month, Coskata said it had teamed up with U.S. Sugar Corp. to look into building a refinery in Clewiston, Fla. The refinery would turn leftover, processed sugarcane into as much as 100 million gallons of fuel per year (see Coskata Lining Up Sugary Deal).

Blackstone Group (NYSE: BX) led the round and used money from its new Cleantech Venture Partners fund. New investors include Sumitomo and Arancia. Return investors are Khosla Ventures, Advanced Technology Ventures, Globespan Capital Partners and TriplePoint Capital. GM didn't pony up this time.

Big Sugar deal -- bold or reckless?

12/07/2008

Miami Herald

Hiaasen, Carl

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The latest version of Florida's Big Sugar buyout was described by Gov. Charlie Crist as "nothing short of miraculous."

Actually, it's not miraculous. Not yet.

Crist's plan to purchase 181,000 acres of cane fields near Lake Okeechobee is audacious and unprecedented. But many years will pass before we know whether it's a miracle or just a pipe dream, one more exorbitant disappointment in the long struggle to save what's left of the Everglades.

Instead of buying U.S. Sugar outright for \$1.75 billion, the governor's new deal would have the state acquiring only the company's land, not its facilities, for about \$1.34 billion.

The purchase has two environmental goals: To remove vast tracts from active sugar production and reduce harmful pollution to the Everglades, and then to piece together some of that land as a flow-way of fresh water from Lake Okeechobee southward toward Florida Bay.

But it wouldn't happen quickly. Under the contract terms, which still need approval by the South Florida Water Management District's governing board, U.S. Sugar would continue farming most of the fields under a lease-back arrangement that would pay Florida only \$50 per acre.

The state would receive 10,000 acres initially, but it would have to wait seven years for an additional 30,000 acres. That's a long time, and a pretty sweet deal for U.S. Sugar.

Among the many questions swirling around the purchase, the most obvious is: Where's the money coming from? The water district says it can finance the buyout by selling bonds -- a highly optimistic strategy, given the bloodbath on Wall Street.

Most experts agree that the state won't need all 181,000 acres to create an Everglades flow-way, which means the surplus acreage theoretically could be sold to U.S. Sugar's main competitor, Florida Crystals, to partially offset the purchase price.

Assuming that the money for the deal can be raised somehow, getting the land is only the first step. Nobody knows what it will cost to clean up the cane fields, or how long that would take.

History is not encouraging. Thirteen years ago, the water district spent \$12 million for the 5,200-acre Frog Pond in South Miami-Dade. Today it's still being farmed.

Affecting water supply

In 1999, the district paid \$133 million for the Talisman tract, more than 55,000 agricultural acres in Palm Beach County. The purpose was to build a humongous retention reservoir, which to this day exists only on paper.

From its birth, the improbable mission of restoring the Everglades has been waylaid by sticky land negotiations, lawsuits, logistical hurdles and a shameful lack of interest by Congress and the White House.

The federal government was supposed to be a 50-50 partner with Florida on Everglades-related projects, but last year the General Accountability Office reported that the state was outspending the feds two-to-one. Work was lagging far behind schedule. While some progress had been made, not one of 60 core projects of the Comprehensive Everglades Restoration Plan was completed. Once priced at \$8 billion, the CERP is currently projected to cost almost \$12 billion, a figure that will surely rise.

The alternative to spending the money is to pull the plug, and eventually say goodbye to the continent's most unique and productive wetland -- not to mention South Florida's fresh water supply. Builders find that prospect as horrifying as environmentalists do.

Overdevelopment remains as much a culprit as agriculture in the killing of the Everglades. Much of the phosphorus and other cruddy runoff gagging Lake Okeechobee comes from subdivisions as well as cattle ranches to the north, along the Kissimmee River.

Until the state cracks down in that region, the lake has no chance of getting healthy again, and neither does the Everglades system it feeds.

Ironically, Big Sugar has probably done more to tidy up its act than most other polluters. Maybe the cane barons grew a conscience, or maybe they were scared of losing those lucrative government price supports. Their motive doesn't matter -- the waste water from the sugar fields is cleaner today than it was a few years ago.

Still, returning almost 300 square miles of farmland to nature would be an ecological boon to the Everglades and a political coup for Crist.

It's tempting to be swept up by his ambitious vision, but remember that he'll be long gone from the governor's mansion when the state finally gains access to the U.S. Sugar lands. That's one reason the details of the contract must be nailed down solidly.

The new deal is being presented by the company as take it or leave it, and the water board is due to vote on Dec. 16 -- after having barely one month to scrutinize a complicated \$1.34 billion transaction.

It's nuts. There's a fine line between being bold and being reckless, and plenty of big dreams have died because somebody wasn't wise enough to know the difference.

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As U.S. Sugar vote looms, job-fearing Glades residents demand action from Crist

12/06/2008

Palm Beach Post - Online

PAUL QUINLAN

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With just nine days left until water managers vote on a \$1.34 billion land deal aimed at rescuing the Everglades, residents of neighboring farm communities have a question for Gov. Charlie Crist: ZMonday: U.S. Sugar's board is expected to vote on its proposed \$1.34 billion land deal with the state.

ZFriday: A Palm Beach circuit judge hears the South Florida Water Management District's request to issue up to \$2.2 billion in bonds to finance the deal.

ZDec. 16: The district's board has until this day to approve the contract. Otherwise, negotiations go back to square one.

Fears are rising in the Glades that Crist's plan to buy 180,000 acres of U.S. Sugar cane fields will leave thousands jobless and cripple the local economy.

Community leaders say Crist, despite vague assurances, has ignored their pleas for a plan to minimize what they expect will be the devastating impact of essentially shutting down one of the nation's largest sugar farms. 'Charlie Crist's determination to get this deal done no matter what the cost includes the cost of losing jobs in the Glades community,' said Clewiston Mayor Mali Chamness. 'Even though he says he's committed to job preservation, I have not seen any evidence of that.' At a meeting of the South Florida Water Management District's board last week to review the proposed contract with U.S. Sugar, Glades leaders and residents packed the chamber to take turns airing their fears. The district's board is set to vote Dec. 16, although residents and at least one board member urged the agency not to hold itself to such an artificial deadline.

The proposal calls for the state to buy nearly all the company's land. U.S. Sugar would lease much of it back over the next seven years, at a bargain rate of \$50 an acre per year, to continue farming and processing cane. What happens after that remains unclear. The company would retain permanent ownership of its mill, railroads and citrus processing plant.

The land-only deal replaces an earlier proposal for a \$1.75 billion state buyout of U.S. Sugar that would have ended the company's existence. Both Crist and U.S. Sugar's executives have said the new proposal will protect jobs by ensuring the mill and refinery remain in operation, even if it means processing foreign-grown cane. 'I don't think the urgency is as prevalent now, since the scope of the deal with U.S. Sugar has changed,' said Crist spokesman Sterling Ivey.

But Glades residents are not reassured. They fear that the conversion of sugar fields to reservoirs and filter marshes would leave the mill with too little cane to remain economically feasible.

Ultimately, they believe, the restoration will lead to the mill's closing or dismantling for sale overseas, a move U.S. Sugar CEO Bob Buker has said is a possibility. 'It's real simple,' Hendry County Commissioner Kevin McCarthy told water managers. 'If you're going to buy (the land) and take it all, we're not going to have our jobs in seven years. ... Make the governor come forward with a plan to save jobs.' A University of Florida study in July estimated that if the state's deal led to the company's shutdown, the immediate loss of 1,700 jobs would have a ripple effect that could ultimately mean the loss statewide of \$1.64 billion in economic output per year and 10,711 jobs. Local leaders say the deal's announcement alone froze the real estate market and discouraged investment in the area. 'When the deal was first announced, Clewiston and our local economy was traumatized,' said Miller Couse, chairman and CEO of First Bank in Clewiston. 'It's nothing compared to the devastation that will come.' Another sore point for many residents is that the district's board has lacked a Glades representative since June, when U.S. Sugar executive Malcolm 'Bubba' Wade stepped down from the agency. A Crist spokesman said last month that the governor was 'aiming' to fill the seat before the board votes.

The jobs question is one of several that has state Sen. J.D. Alexander leery about the deal. 'I'd walk on glass not to lose jobs,' said Alexander, R-Lake Wales. 'I think they're working on it,' he said. 'I'd love to see a post-buyout plan proposed concomitantly, or together, with the U.S. Sugar purchase. Quite frankly, until the governor tells the people of Florida what he's thinking about, it doesn't mean near as much.' In September, Chamness helped organize a campaign to mail 7,000 postcards to Crist with the message: 'We do not want to be sacrificed in the name of Everglades Restoration!' It earned Chamness and McCarthy a 45-minute sit-down Sept. 30 in Tallahassee with Crist, his chief of staff and Michael Sole, secretary of the state Department of Environmental Protection, said Chamness. 'He said that he was committed to preservation of jobs,' Chamness said. But neither Crist nor representatives of his Office of Tourism, Trade and Economic Development, who visited the region in August, have since offered a plan or reached out to area leaders, Chamness said. 'We've received platitudes at this point,' she said. 'There's nothing concrete.'

Everglades land deal is good for the Keys

12/06/2008

Florida Keys Keynoter

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EDITOR: Re: the story, 'Bay improvement still years away,' this identifies some of the challenges trying to implement the world's most ambitious ecological restoration project. The time has come to round the corner, learn from our mistakes and think big.

A key shortcoming of the Comprehensive Everglades Restoration Plan, passed by Congress in 2000, was not requiring enough land for water storage and treatment, and instead depending on untested technology. Now we have an opportunity to re-invigorate this process and move restoration forward.

Gov. Charlie Crist's announcement to purchase almost 300 square miles of land in the Everglades Agricultural Area from U.S. Sugar is monumental. Such an opportunity is rare. With this deal, we can store, clean and deliver water south to more effectively rehydrate Everglades National Park and Florida Bay, and restore these critical areas for wildlife habitat and the enjoyment of visitors.

The state also committed to moving forward with Phase 1 of the C-111 Spreader Canal project, to help redirect water flows through Taylor Slough and into central Florida Bay. The additional water flows from the sugar land acquisition will only improve this project.

Working together, we can leave a legacy for our children and grandchildren by saving one of the great special places in the world -- America's Everglades.

Sara Fain

Everglades restoration

program manager

National Parks

Conservation Association

Hollywood

Florida grower to plant altered citrus

12/05/2008

Palm Beach Post

Salisbury, Susan

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Dec. 5--Disease-resistant trees that could save the Florida citrus industry from its two biggest threats -- greening and canker -- are scheduled to be planted in Southern Gardens Citrus groves starting in early 2009, the company said Thursday.

Genetically altered red grapefruit trees already have been shown to resist the two bacterial diseases in lab tests by researchers at Texas A&M University's AgriLife complex.

"It is a good start," Southern Gardens President Ricke Kress said of the field experiment. Southern Gardens, a subsidiary of U.S. Sugar, owns 16,500 acres of active groves and produces and packages orange juice.

In fact, it's believed to be the first time such experimental citrus has been planted anywhere outside a laboratory.

Greening, considered one of the world's most serious citrus diseases, was first detected in the United States in Homestead in 2005. Infected trees produce bitter, misshapen fruit. It has since spread to 30 citrus-producing Florida counties, as well as Louisiana. Canker, a less severe bacterial disease that causes blemished fruit, was the target of an 11-year, \$1.6 billion eradication program in Florida.

There is no cure for either.

Testing has been especially tricky because the bacteria that cause greening, also called Huanglongbing or yellow dragon disease, have been on the federal government's bioterrorism select agent list. They were removed from the list Nov. 17.

The red grapefruit trees from Texas A&M that will be planted on Southern Gardens' land represent a leap forward, but questions remain, Kress said: "Does it work in the field, and do we get the juice, the product we expect to get?" Still, "For the grapefruit industry, it would be a huge step in the right direction," said Doug Bournique, executive vice president of the Vero Beach-based Indian River Citrus League, which stretches from Volusia County to Palm Beach County. Acres of grove land are not being farmed now because of concern over disease. If trees prove to be disease-resistant in the groves, the result will be massive replantings.

"The economic vitality of this region would change overnight," Bournique said.

Bournique said he wasn't aware the trees were slated to be planted in 2009. "U.S. Sugar got lucky and stumbled upon this, and they are ahead of the curve," he said.

U.S. Sugar has agreed to sell all of its land, including the groves, to the South Florida Water Management District for an Everglades restoration project. The district's board has not voted yet on the \$1.34 billion deal.

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State Sen. Ken Pruitt Columnist crosses the line in 'rant' against Gov. Charlie Crist

12/05/2008

Jupiter Courier

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Although Kenric Wards left-leaning ideology is significantly different than the conservative values I embrace, Ive never reacted to his liberal commentary; Ward is entitled to his opinion and I respect his viewpoint.

However, Ward crossed the line of journalistic professionalism with his column on Gov. Charlie Crist (A new honeymoon and the anti-Crist, Nov. 30). Had Ward stayed on track with his point-by-point policy opinion on Gov. Crist I would have considered it fair game; however, the column became nothing more than a rant of personal innuendo and hearsay.

Ward cheapens his column by questioning our governors motivation for marrying; he continues what I consider the decline of journalistic integrity by citing unnamed skeptics who question the governors true orientation. He further loses credibility with his diatribe about the governors intellect, or substance, as he cleverly frames it.

Even in the fair game department, the data Ward used for his policy capsules is misleading and downright inaccurate. Case in point: the governors posture concerning the budget deficit.

It was Charlie Crist who ordered state agencies to decrease spending by 4 percent, further directing them to purchase only the essentials, and to curtail travel and all hiring.

Ward naively believes a special session is a panacea where all problems are solved instantaneously. He conveniently (or purposely) omitted the reality that a newly sworn-in (barely two weeks) Speaker Ray Sansom, R-Destin, and Senate President Jeff Atwater, R-North Palm Beach, must be in accord for a session to be successful.

Forgotten, too, is the \$40,000 per day cost of holding such a session and past criticism by the media, which chastised leaders for going into a special session without a prior consensus. These media types truly give new meaning to the term flip-flop. In the just-the-facts department, it was Gov. Crist who finally broke the environmental stalemate with Big Sugar by boldly proposing the buyout being considered by Department of Environmental Protection and the South Florida Water Management District. Wards criticisms on the finite details of this historic moment are no doubt similar to the ones heard by President Teddy Roosevelt as he negotiated this countrys National Park System.

Ward is entitled to his political persuasions; thats why his column is printed in the opinion section. What he is not entitled to are the baseless personal attacks on the highest elected official in our state. Unless Ward has personal firsthand knowledge of what he is insinuating of Charlie Crist, he shouldnt depict it as fact.

Fortunately, Gov. Crist has the courage of his convictions and doesnt allow personal attacks to distract him from his responsibilities as our governor. Charlie Crists poll numbers remain high because people like you and I relate to him and because of the big tent mentality Ward criticizes him for. Crist is the peoples governor, and he lives and leads it every day.

Perhaps Ward should take some lessons from his professional predecessors, from a time when respect of the position ruled the day, when the professional media would never photograph a polio stricken President Franklin Roosevelt from the waist down; a time when the media made the marriage of high profile couples, like John and Jacqueline Kennedy, or Prince Charles and Princess Diana, a day of national splendor and celebration. Unless I missed it, I dont ever recall their motivations being questioned. I dont know if Kenric Ward has ever met our governor or his bride-to-be, Carole Rome. If he had, I dont believe he would be writing what borders on the scurrilous. Heres hoping Kenric Ward and his colleagues will join the rest of our great state in wishing our governor and Floridas new first lady a life together filled with love and happiness. They deserve their day. We should respect it.

Pruitt, a state senator since 2001, was senate president in the 2008 session.

