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03/11/2009
Southwest Florida Online
Don Browne

Wednesday, March 11, 2009
John Capece To Speak At Meeting

Dr. Capece Speaking On U.S. Sugar Buyout Alternatives

Dr. John Capece, a resident of Port LaBelle will be the featured speaker for the Thursday, March 19th Southwest Florida Watershed Council Meeting in Ft. Myers.

As an agricultural engineer, Dr. Capece has many years of experience designing and monitoring agricultural systems and some very interesting ideas about sustainable agricultural development. Don’t miss this insightful and informative presentation starting at 2:00, March 19.

Dr. Capece has titled the program, Farming Systems Alternatives for the EAA and the U.S. Sugar Buyout. The meeting is open to the public.

Meeting location: Visitor and Convention Bureau in Ft. Myers at 12800 University Drive (the 6-story building in the southeast corner of the intersection of Summerlin & College Parkway in Suite 325 on the 3rd floor.

Map: http://www.mapquest.com/maps?city=Fort+Myers&state=FL&address=12800+University+Drive

State should walk away from sugar deal
03/11/2009
Florida Keys Keynoter
Talk about bad timing.

Florida Gov. Charlie Crist's much-ballyhooed plan to acquire 187,000 acres of U.S. Sugar land to expand Everglades recharge areas brought accolades last summer when the news first broke.

Now, nearly seven months later, the news isn't so good.

That's because Florida finds itself facing the worst economic downturn in modern history and spending $1.34 billion to buy out U.S. Sugar is coming under increasing fire up in Tallahassee.

The headline in Tuesday's Miami Herald was pretty blunt: 'Tax dip may sour sugar deal.'

State economists are warning that early estimates of the state's revenue shortfall, issued in early January, are already looking overly optimistic.

And just in case you weren't paying attention, it's not Crist or the Legislature footing the bill for this proposed U.S. Sugar deal. Nope, it's the property owners in Monroe County and the adjoining 15 other South Florida counties that are part of the South Florida Water Management District.

Therein lies the rub.

The tax base for real property in those 16 counties has fallen since the governor and his negotiating team first sat down with U.S. Sugar.

Based on current projections, tax revenue for the district would drop 14 percent this year, which means the ability of the district to borrow and then pay off the huge debt becomes much more compromised.

Shannon Estenoz, vice chairwoman of the district's governing board, was quoted in the Herald as saying 'there is irony about this. It's the best land to buy at the worst possible time.'

Well, there's even growing debate about if this really is the 'best land to buy.'

That's because the important effort to clean up the Everglades relies on restoring wetlands and recharge areas to reduce the awful impact of agricultural pollutants on water flowing into the Everglades.

The U.S. Sugar purchase actually involves more land than can readily be used for that purpose, and gaps in the parcels that lie between Lake Okeechobee and the Everglades.

So that means swapping out some land or buying more to make this work. And that further jeopardizes all the existing water cleanup programs the district has underway.

Caution and common sense argue for the district to opt out of the deal before it's too late. They have until Sept. 1 to either sign or walk away. It's prudent to walk away.
Imagine an Everglades ecosystem that is not just environmentally friendly, but also user-friendly.

This is the vision being articulated by Karl Wickstrom.

It's a concept that merits far greater attention than it has received.

Wickstrom is the founder of Stuart-based Florida Sportsman magazine and one of the leaders of the Rivers Coalition, a group formed to protect and restore the St. Lucie River and Indian River Lagoon. Like the vast majority of the Florida's environmentalists, Wickstrom quickly threw his support behind the state's proposed purchase of 180,000 acres of U.S. Sugar land in the Everglades Agricultural Area.

In December, the governing board of the South Florida Water Management District voted 4-3 to approve the $1.34 billion acquisition. Under the agreement, U.S. Sugar would lease back the land from the state and continue farming it for seven years.

State officials currently are grappling with several issues, including the cost of the acquisition and pollution standards while the land remains under U.S. Sugar's control.

The environmental benefits of re-establishing a natural flow-way from Lake Okeechobee through the River of Grass to Florida Bay with the U.S. Sugar deal being part of the plan would be enormous. These include:

Saving the estuaries from destructive discharges.

Eliminating hundreds of tons of phosphorous fertilizer pollution.

Recharging ground-water systems.

Wickstrom has elevated the discussion by giving state officials another compelling reason to consummate the deal. He has proposed a 'restoration reserve' a sprawling, natural resource that 'would attract birders from throughout our country and from all over the world. It would have some of the best kayaking trails in Florida, as well as some of the best freshwater fishing.'

The infrastructure to support these recreational activities lodging, restaurants, guides, kayak rentals and so on would generate revenues for the reserve. It also would provide much-needed employment in local communities that will be adversely affected by the loss of jobs associated with the sugar industry.

A recent poll conducted by the Florida Chamber of Commerce found that two-thirds 66 percent of 600 respondents support the proposed deal with U.S. Sugar.
State officials need to make sure they obtain the land necessary to make the flow-way possible.

In addition to the enormous environmental benefits, Florida has the opportunity to create a world-class natural resource that will be 'experienced' by present and future generations.

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**Drop in Property Taxes Imperils Everglades Plan**

03/11/2009

Ledger - Online, The

Op in property values threatens to claim another victim: the governor's $1.34 billion plan to buy U.S. Sugar Corp. for Everglades restoration. Property values are expected to drop 12 percent statewide in the 2009-10 budget year, but in the 16 counties that make up the South Florida Water Management District, property values will drop at least 14 percent, early state estimates show. It raises the question of whether the state can 'afford this deal,' said Sen. J.D. Alexander, the Lake Wales Republican who is the Senate budget chief and a vocal opponent of the proposal. The water management district draws much of its annual budget from property taxes on the 16 counties it oversees, including Miami-Dade, Broward, Palm Beach and Monroe. Without the expected tax revenue, district officials acknowledge they may not be able to afford the estimated $100 million in annual debt payments to bankroll the deal. 'I'm deeply concerned,' said Shannon Estenoz, vice chair of the South Florida Water Management District's governing board. 'There is just an irony about this. It's the best land to buy at the worst possible time.' But Gov. Charlie Crist, the architect of the deal, said Monday that he hopes the declining property values won't interfere with his ambitious plan to buy 180,000 acres from U.S. Sugar to help restore the Everglades. If it does, he is open to considering other options. 'There may be a way to sort of modify it to save some money in light of (declining tax revenues),' Crist said. Among the options the governor's staff and water management district officials are considering is a plan to scale back the deal by allowing other property owners, such as Florida Crystals and other yet-to-be-named parties, to purchase the sugar mill and other parcels that the state buys from U.S. Sugar. The deal would involve a transaction that allows the state to buy the U.S. Sugar property and then simultaneously sell parts of it. 'Because of the economic conditions today, people are raising a lot of questions about whether you want to do this deal,' said Robert Coker, vice president of public affairs for U.S. Sugar. 'It's forcing a lot of people to go back and be as creative as they can to find ways to get that goal accomplished.' At Estenoz's behest, the governing board of the water management district inserted a financial 'out' clause when it approved the $1.34 billion contract with U.S. Sugar in December, cautioning that the state's deepening financial crisis could undermine the agency's ability to close the deal. The board can withdraw the offer if financing the purchase threatens to bankrupt the agency's budget or gut 'core' operations. State economists meeting as the Revenue Estimating Conference last week concluded...
that property values throughout the state will drop 12 percent in the next budget year. The Times/Herald analyzed the economists' data and found that, if the numbers are correct, the 16 counties of the water management district should expect at least a 14 percent drop in property values. That would reduce the district's total ad valorem revenue value from $522 million in 2008-09 to $449 million.

### Crist: property tax cuts still all good
03/10/2009
Orlando Sentinel
Aaron Deslatte


The chief executive who coined the "drop like a rock" slogan for his last property tax push is back at it again this spring, backing initiatives to scale back the power of local governments to raise property taxes and fees.

Even though property values are slated to plummet 12 percent in 2009, Crist told reporters Tuesday morning he didn't expect the fall in real estate values to impact Florida's $1.3 billion deal to buy out U.S. Sugar Corp.

Asked about property taxes, he said "don't like them."

Asked to expand on whether the property value decline threatened the U.S. Sugar deal, he said, "I don't think it will. Is it prudent? I think it is. Next question."

He also offered some qualified support for the various property tax cut proposals lawmakers are taking up. "People are hurting. The more government takes out of their pockets, the less they have for families," he said.

Two such constitutional amendments are up in the Senate Community Affairs Committee today. One sponsored by Sen. Mike Haridopolos, R-Indialantic, would ask voters in 2010 to impose tighter revenue limits on the state and all local governments, and require public votes before the state and cities, counties or other taxing districts could raise fees or assessments that would exceed the cap, which would be based on population growth and inflation. School districts would use enrollment changes instead of population.

"We're going to give voters the ultimate veto power, but also predictability," Haridopolos said.

The second by Sen. Mike Bennett, R-Bradenton, is a return of former House Speaker Marco Rubio's 1.35 percent property tax cap idea, which limits the amount property can be taxed to 1.35 percent of its "highest taxable value."

Cities, counties and other local government groups are fighting both measures.
March 10, 2009

Gov. Charlie Crist on Tuesday shot down a proposal being discussed by lawmakers to tap the reserves of the Florida Prepaid College Tuition program to patch budget holes. "I don't think that's a great idea," he told reporters. Asked whether that meant the idea was "dead in its tracks," Crist said: "Pretty much."

Crist said that despite a 15-percent drop in property values, he did not think the South Florida Water Management District will have to raise property taxes to come up with the $1.3 billion to pay for the U.S. Sugar land acquisition. He endorsed a pair of property tax-cut proposals being debated in the Legislature on Tuesday: "People are hurting, and the more government takes out of their pockets, the less they have for their families," he said.

On fears by police officers of more job losses: "Keep the faith. I don't think that will happen." The governor did not take a position on a plan floated to him Monday by teacher union leader Andy Ford to temporarily increase the 6 percent statewide sales tax rate to boost education. "I listened, courteously," Crist said.

Crist also noted that March 10 is the 100th anniversary of the birth of LeRoy Collins, a Democrat who is widely acknowledged to be Florida's greatest governor. "It is humbling to serve in the office that he once served in and to live in a house he lived in," Crist said.

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Plummeting property values may hurt U. S. Sugar deal

03/10/2009

Jupiter Courier
Property values are expected to drop 12 percent statewide in the 2009-10 budget year, but in the 16 counties that make up the South Florida Water Management District, property values will drop at least 14 percent, early state estimates show.

It raises the question of whether the state can afford this deal, said Sen. J.D. Alexander, the Lake Wales Republican who is the Senate budget chief and a vocal opponent of the proposal.

The water management district draws much of its annual budget from property taxes on the 16 counties it oversees, including Miami-Dade, Broward, Palm Beach and Monroe. Without the expected tax revenue, district officials acknowledge they may not be able to afford the estimated $100 million in annual debt payments to bankroll the deal. Im deeply concerned, said Shannon Estenoz, vice chair of the South Florida Water Management Districts governing board. There is just an irony about this. Its the best land to buy at the worst possible time. But Gov. Charlie Crist, the architect of the deal, said Monday that he hopes the declining property values wont interfere with his ambitious plan to buy 180,000 acres from U.S. Sugar to help restore the Everglades. If it does, he is open to considering other options. There may be a way to sort of modify it to save some money in light of (declining tax revenues), Crist said. Among the options the governors staff and water management district officials are considering is a plan to scale back the deal by allowing other property owners, such as Florida Crystals and other yet-to-be-named parties, to purchase the sugar mill and other parcels that the state buys from U.S. Sugar.

The deal would involve a transaction that allows the state to buy the U.S. Sugar property and then simultaneously sell parts of it. Because of the economic conditions today, people are raising a lot of questions about whether you want to do this deal, said Robert Coker, vice president of public affairs for U.S. Sugar. Its forcing a lot of people to go back and be as creative as they can to find ways to get that goal accomplished. At Estenozs behest, the governing board of the water management district inserted a financial out clause when it approved the $1.34 billion contract with U.S. Sugar in December, cautioning that the states deepening financial crisis could undermine the agencys ability to close the deal.

The board can withdraw the offer if financing the purchase threatens to bankrupt the agencys budget or gut core operations. State economists meeting as the Revenue Estimating Conference last week concluded that property values throughout the state will drop 12 percent in the next budget year.

The Times/Herald analyzed the economists data and found that, if the numbers are correct, the 16 counties of the water management district should expect at least a 14 percent drop in property values in the 2009-10 budget year.

That would reduce the districts total ad valorem revenue value from $522 million in 2008-09 to $449 million. In the previous year, the districts property tax revenue dropped only 5 percent.

The biggest loser in the property values plunge is Collier County, with an expected drop of 24 percent in values, followed by Charlotte County with a 23 percent drop.
Estenoz, who did not attend the Tallahassee revenue hearing last week, said the decision about whether to pull out of the deal is up to the board. All but one of eight were appointed by Crist, who has championed the deal.

Once the agency has final revenue numbers and credit costs, Estenoz said, board members would have to weigh any tradeoffs before deciding whether to close the deal. I dont think we can answer the question yet, she said. Marc Caputo and Steve Bousquet contributed to this report. Mary Ellen Klas can be reached at meklas@miamiherald.com.

The Caloosahatchee Connection to the U.S. Sugar Purchase
03/10/2009
Captiva Current

The State of Florida's offer of $1.34 billion to purchase 180,000 acres of land from the U.S. Sugar Corporation may seem to be strictly an Everglades issue but it is a critical piece of a three part solution to restore the Caloosahatchee and estuary. Anyone who was here in 2004, 2005 and 2006 will never forget the sight of the river, covered with a thick green layer of toxic algae. Anyone on Sanibel at that time remembers the red drift algae blanketing the beaches. Both were the result of massive amounts of excess, polluted freshwater that had - and still has - only two outlets: the Caloosahatchee and St. Lucie rivers. The unwanted water flooded the estuary and fueled harmful algal blooms, decimating seagrass, oysters, fish and blue crabs.

Historically, the Caloosahatchee River was not connected to Lake Okeechobee. The river began at the western end of Lake Flirt, located two miles east of LaBelle and perched 4-10 feet above the Caloosahatchee valley. The Caloosahatchee was fed by water that spilled out of Lake Flirt, over a waterfall and a quarter mile of rapids to make its way through 300-400 crooked bends on its way to the Gulf of Mexico. The water in Lake O spilled south and moved slowly through the vast Everglades river of grass until it reached the 10,000 Islands and Florida Bay at the bottom of the peninsula.

Lake Okeechobee had no connection to the east and only flowed west when the lake reached its highest levels, spreading out through the marshes surrounding a series of lakes between Lake Okeechobee and Lake Flirt.

Hamilton Disston changed the Caloosahatchee forever when he dynamited the rocky ledge at the western edge of Lake Flirt and dredged a canal eastward to connect the lake and river to Lake Okeechobee. In the succeeding 120 years, Lake Okeechobee was diked to prevent the disastrous flooding of communities south of the lake, and canals began to spread through South Florida like spiderwebs. Canals moved water south for agriculture, and southeast to provide water to the developing urban areas of Miami and Fort Lauderdale.
Lake O is fed by the Kissimmee River, historically the crookedest river in the state. In the 1960s, the Kissimmee was channelled, widened and deepened, bringing more water more quickly into Lake O, which was now constrained by a dike. This direct route eliminated the water quality benefits of the natural system that sheet flowed water slowly across a one-to-three-mile-wide floodplain before it reached the lake.

How will the U.S. Sugar purchase help?

The U.S. Sugar land purchase will: 1) Re-establish flow south out of the Lake to the Everglades; 2) Provide a third outlet for water and increase the capacity to store water and 3) Provide water for the water-starved Everglades National Park, Florida Bay and Biscayne National Park. The restored flow and additional storage capacity will benefit the Caloosahatchee; without this opportunity, it will be nearly impossible to fix the problems that plague our river.

To visualize just how much water came down the Caloosahatchee in 2005, Figure 1 shows what the optimum flow level is for the health of the river and estuary (in blue); what the actual flow was (red) and how much storage capacity would be needed to absorb the excess (green).

Viewed in a different way, in 2005, 4.5 million acre-feet were discharge to tide through the Caloosahatchee and St Lucie rivers, an amount equal to seven feet of lake water (Lake Okeechobee is 730 square miles). Stacked on the 180,000 acres of U.S. Sugar land, the water would be 25 feet high. If it was stacked on Sanibel Island, it would be 275 feet deep. One million acre-feet of water stored south of the Lake would eliminate 85 percent of the excess flows to the Caloosahatchee and St. Lucie rivers.

What's the deal?

The current contract is for the State to purchase 180,000 acres of land from the U.S. Sugar Corporation for $1.34 billion. U.S. Sugar had a 60-day period - which expired on Feb. 23 - to receive offers from other interested buyers. If they choose the State's deal, the South Florida Water Management District will have until Sept. 25, 2009 to determine if or how much of the purchase they can finance. If U.S. Sugar takes the States offer and backs out of the deal after Feb. 23, they would owe the state $40 million; if the District decides they can't find the financing, there is no penalty. Under the current contract, U.S. Sugar will be able to lease back the land for six years at $50/acre.

Since U.S. Sugar land is not all contiguous and does not connect south to the state-owned Water Conservation Areas (which feed into the Everglades), some of the U.S. Sugar land will need to be swapped with other growers to create a 'corridor' (see Figure 2). To help offset the cost of the purchase, any of the 180,000 acres not needed for storage, flowway or swapping could be sold to help finance the deal and provide additional areas for agriculture to continue. The Everglades Foundation has estimated that a total of 130,000 acres will be needed for the flowway and storage.

The Lease Back Provision

Florida Crystals, the other large sugar producer, has taken issue with the $50/acre lease back rate in the U.S. Sugar deal because it
is below the market rate of $175-$200/acre. The lease rate requires U.S. Sugar to pay the taxes on the land, maintain all the infrastructure canals and pumps, keep the land clear of exotics and be subject to stricter Best Management Practices (BMP) for fertilizer, herbicide and pesticide use. Interestingly, it has come to light that Florida Crystals has been leasing 20,000 acres from the State for $59/acre and just last week applied for an extension of the lease for another two years.

Other alternatives to the deal?

In 2005, one of our worst years, the Caloosahatchee received 3.3 million acre-feet of excess water. The solution to managing these kinds of excess flows depends on the restoration of three systems; the Kissimmee basin, water storage south of the lake and the Caloosahatchee basin. The U.S. Sugar land should provide 1 million acre-feet of capacity while the Kissimmee basin can accommodate an additional 1 to 1.5 million acre-feet. There is another 400,000 acre feet of storage needed in the Caloosahatchee basin.

For the Caloosahatchee storage, SCCF has been lobbying the state to not swap lands west of the Lake, including Southern Gardens (citrus) and Disston Island (see Figure 3). Some of the highest nutrient loading into the Caloosahatchee is coming from the Disston Island/S4 basin area. Converting this area from agriculture to water storage and treatment will help by removing a source. It will provide an area that can clean up water coming from the lake and can help restore the historic 7,776-acre Lake Hicpochee.

Will the U.S. Sugar deal alone clean up the river?

The U.S. Sugar deal is essential for preventing continued excess flows into the Caloosahatchee (as well as too little freshwater during droughts). However, stopping excessive Lake water from coming into the river does not solve all of the problems with excess nutrients.

Of the Nitrogen coming into the estuary from the Caloosahatchee, only 38 percent comes from Lake Okeechobee as measured at Moore Haven(S-77); the remaining 62 percent is coming from the Caloosahatchee’s own watershed (as measured at Ortona S-78 and Franklin S-79). Only 11 percent of the Phosphorus is coming from the Lake, while 89 percent is coming from the Caloosahatchee basin.

Excess nutrients are also a problem during the dry season when there is not enough flow to the river. Before the river was dredged, it was fed by springs that provided a source of freshwater and flow, even during the dry season. These springs were corrupted when the river was dredged to 25 feet deep. Today the lock and dams pool water between the lake and estuary. During the dry season, there is often not enough flow to keep the pools from stagnating. Stagnant, nutrient rich water encourages blooms of toxic blue-green algae, like the one seen in Figure 4. The bloom forced the temporary closure of the Olga Water Treatment Plant, which is the only Lee County water treatment plant that draws its water from the river. Some forms of blue-green algae contain liver toxins that are not removed by water treatment, so when these blooms occur, the plant is shut down. The plant provides water to 30,000 residents in East Fort Myers and the City of Fort Myers.

To achieve real restoration in the Caloosahatchee as well as the St.
Lucie, Everglades National Park, Florida Bay and Biscayne National Park, we must pursue a three-pronged solution that includes:

1) The ability to flow water south out of the lake for dry season flows and wet season relief to the estuaries;

2) Kissimmee restoration to provide more storage and treatment north of the lake where much of the pollutants originate and, finally

3) We must add storage throughout the 75-mile long Caloosahatchee watershed to address the pollutants from our own backyards.

The U.S. Sugar purchase provides us with an unprecedented opportunity to achieve real restoration throughout the Greater Everglades Ecosystem.

To learn more

SCCF is co-sponsoring the Annual Conservation Forum at BIG ARTS on Wednesday, March 4, with SFWMD Governing Board Vice Chair Shannon Estenoz, Everglades Foundation Senior Scientist Dr. Tom Van Lent and SCCF's Rae Ann Wessel. This will be a unique opportunity to ask questions of those who are involved with the purchase and restoration.

Co-sponsored by SCCF, BIG ARTS and the Everglades Foundation, the Forum will be at 7:30 p.m. at BIG ARTS. Tickets are $20, available through BIG ARTS, by calling 395-0900.

Plummeting property values may hurt U. S. Sugar deal
03/10/2009
Naples Daily News
Nary Ellen Klas and Curtis Morgan, St. Petersburg Times

TALLAHASSEE - South Floridas steep drop in property values threatens to claim another victim: the governors $1.34 billion plan to buy U.S. Sugar Corp. for Everglades restoration.

Property values are expected to drop 12 percent statewide in the 2009-10 budget year, but in the 16 counties that make up the South Florida Water Management District, property values will drop at least 14 percent, early state estimates show.

It raises the question of whether the state can afford this deal, said Sen. J.D. Alexander, the Lake Wales Republican who is the Senate budget chief and a vocal opponent of the proposal.

The water management district draws much of its annual budget from property taxes on the 16 counties it oversees, including Miami-Dade, Broward, Palm Beach and Monroe. Without the expected tax revenue, district officials acknowledge they may not be able to afford the estimated $100 million in annual debt payments to bankroll the deal. Im deeply concerned, said Shannon Estenoz, vice
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It raises the question of whether the state can 'afford this deal,' said Sen. J.D. Alexander, the Lake Wales Republican who is the Senate budget chief and a vocal opponent of the proposal.

The water management district draws much of its annual budget from property taxes on the 16 counties it oversees, including Miami-Dade, Broward, Palm Beach and Monroe. Without the expected tax revenue, district officials acknowledge they may not be able to afford the estimated $100 million in annual debt payments to bankroll the deal. 'I'm deeply concerned,' said Shannon Estenoz, vice chair of the South Florida Water Management District's governing board. 'There is just an irony about this. It's the best land to buy at the worst possible time.' But Gov. Charlie Crist, the architect of the deal, said Monday that he hopes the declining property values won't interfere with his ambitious plan to buy 180,000 acres from U.S. Sugar to help restore the Everglades. If it does, he is open to considering other options. 'There may be a way to sort of modify it to save some money in light of (declining tax revenues),' Crist said. Among the options the governor's staff and water management district officials are considering is a plan to scale back the deal by allowing other property owners, such as Florida Crystals and other yet-to-be-named parties, to purchase the sugar mill and other parcels that the state buys from U.S. Sugar.

The deal would involve a transaction that allows the state to buy the U.S. Sugar property and then simultaneously sell parts of it. 'Because of the economic conditions today, people are raising a lot of questions about whether you want to do this deal,' said Robert Coker, vice president of public affairs for U.S. Sugar. 'It's forcing a lot of people to go back and be as creative as they can to find ways to get that goal accomplished.' At Estenoz's behest, the governing board of the water management district inserted a financial 'out' clause when it approved the $1.34 billion contract with U.S. Sugar in December, cautioning that the state's deepening financial crisis could undermine the agency's ability to close the deal.

The board can withdraw the offer if financing the purchase threatens to bankrupt the agency's budget or gut 'core' operations. State economists meeting as the Revenue Estimating Conference last week concluded that property values throughout the state will drop 12 percent in the next budget year.
The Times/Herald analyzed the economist's data and found that, if the numbers are correct, the 16 counties of the water management district should expect at least a 14 percent drop in property values in the 2009-10 budget year.

That would reduce the district's total ad valorem revenue value from $522 million in 2008-09 to $449 million. In the previous year, the district's property tax revenue dropped only 5 percent.

The biggest loser in the property values plunge is Collier County, with an expected drop of 24 percent in values, followed by Charlotte County with a 23 percent drop.

Estenoz, who did not attend the Tallahassee revenue hearing last week, said the decision about whether to pull out of the deal is up to the board. All but one of eight were appointed by Crist, who has championed the deal.

Once the agency has final revenue numbers and credit costs, Estenoz said, board members would have to weigh any tradeoffs before deciding whether to close the deal. 'I don't think we can answer the question yet,' she said. Marc Caputo and Steve Bousquet contributed to this report. Mary Ellen Klas can be reached at meklas@miamiherald.com.

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Falling revenues threaten U.S. Sugar deal
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Declining tax revenues in Florida have put a $13.4 billion environmental land acquisition at risk, the state Senate's chief budget representative said.

Republican state Sen. J.D. Alexander questioned whether the state can "afford this deal," The Miami Herald reported Tuesday.

The South Florida Water Management District, which draws funding from property tax revenues, may have trouble paying the estimated $100 million annual debt payments required in a deal to purchase land from U.S. Sugar Corp. that was earmarked for Everglades restoration.

The state has estimated that in the 16 counties covered by the water district, property values have dropped 14 percent.

"There is just an irony about this. It's the best land to buy at the worst possible time," said Shannon Estenoz, vice chair of the South Florida Water Management District’s governing board.

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