Selling public land, to buy more, planned to help Everglades

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Plan raises concerns about value to taxpayers
By Andy Reid | South Florida Sun-Sentinel
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Even as South Florida water managers push for their largest land deal ever, they are also trying to unload thousands of acres taxpayers already own.

During the past year, the South Florida Water Management District made record setting land buying in the name of Everglades restoration a top priority. Under a deal orchestrated by Gov. Charlie Crist, the district plans to pay $536 million for 73,000 acres from U.S. Sugar Corp. that would be used to restore water flows from Lake Okeechobee to the Everglades.

But as the district attempts to buy U.S. Sugar land to build reservoirs and water treatment areas, it is now planning to sell about 3,000 "surplus" acres the agency contends it no longer needs.

The properties, from north of the lake down to Palm Beach County, were once bought for water storage and treatment intended to help the environment.

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See three properties that SWFMD is selling Graphic Now with the district facing a budget crunch and still trying to pay for the U.S. Sugar deal, the agency proposes selling the surplus properties to help raise money.

Environmentalists question parting with publicly owned properties they say could still be put to good use. District board members also raised concerns about selling in a down real estate market.

Despite the concerns, district officials contend that disposing of the properties would be worth the money that could help pay for other real estate deals and much anticipated construction projects.

"We need that money for projects today," Board Member Michael Collins said.
Finances became more of a concern when the district agreed to pursue the blockbuster land deal with U.S. Sugar.

U.S. Sugar's new willingness to part with land strategically located between the lake and the Everglades prompted the district to put other projects on hold and find ways to pay for the deal.

In May, the district approved a contract to buy the 73,000 acres, with an option to acquire another 107,000 acres within 10 years. The district must still finalize its financing and has until June 2010 to close on the deal.

While trying to finalize the U.S. Sugar deal, the district also faces a $100 million budget hit next year due to drops in tax revenue and state funding as a result of the struggling economy. Selling off these 13 properties could help raise money.

The district paid about $26 million for the collection of properties and estimates the land could sell for about $30 to $40 million, said Ruth Clements, the agency’s director of land acquisition and management.

The district now plans to move forward with getting appraisals before putting the properties up for bid. Selling the 3,000 acres would barely put a dent in the 1.3 million acres owned by the agency, which guards against flooding and manages water supplies from Orlando to the Keys.

"We can't afford to own every acre we own today," Board Member Jerry Montgomery said.

One of the properties on the surplus list is a 1,000-acre former citrus grove north of Lake Okeechobee where the district once planned to store water. The district dropped those plans for the property because it was within 2 miles of a small airport and the Federal Aviation Administration has recommended against building bird-attracting water control structures near runways.

One of the smallest, but potentially most valuable, properties on the list is 3 acres in Palm Beach County near the Loxahatchee National Wildlife Refuge west of Wellington. While the district owns the refuge, the agency determined it couldn’t incorporate the 3 acres because it is separated from the refuge by a canal.

District board members Thursday agreed to move forward with the surplus proposal, but the board could still take properties off the list and gets the final say on approving any land sales.

"I would hate to see us sell in a bad real estate market and then have the money sit," Board Chairman Eric Buermann said. "Once the land is gone, it's gone."

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CRIST LIKELY TO LEAVE UNFINISHED BUSINESS
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After Charlie Crist became governor in 2007, he launched an aggressive agenda to cut property taxes and insurance rates, reduce Florida's greenhouse emissions, and optimistically proclaimed Florida's "best days are not behind us, but before us."

He enjoyed some early success, thanks to his effervescent personal touch, a compliant Legislature and the fading embers of the state's once white-hot economy.

But Crist's decision to run for the U.S. Senate in 2010 means he most likely won't finish much of that agenda.

Critics and supporters alike say that Crist's signature issues have fallen victim to economic pressures, GOP intransigence or his administration's own lack of follow-through.

"He came in with great challenges, and he's leaving lots of things undone," said state Sen. Dan Gelber, D-Miami Beach, a candidate for attorney general who has worked closely with Crist. "Because of his choices, it's hard to define what kind of a governor he's been because he's left so much hanging."

Brian Ballard, a top Crist fundraiser and lobbyist, takes issue with that. "I don't think he is walking away from a tough fight," he said. "I think he feels he's done what he can here and is ready for a new challenge."

Crist has justified his move by arguing that Florida's economic problems stem from national trends he can better address in Washington. Privately, advisers say, he is disturbed by his inability to enact more of his policies as state revenues collapse.

"At different times over the last three or four months, he would say 'You know, our hands are tied,' " said George LeMieux, his former chief of staff. "I think that's frustrating to him, and he thinks he can do more in Washington."

No issue will loom larger over Crist's legacy than his handling of property taxes and insurance. So far, results have been mixed.

The plunge in property values brought on by the recession has largely masked the impact of Crist's property-tax changes, the largest of which was 2008's Amendment 1 expanding the $25,000 homestead exemption.

Home values have plummeted since they peaked in 2005: down 51 percent in Broward County and 44 percent in Palm, to $191,300 and $234,400 respectively, according to the Florida Association of Realtors.

"What we passed was a poll-driven product, and we're paying the consequences for that," said former House Speaker Marco Rubio, a West Miami Republican who is running against Crist for Senate. Likewise, insurance rates have decreased by a statewide average of 15 percent since lawmakers passed sweeping reforms in 2007. But those reforms also put all Florida insurance buyers on the hook for as much as $28 billion in the event of another Andrew-sized hurricane.

Florida's biggest private carriers, State Farm and Allstate, responded by dropping their home insurance business. Dozens of new, smaller companies were given business breaks to write replacement coverage.

But the industry has managed to convince policymakers that the 2007 reforms only exacerbate the state's insurance problems. This year, lawmakers - with Crist's blessing - partially repealed the reforms.

Under a bill Crist signed last month, Citizens Property Insurance Corp., now Florida's largest insurer with nearly 1.3 million homeowner policies, can raise rates up to 10 percent a year until it is financially solvent. "Did we go too far in 2007? Absolutely," said Rep. Bryan Nelson, R-Apopka, an insurance agent who sponsored the bill to scale back the 2007 reforms. "Fortunately for us, we didn't have a storm. Otherwise, we'd of been in bad shape. We got lucky."

Crist, though, is still looking ahead. He said recently he is "not really" thinking about what he might leave unfinished. "We're trying to finish everything now," he said.
INFORMATIONAL BOX:

Where do we stand?

Gov. Charlie Crist stepped into the statehouse with an ambitious agenda in 2007. But by deciding to run for U.S. Senate in 2010, it's almost certain he will leave a lot incomplete or undone:

Property taxes

Crist's goal: Among other things, 2008's Amendment 1 raised the homestead exemption to up to $75,000 and allowed homeowners to transfer up to $500,000 in Save Our Home tax exemptions to a new Florida residence, and imposed a 10-percent cap on increases in assessed value on non-homestead property.

Where it stands: The plunge in property values brought on by the recession has largely masked the impact of the property-tax changes

Insurance rates

Crist's goal: Rates have decreased by a statewide average of 15 percent since lawmakers passed sweeping reforms in 2007.

Where it stands: The industry has managed to convince policymakers that the 2007 reforms only exacerbate the state's insurance problems. This year, lawmakers - with Crist's blessing - partially repealed the reforms.

Under a bill Crist signed last month, the state's largest insurer, Citizens Property Insurance Corp., can raise rates up to 10 percent a year until it is financially solvent. Private insurers also will be freer to raise rates.

Health insurance

Crist's goal: Crist stitched together Cover Florida to provide bare-bones (and low-cost) health insurance for the state's estimated 3.8 million uninsured.

Where it stands: After a year, it has enrolled just 2,434 people.

Ex-felon voting rights

Crist's goal: Civil rights groups praised Crist in 2007 when he returned the right to vote to hundreds of thousands of non-violent convicts, calling it "the right thing to do."

Where it stands: Tens of thousands of ex-felons haven't been notified of their rights because of budget cuts - and many more convicted of violent crimes still can't vote.

Greenhouse gas emissions

Crist's goal: The governor pledged to make Florida a leader in capping greenhouse gas emissions from homes, cars and power plants.

Where it stands: Legislators this year rejected Crist's bill to impose California-style auto emissions standards and require that utility companies draw 20 percent of their power from renewable sources by 2020.

Everglades Sugar deal

Crist's goal: Crist and U.S. Sugar Corp. agreed in 2008 to pay $1.75 billion for the company's 187,000 acres of land, its sugar mill and other assets "lock, stock and barrel" to enable a restoration of the Everglades.

Where it stands: The economy soured - and legislators complained - so the deal was scaled down to $536 million for 73,000 acres, with a 10-year option to buy 107,000 more. Without Crist, long-term prospects are murky.

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