

THE SUGAR DEAL: PRO

ECONOMIC INTERESTS,
PRIVATE PROPERTY RIGHTS
CAN BE PRESERVED,
ALONG WITH THE EVERGLADES

BY THOM RUMBERGER

For people who care about capitalism, private property rights, and individual freedoms, the State of Florida's plan to purchase 100 square miles of U.S. Sugar's cane fields ought to be a refreshing departure from the traditional condemnation actions of the past. Rather than pit government and environmental interests against private property owners, the Everglades purchase matches a willing seller (U.S. Sugar Corporation)

with an interested buyer (the South Florida Water Management District) in a deal that can only be closed if the numbers work. Furthermore, the seller agrees to lease back a portion of the property and manage it until the buyer can take over, thereby providing an immediate source of revenue to the buyer.

In short, it represents the last, best chance to save America's Everglades,

one of the world's—and certainly Florida's—greatest natural treasures.

The Everglades system has been under assault since the early 20th century, despoiled by decades of ill-conceived plans, drained almost dry,

invaded by developers, and then farmed to near death. For decades, environmentalists and scientists have known that the only way to permanently preserve and restore the health of the Everglades



Photos courtesy of Florida Photographic Collection

is with large tracts of land for water storage and treatment that would help re-establish the historic connection between Lake Okeechobee and the Everglades. The flow of abundant clean water through the Everglades is the key to South Florida's tourism, boating, and fishing industries. It's also essential for protecting our supply

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of drinking water and for maintaining a vibrant agricultural industry. The lives and livelihoods of millions depend on this threatened resource.

Until now, there has not been a willing seller with enough land near the lake to store and treat large amounts of water, holding it in the wet season and releasing it in the dry. That alone has limited all previous Everglades restoration efforts and water supply planning. The result was a hodgepodge of many smaller, less effective projects scattered all around Lake Okeechobee with an unrealistic reliance on questionable technology for storing water underground. Meanwhile, the devastating water releases to the coastal estuaries and damaging pollution into the Everglades continue.

Sugarcane farmers have long opposed the taking of any productive farmland in their region for Everglades restoration, claiming that any loss of land would cripple their milling operations. One of the most successful and politically powerful of these sugar producers is the U.S. Sugar Corporation in Clewiston, Florida. The company has been in business since 1931, amassing nearly 200,000 acres of highly productive farmland south of Lake Okeechobee, land that also was once part of the historic Everglades floodplain.

In 2009, the owners of U.S. Sugar accepted an offer to negotiate a potential sale of property to the State of Florida.

That decision was a game changer. There is now a convenient single

landowner with 180,000 acres of land in the most critically needed location that is willing to sell at a fair price. The agreement between U.S. Sugar and the water management district will mean that there is enough to use proven technology to manage the flow of water to the Everglades, Florida Bay, and the St. Lucie and Loxahatchee estuaries. It also means that sugarcane farming—one of the biggest pollution sources—would be severely curtailed and eventually eliminated.

One of the many positive aspects of this purchase is breaking the logjam that always occurs when government tries to regulate away the property rights of private owners. Landowners and citizens have continually criticized the idea of using regulatory authority to achieve the benefits of buying property without actually buying it—even for obvious environmental benefits! This approach repeatedly has spawned lawsuits that consume decades of time and millions of dollars without producing any real benefits, enriching only the lawyers and maintaining the largest “cottage industry” in the state. It’s sad to see engineers, environmental ‘experts,’ activists and attorneys making money while our Everglades ecosystem dies a slow death.

The other equally unpleasant solution is condemnation. But condemnation proceedings are expensive and widely unpopular. To some, they are almost un-American, forcing the rightful owners to give up land whether they wish to sell or not. This

time, Florida is trying the straightforward and businesslike approach of negotiating with a willing seller to buy the land at a fair price.

The sales contract includes provisions for the land to be farmed and continue to provide jobs and economic activity to the region right up until the time each parcel is needed for project construction. Fair market leases will provide revenue to the South Florida Water Management District, and farming activities will prevent the spread of exotic plants and animals on the land. As land is needed for projects, construction and restoration activities will provide jobs for those displaced by the purchase.

Notwithstanding these most obvious benefits, a small group of self-interested and disgruntled entities continues to lobby against the purchase. These include Florida Crystals, a competitor to U.S. Sugar, the Miccosukee Tribe, and the one and only member of the South Florida Water Management District governing board to vote against the purchase. Their arguments change depending on the audience, but all are rooted in greed, self-interest, defeat, or simply being left out as the agreement to save the Everglades moves forward.

One point they can't dispute is that this acquisition will ultimately take vast lands out of production permanently! As U.S. Sugar currently accounts for nearly half of the

area's sugarcane production, the purchase of the land alone eliminates tremendous amounts of the agricultural activity and drainage that now poisons the "River of Grass." In addition, much of the equipment and systems currently used to move water around for agriculture can soon be used to move water for the benefit of people and the environment.

Under the ownership and oversight of the South Florida Water Management District, the property will provide an ideal and efficient location for water storage and treatment. A highly inclusive and wholly transparent public planning process has been underway for over a year to determine the most effective design and use of this land. Already, we

know that water storage will allow Lake Okeechobee's water levels to be maintained at lower levels and allow more water to be directed south rather than flushed out to harm delicate coastal estuaries. And we know that water treatment is essential for removing harmful pollutants and nutrients from the water before it enters Everglades National Park. In fact, Florida has been ordered by the federal courts to clean up this water, so we will now either invest in the land necessary to accomplish these goals, pay the much higher costs to condemn the land, or gamble billions on more expensive and untested procedures for years to come.



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Our challenge now is to maintain the courage and conviction to purchase the U.S. Sugar property so we can jump-start the important work of Everglades restoration, saving money and putting thousands of Floridians to work.

One frequent, though misleading, argument that arises is that the acquisition is too expensive or too sweet a deal for the seller. As chairman of the Everglades Trust, I, too, was skeptical of this plan when it was first presented. After all, our organization spent years calling attention to the abuses of the sugar industry, developers, and other interests who have participated in the ‘glades’ destruction. But after reviewing the terms and conditions of the proposal, evaluating the appraisals and the economic benefits—and considering the bleak alternatives—we are convinced that this is our best chance to save America’s Everglades.

It’s abundantly clear that water storage on U.S. Sugar property is the lowest-cost alternative for restoration of the Everglades and protection of estuaries, including the Caloosahatchee River, the St. Lucie Inlet, and Florida Bay. However, the most important assurance of affordability can be found in the contract itself. In that agreement, there is an unqualified provision requiring sufficient *ad valorem* revenues to support both the issuance of bonds and to maintain the “core” operations of the water district. If there is not, then the planned purchase will be abandoned. That means that all the talk about the project being too

expensive is just that: talk—another of the deceptive ploys put forward by the opposition. If these financial requirements are not met, then there can be NO purchase, NO bonds issued, and NO deal consummated. This protects both the taxpayers and the agency in its assigned mission.

Florida has one last, best chance to save America’s Everglades forever. We have a willing seller and a contract that is fair to all concerned. We cannot squander the opportunity to purchase this land and give our citizens, clean water, jobs, and a renewed Everglades—all for a fair price.

It would be a heartbreaking irony if this unprecedented and innovative opportunity were lost due to politically motivated doubt and greed.

The fact is, Floridians want and expect better than that. When asked, an overwhelming majority said that restoring the Everglades should be one of the state’s top concerns. They understand that this unique ecosystem is part of our natural heritage and a legacy they want to preserve for their children and grandchildren to enjoy. But, as we are witnessing, there are powerful interests working against the people’s will.

It will take bold action and even bolder leadership to complete the environmental land acquisition of the century and set the stage for a new era in which the economy, private property rights, and environmental stewardship share top billing. We believe that this is a concept whose time has come. ☞

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