



FLORIDA GOVERNOR Charlie Crist

44TH GOVERNOR OF THE GREAT STATE OF FLORIDA

Home

Meet Governor Crist

Meet the First Lady

Priorities

Media Center

Podcasts

The Crist Team

MyFlorida.com

Contact Gov. Crist

GOVERNOR SHARES PROPOSAL TO ACHIEVE EVERGLADES RESTORATION VISION IN TOUGH ECONOMIC CLIMATE

~~ ~Strategy cuts initial investment by 60 percent, provides ready access to land, preserves jobs ~~~

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TALLAHASSEE – After gathering key input from the public, legislators and South Florida's communities and in recognition of the nation's current economic climate, Governor Charlie Crist today shared details of a revised strategy to acquire land for Everglades restoration from the United States Sugar Corporation. The approach incorporates today's fiscal realities by saving \$800 million at closing, providing ready access to strategically located acreage for restoration projects and preserving thousands of jobs.

"By taking this fiscally conservative approach, we can secure this once-in-a-lifetime opportunity to restore and revive the Everglades despite continued economic challenges," said Governor Crist. "The proposal represents a balance for both the environment and the economy by allowing us to acquire hundreds of square miles of prime property in affordable steps."

The proposed terms, which are subject to financing and approval by both the South Florida Water Management District Governing Board and the United States Sugar Corporation Board of Directors, would allow the district to fulfill the Governor's vision to acquire huge parcels of agricultural land for Everglades restoration by purchasing 112 square miles of property immediately, with an option to purchase the remaining acreage when economic and financial conditions improve.

Under the proposal, the district would initially invest approximately \$530 million for 72,500 acres of property south of Lake Okeechobee – a land mass nearly twice the size of Orlando. Approximately 32,000 acres of that land, currently in citrus production, would be available to the district within a year after closing. The United States Sugar Corporation would lease back the other approximately 40,500 acres of sugar cane land for \$150 per acre per year for at least seven years. The district would have an option to purchase the remaining 107,500 acres of United States Sugar Corporation property for restoration within the first 10 years after closing.

Highlights of the proposed acquisition terms include:

- Reducing the immediate public investment by 60 percent, or \$800 million, in addition to reducing annual debt service payments by an estimated \$65 million.
- Tripling the land lease rate to \$150 an acre per year to generate a minimum of \$40 million in revenue and avoid at least \$11 million in land management costs.
- Potentially freeing up revenue over the coming years for "shovel-ready" restoration projects that could create jobs and deliver environmental benefits to the Everglades Protection Area and Florida's coastal estuaries.
- Sustaining regional agriculture.
- Keeping 1,700 direct jobs intact and protecting 10,000 indirect jobs for at least another decade with the continued operation of the United States Sugar Corporation's mill and refinery.

"Restoring Florida's Everglades depends on acquiring the land needed to clean and protect water flowing through the ecosystem," said Manley Fuller, president of the Florida Wildlife Federation. "The purchase

of this land is a milestone for all who cherish the Everglades and its unique habitat for endangered species.”

Governor Crist was joined for the announcement by Lt. Governor Jeff Kottkamp, Secretary Mike Sole of the Florida Department of Environmental Protection as well as environmental leaders: Charles Pattison, 1000 Friends of Florida; Thom Rumberger, Everglades Trust & Foundation; Janet Bowman, The Nature Conservancy; Eric Draper, Audubon of Florida; and Curt Kiser, Florida Wildlife Federation.

On June 24, 2008, Governor Crist announced that the South Florida Water Management District would begin negotiations with the United States Sugar Corporation to acquire vast tracts of land south of Lake Okeechobee for Everglades restoration. After extensive deliberation, due diligence and public input, the district’s Governing Board voted to accept a proposal to acquire more than 180,000 acres of agricultural land for \$1.34 billion.

In light of changing economic conditions, the district’s Governing Board added a clause to the contract to allow for the review of the most current financial conditions – including interest rates and revenue streams – before closing to verify the district’s capacity to finance the purchase and accomplish its existing statutory and legal obligations. Since December, revenue projections have changed dramatically with economic forecasts indicating continued financial uncertainty over the coming months.

“Because of the state’s strong commitment to this monumental vision for restoration, we are optimistic that this acquisition can be achieved under terms that are better matched to South Florida’s current fiscal climate,” said Florida Department of Environmental Protection Secretary Michael Sole. “With the Governor’s support, the parties have explored alternatives that allow for the acquisition of strategic and desirable lands but under a schedule that reduces the taxpayers’ investment today; makes revenue available sooner for the realization of restoration projects and preserves jobs.”

The details of the revised acquisition terms are still under discussion. The final proposed terms will be reviewed and considered by the South Florida Water Management District Governing Board at its public meetings.

Environmental goals of the acquisition include:

- Increasing the availability of water storage, significantly reducing the potential for harmful discharges from Lake Okeechobee to the St. Lucie and Caloosahatchee rivers and estuaries when lake levels are high.
- Delivering cleaner water to the Everglades during dry times and greater water storage to protect the natural system during wet years.
- Preventing tons of phosphorus from entering the Everglades every year.
- Significantly reducing the need for “back-pumping” water into Lake Okeechobee from the Everglades Agricultural Area.
- Relieving some pressures on the Herbert Hoover Dike while the federal government undertakes repairs by providing alternative water storage alternatives.
- Improved flexibility in managing Lake Okeechobee levels in a more environmentally friendly way.

For more information about the acquisition, visit www.sfwmd.gov/riverofgrass.

About the South Florida Water Management District — Celebrating 60 Years (1949-2009)

The South Florida Water Management District is a regional, governmental agency that oversees the water resources in the southern half of the state – 16 counties from Orlando to the Keys. It is the oldest and largest of the state’s five water management districts. The agency mission is to manage and protect water resources of the region by balancing and improving water quality, flood control, natural systems and water supply. A key initiative is cleanup and restoration of the Everglades.