



Reviving
THE river OF grass

River of Grass Acquisition Update

Water Resources Advisory Commission
April 2, 2009

Everglades Land Acquisition Revised Framework for Acquisition



- **April 1, 2009:** Governor Crist announced proposal to revise framework for acquiring land owned by United States Sugar Corporation for Everglades restoration
- **Proposed Revised Terms:** Preserve District's ability to purchase 180,000 acres but in affordable increments

Everglades Land Acquisition Proposed Terms

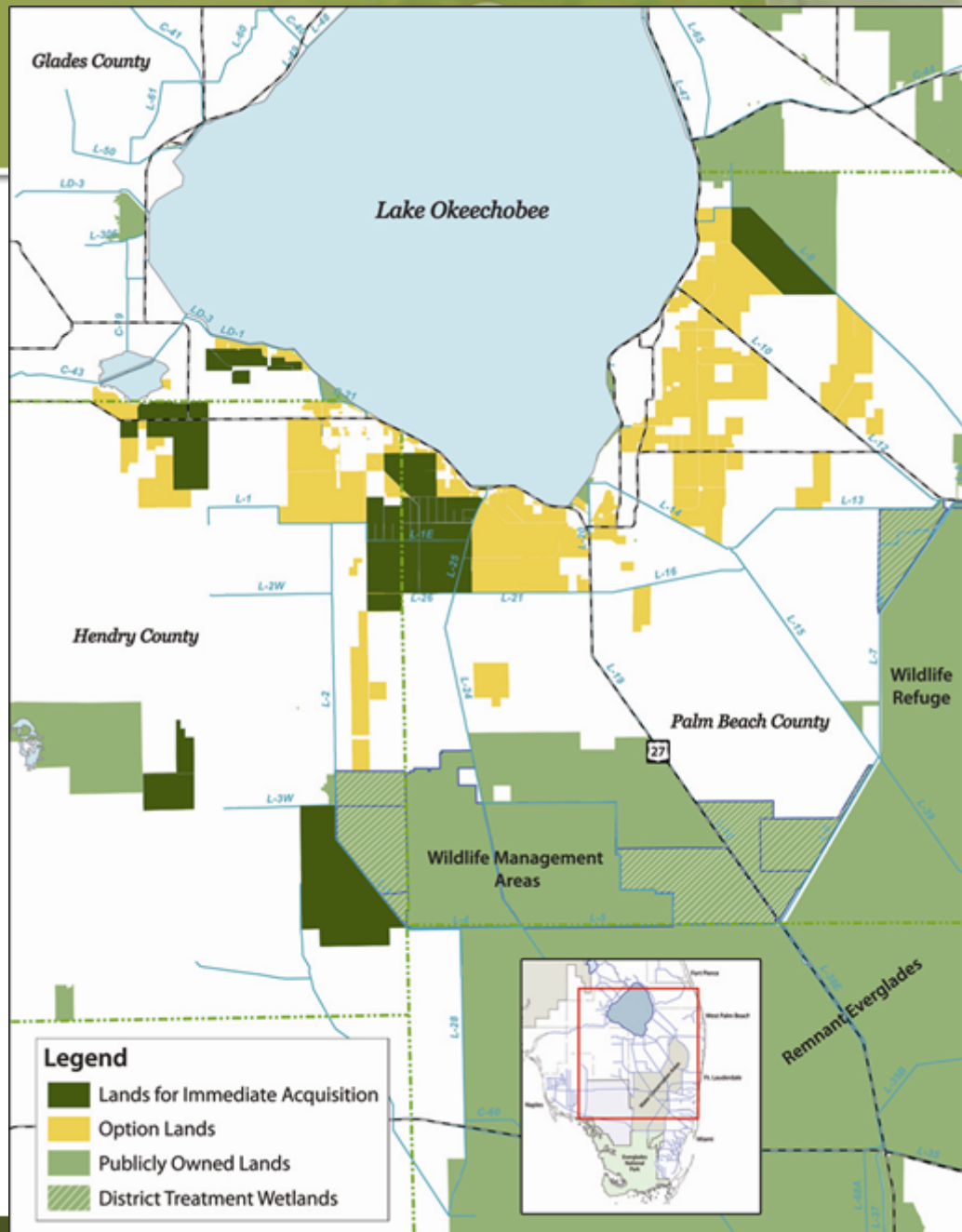


- Amend existing purchase and sale contract and lease agreement
- Initial purchase of approx. 72,500 acres for \$533 million
- Option to acquire remaining 107,500 acres within first ten years
- Proposed revised terms subject to review and approval by SFWMD and U.S. Sugar Boards

Acquisition Lands

- **72,500 acres for initial acquisition:**
 - 32,000 acres of citrus
 - 40,500 acres of sugarcane
- **County breakdown*:**
 - Palm Beach ~ 26,000 acres
 - Glades ~ 3,500 acres
 - Hendry ~ 43,000 acres

*Approximate acreage only; includes 3,000 acres for conveyance to municipalities



Everglades Land Acquisition Proposed Lease Terms



- U.S. Sugar to lease 40,500 acres of sugarcane land at \$150/acre for 7 years
- If option on remaining 107,500 acres is not exercised by year 7, U.S. Sugar lease extends additional 3 years at \$150/acre
- If SFWMD elects not to proceed with acquisition of remaining lands at year 10, U.S. Sugar lease extends additional 10 years at market rate
- If SFWMD proceeds with acquiring remaining land, any property not required for immediate construction is leased to U.S. Sugar at market rate through year 20

Everglades Land Acquisition Proposed Terms



- During 10 year period, U.S. Sugar has the right to sell and SFWMD has right of first refusal on ~107,500 acres
- Area between US 27 and Miami Canal has 3 year freeze on U.S. Sugar's ability to sell or accept third party offers
- After 3 year period, right of first refusal applies

Everglades Land Acquisition “Take Down” Schedule



- 32,000 citrus acres available for District’s use with one year’s notice
- First 10 years – up to 45,000 acres - 62% of acquired land
 - 32,000 citrus acres
 - 10,000 cane acres
 - 3,000 acres for conveyance to municipalities
- Second 10 years – (if SFWMD elects not to proceed with remaining land acquisition)
 - Additional 10,000 acres - 75% of acquired land

Everglades Land Acquisition Benefits of Proposed Terms



- Reduces immediate investment by 60% - \$800M
- Reduces annual debt service by 60% - \$65M/year
- Triples lease rate to generate minimum of \$40M in revenue and avoid \$11M in land management costs during first 7 years
- Potentially frees up revenue in future years for restoration projects
- Sustains regional agriculture and jobs with continued operation of the U.S. Sugar facilities
- Minimizes the District's financial risk
- Applies strengthened BMPs to 72,500 acres



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Questions?