

## Study: Sugar land lease in line with market rates

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Taxpayers would get a fair bargain from a controversial lease that's at the heart of the state's proposed \$1.34 billion land deal with U.S. Sugar Corp., according to a study released Wednesday by an environmental group that supports the purchase.

Orlando economist Henry Fishkind, hired by The Everglades Trust, said he has concluded that the proposed \$50-per-acre annual lease is consistent with normal market rates.

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The lease would allow Clewiston-based U.S. Sugar to continue farming on its 182,474 acres for the next seven years, even after selling the land to the South Florida Water Management District. The seventh year of the lease would be rent free.

The trust and other environmental groups say the land - mainly around the southern rim of Lake Okeechobee - is crucial to fulfilling the state's hopes of restoring the Everglades.

But critics have called the rate well below market norms. They also point to appraisals commissioned by the district that said the going rate for the U.S. Sugar land should be \$200 an acre per year.

Fishkind disagreed, saying the appraisers did not account for a number of factors - especially "the extraordinary size of the property to be leased."

On the open market, he said, it is unlikely that such a large amount of land could fetch \$200 per acre a year. He said he also found that farming leases around the state generally range from \$50 to \$450 per acre per year.

Critics from rival sugar companies repeated their argument that others should get to bid for the chance to lease the land from the state.

"Economists don't determine the lease value of the land," said Barbara Miedema, spokeswoman for the Sugar Cane Growers Cooperative of Florida. "It is up to the free market."

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Miedema said the co-op's offer to lease 15,000 acres for \$150 an acre per year still stands.

Gaston Cantens, vice president for West Palm Beach-based Florida Crystals Corp., said he agrees with the appraisals done by "real appraisers" who found values much higher than what Fishkind's study found.

"I know there are a lot of farmers who would love to get their hands on that land," Cantens said. "The only way to find out what the land leases are truly worth is to put it out for a competitive bid."

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