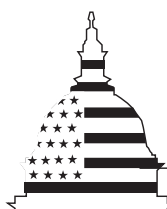


April 2000

SOUTH FLORIDA ECOSYSTEM RESTORATION

A Land Acquisition Plan Would Help Identify Lands That Need to Be Acquired



GAO

Accountability * Integrity * Reliability

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Abbreviations

CARL	Conservation and Recreation Lands
GAO	General Accounting Office
SOR	Save Our Rivers
USDA	U.S. Department of Agriculture



B-284599

April 5, 2000

Congressional Requesters

The South Florida Ecosystem Restoration Initiative is a complex, long-term effort to restore the South Florida ecosystem, which includes the Everglades, that involves federal, state, local, and tribal entities, as well as public and private interests. In response to growing signs of the ecosystem's deterioration, federal agencies established the South Florida Ecosystem Restoration Task Force in 1993 to coordinate ongoing federal restoration activities. The Water Resources Development Act of 1996 formalized the Task Force, designated the Secretary of the Interior as its chair, and expanded its membership to include state, local, and tribal representatives. The Task Force is charged with coordinating and facilitating the overall restoration initiative. Restoring the ecosystem, which covers 18,000 square miles, or about 11.5 million acres, will take at least 20 years and will require the continuous effort and commitment of all the agencies involved.

A key component of the restoration initiative is acquiring lands. Land acquisition is the critical first step in a series of activities—storing water needed to restore natural hydrology, building water quality treatment areas, restoring lost and altered habitats, and curtailing the outward growth of urban areas (sprawl) and making urban spaces more livable by acquiring green space. All of these activities are essential to accomplishing the goals of the initiative. Yet opportunities to acquire undeveloped lands in South Florida are diminishing, and some key lands face pressure from development. To date, federal and state agencies have acquired lands using their own funding and priorities or expending grant funds provided to the state by the Department of the Interior. In particular, since 1983, the state has carried out the comprehensive “Save Our Everglades” program to protect and restore the South Florida ecosystem and has had several land acquisition programs ongoing under state legislation. In addition, since 1996, when the federal and state governments began their joint restoration initiative, the state agencies have acquired lands using grants from two sources—\$200 million provided to the Secretary of the Interior by the Federal Agriculture Improvement and Reform Act of 1996 (Farm Bill) and \$151 million in appropriations from the Land and Water Conservation Fund from fiscal year 1998 through fiscal year 2000. The federal government

generally has required, through legislation or other agreements, that the state match the funds provided through these grants.

Because of the importance of land acquisition to the success of the restoration initiative, you asked us to determine (1) what the South Florida Ecosystem Restoration Task Force did to identify and acquire lands needed to accomplish the goals of the initiative from 1996 through 1999 and (2) what the Department of the Interior did to help ensure that it maximized the acreage purchased—that is, bought as much land as possible, with \$200 million in Farm Bill grants. While moneys from another federal source, the Land and Water Conservation Fund, have also been authorized for land acquisition grants to the state, some of these funds did not require a cost share, and the majority of the remaining funds have not yet been expended. Of the \$151 million available, \$46 million was granted to the state from 1998 appropriations under a legal settlement requiring the federal government to fully fund the acquisition of lands for a storm water treatment area. The remaining funds—\$105 million provided in 1999 and 2000—are subject to a state matching requirement, but as of February 2000, only \$3.8 million had been expended.

This is our second report on the South Florida Ecosystem Restoration Initiative. In April 1999, we reported on the federal funding provided for this initiative and on how well the initiative was being coordinated and managed.¹

Results in Brief

The South Florida Ecosystem Restoration Task Force has established ecosystem restoration goals and identified land acquisition as critical to achieving them, but it cannot acquire lands on its own. Instead, it must accomplish its objectives through the participating federal and state agencies. This puts a premium on having a systematic acquisition plan and effective communication and coordination among the Task Force members. However, the Task Force has not yet developed a land acquisition plan that identifies all of the lands needed to accomplish the goals of the restoration initiative; each federal and state agency has made independent acquisition decisions. From fiscal year 1996 through fiscal year 1999, these agencies acquired about 541,300 acres for the restoration initiative. Without a land acquisition plan, the Task Force cannot (1)

¹*South Florida Ecosystem Restoration: An Overall Strategic Plan and a Decision-Making Process Are Needed to Keep the Effort on Track* (GAO/RCED-99-121, Apr. 22, 1999).

identify all the lands needed for the restoration initiative, (2) reasonably estimate the cost of land acquisition for the initiative, (3) measure progress in acquiring lands for the restoration, or (4) increase the chances that the lands being acquired are needed for the restoration initiative. For these reasons, and because most of the information needed to develop the framework for a land acquisition plan is available, this report recommends that the Task Force develop a land acquisition plan that includes an assessment of the lands needed to accomplish the initiative's goals.

To maximize the acreage acquired with \$200 million in Farm Bill grants, the Department of the Interior developed a cost-sharing policy that required the state of Florida to match the federal funds dollar for dollar. Under this policy, the Secretary of the Interior retained the authority to waive the matching requirement. Interior approved four grants, one of which the state matched dollar for dollar. For the other three grants, the Secretary waived the matching requirement or accepted lands in place of funds. The state had already acquired, or was in the process of acquiring, these lands that it used for matching purposes. Had Interior consistently applied its cost-sharing policy, we calculate that an additional \$77 million would have been available for land acquisition. According to Interior officials, the agency did not always apply its cost-sharing policy because it wanted to give the state credit for lands that it had already acquired or was in the process of acquiring.

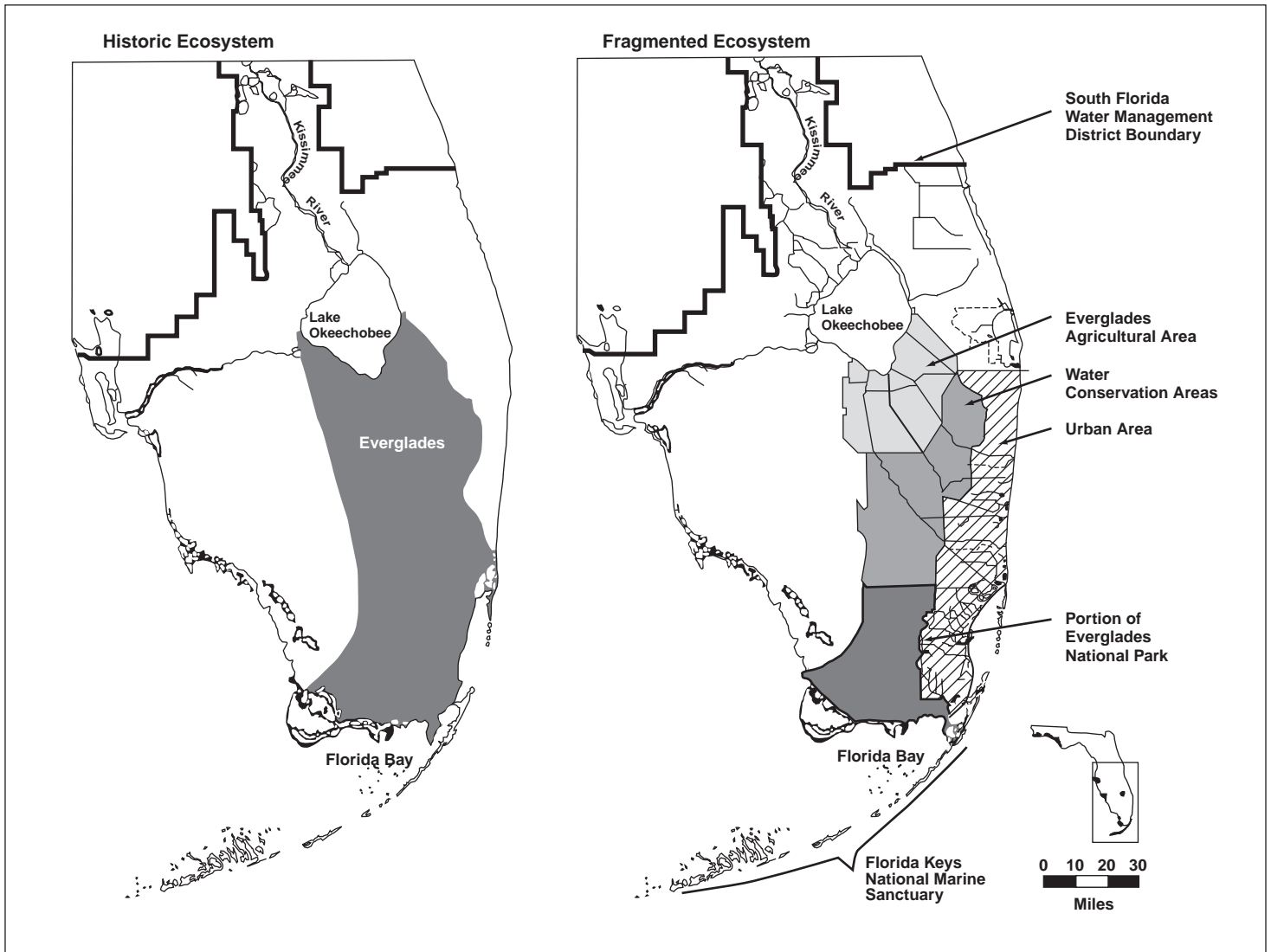
Background

The South Florida ecosystem extends from the Chain of Lakes south of Orlando to the reefs southwest of the Florida Keys. This vast region, which is home to more than 6 million Americans, a huge tourism industry, and a large agricultural economy, also encompasses one of the world's unique environmental resources—the Everglades. Before human intervention, freshwater moved south from Lake Okeechobee to Florida Bay in a broad, slow-moving sheet. The quantity and timing of the water's flow depended on rainfall patterns and on slow releases of stored water. Even during dry seasons, water stored throughout the vast area of the Everglades supplied water to wetlands and coastal bays and estuaries. For centuries, the Everglades provided habitat for many species of wading birds and other native wildlife, including the American alligator, which depended on the water flow patterns that existed before human intervention.

Following major droughts from the early 1930s through the mid-1940s and drenching hurricanes in 1947, the Congress authorized the Central and Southern Florida Project in 1948. The project, an extensive system of over

1,700 miles of canals and levees and 16 major pump stations, prevents flooding and saltwater intrusion into the state's aquifer while providing drainage and water to the residents of South Florida. However, as shown in figure 1, the engineering changes from the Central and Southern Florida Project, coupled with agricultural and industrial activities and urbanization, have reduced the Everglades to about half its original size and have had a detrimental effect on wildlife habitats and water quality. The loss of habitats has caused sharp declines in native plant and animal populations, placing many native species at risk.

Figure 1: The Everglades—Past and Present



Source: GAO's adaptation of an illustration prepared by the South Florida Water Management District.

Recognizing that the natural system had been damaged, the federal and state governments began efforts to acquire and protect lands in southern Florida. Since 1947, when lands for Everglades National Park were acquired, numerous federal, state, and county holdings have been set aside. These include three other national parks or preserves, 30 state parks, 16 wildlife refuges, and 19 aquatic sanctuaries or preserves in South Florida. According to state officials, from 1947 through 1995, the state acquired about 3.1 million acres—many of which were conveyed to the federal government to be managed as national parks and preserves. During the same period, the federal government acquired about 1.0 million acres. The state of Florida has also taken a number of actions to restore the ecosystem, including the passage of the Florida Everglades Protection Act in 1991 and the Florida Everglades Forever Act in 1994.²

Despite these efforts, the ecosystem continued to deteriorate, and efforts to restore it have escalated. The Water Resources Development Act of 1992 authorized the U.S. Army Corps of Engineers (Corps) to review the Central and Southern Florida Project. This review, commonly known as the Restudy, was to determine if the project should be changed to restore the South Florida ecosystem. In 1993, the administration made the restoration of the Everglades and the South Florida ecosystem one of its highest environmental priorities. Through an interagency agreement, federal agencies established the South Florida Ecosystem Restoration Task Force to facilitate the development of consistent policies, strategies, priorities, and plans for addressing concerns about the ecosystem. The Water Resources Development Act of 1996 directed the Corps to continue its review of the Central and Southern Florida Project and to develop a plan for restoring, preserving, and protecting the South Florida ecosystem. The act also formalized the Task Force; expanded its membership to include state, local, and tribal representatives; and designated the Secretary of the Interior as the group's chair. Appendix I lists the federal, state, tribal, and local governments represented on the Task Force.

To accomplish the restoration initiative, the Task Force established the following three goals:

²The Florida Everglades Protection Act, passed in 1991, provided water management districts with tools for restoring ecosystems. The Florida Everglades Forever Act, passed in 1994, established a plan to restore significant portions of the South Florida ecosystem through construction, research, and regulation.

- Getting the water right, which means restoring more natural hydrologic functions of the ecosystem while providing adequate water supplies and flood control. The goal is to deliver the right amount of water, of the right quality, to the right places at the right times. This goal will be accomplished primarily by modifying the Central and Southern Florida Project to enlarge the region's freshwater supply and to improve the delivery of water to natural areas.
- Restoring and enhancing the natural system, which means restoring lost and altered habitats and changing current land uses. Natural habitats have become disconnected through growth and development, and the cumulative loss of habitat and spread of invasive species have caused sharp declines in native plant and animal populations. As of May 1999, 68 native plant and animal species were federally listed as threatened or endangered. Restoring habitats and species will require acquiring lands or changing current land uses. Restoring habitats and species will also require reestablishing the physical and biological connections between parts of the natural system.
- Transforming the built environment, which means rebuilding and revitalizing urban cores to curtail outward sprawl. This third restoration goal involves decreasing the impact of development on the natural system in a way that balances human needs with those of the natural environment. This will entail rebuilding or revitalizing urban cores to curtail the outward sprawl of suburbs and development. It will also involve making urban areas more livable by creating green spaces (i.e., parks, trail systems, or greenways that function for both wildlife and people), improving transit systems, and providing jobs and affordable housing.

To carry out its duties, the Task Force established a Florida-based working group that includes representatives of the agencies and entities represented on the Task Force, as well as other governmental entities as appropriate. The working group directs the tasks associated with the South Florida ecosystem's restoration and provides strategic oversight and program management for all South Florida ecosystem restoration activities.

In our 1999 report on the South Florida Ecosystem Restoration Initiative, we reported that the Task Force had not developed a strategic plan that outlined how this complex, long-term restoration initiative would be accomplished. We recommended that the Secretary of the Interior, as the Chairperson of the South Florida Ecosystem Restoration Task Force, in conjunction with the other members of the Task Force, develop a strategic

plan that would outline how the restoration of the ecosystem would occur. We also recommended that the Task Force work with organizations and entities participating in the restoration initiative to develop and agree on a decision-making process to resolve conflicts. The Congress included language in the Conference Report accompanying the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2000 that requires the Secretary of the Interior to develop a regionwide strategic plan and recommendations for resolving the most difficult conflicts. The strategic plan is to be submitted to the House and Senate Appropriations Committees by July 31, 2000. The recommendations on conflict resolution were to be submitted by February 15, 2000; Interior submitted recommendations to the Committees on February 28, 2000.

Task Force Cannot Identify Lands Needed for Restoration Because It Has Not Developed a Land Acquisition Plan

The South Florida Ecosystem Restoration Task Force cannot acquire lands on its own. Instead it must accomplish its objectives through the participating federal and state agencies. This puts a premium on having a systematic acquisition plan and effective communication and coordination among members of the Task Force. However, the Task Force has not yet developed a land acquisition plan that identifies all of the lands needed to accomplish the goals of the restoration initiative. A land acquisition plan, which would supplement the strategic plan we recommended in our 1999 report, would also provide a blueprint of the lands necessary to achieve the goals of the restoration initiative and enable the Task Force to provide the Congress and the state of Florida with reasonable estimates of the acreage needed and of the costs of the land acquisition. Although it has not yet done so, the Task Force should be able to develop a framework for a land acquisition plan by using land acquisition information and assessments already available through the federal and state agencies.

Task Force Relies on Federal and State Agencies to Identify and Acquire Lands

The Task Force relies on the multiple federal and state agencies to identify and acquire lands, but it has not developed a plan that incorporates all of their efforts. The lands that will be acquired for the restoration initiative will not be acquired by the Task Force, but by the federal and state land management agencies that have the authority to acquire and manage lands for these purposes.³ The Task Force, as an entity, cannot acquire lands

³In addition, numerous local governments in South Florida can acquire land, including the governments of Miami-Dade, Palm Beach, and Martin counties and of the city of Miami.

because it was not granted such authority when it was formally established by the 1996 Water Resources Development Act. The federal and state agencies that have acquired, and will continue to acquire, lands for the restoration initiative include the U.S. Fish and Wildlife Service, the National Park Service, the Florida Department of Environmental Protection, and the South Florida Water Management District. The land acquisition programs of these agencies are described in more detail in appendix II.

Each of the federal agencies identifies lands to be acquired to fulfill the objectives of its individual programs and acquires lands under different authorities. The Park Service—which manages lands to preserve, protect, and interpret the nation’s natural, cultural, and historic resources—and the Fish and Wildlife Service—which manages lands primarily to conserve animals and plants—each acquire lands to create and expand parks and refuges. Parks and refuges are usually created or expanded through congressional authorization, although the Fish and Wildlife Service accepts donated lands and lands acquired from other agencies. For example, under legislation passed in 1989, the Park Service is acquiring lands in South Florida to expand the boundaries of Everglades National Park, and the Fish and Wildlife Service is seeking congressional approval to use moneys from the Land and Water Conservation Fund⁴ to buy nonfederally owned lands within one refuge’s boundaries and to expand several other refuges.

Like the federal programs, the state programs acquire lands for different purposes and under different authorities. The Florida Department of Environmental Protection, primarily through its Conservation and Recreation Lands program, acquires lands throughout the state to conserve animals, plants, and habitats and to provide for nature-based recreational opportunities. On the other hand, the South Florida Water Management District acquires lands primarily to protect the water resources of South Florida. It operates under state legislation authorizing water management districts and their acquisition of lands to protect water resources. In addition, the South Florida Water Management District acquires lands as the local sponsor for the Army Corps of Engineers. Together, the Corps and the District will be responsible for the over 60 projects proposed in the Restudy, if the Congress authorizes the Restudy.

⁴The Land and Water Conservation Act of 1965, as amended, created the Land and Water Conservation Fund and authorizes appropriations from the Fund for (1) matching grants to states for outdoor recreation projects and (2) land acquisition for various federal agencies.

Just as the federal and state agencies have different authorities and different objectives, each of the four agencies has its own budget and system of priorities for land acquisition. Each of the federal agencies receives separate appropriations from the Land and Water Conservation Fund to acquire lands on its list of priorities. Both the Park Service and the Fish and Wildlife Service have a national priority list that incorporates and ranks acquisitions proposed by the field offices. The state agencies receive funds primarily from the Florida Preservation Trust Fund, which provides about \$300 million a year for land acquisition throughout the state.⁵ Each of the programs has a process for accepting and ranking land acquisition proposals, although the Conservation and Recreation Lands program focuses on acquiring lands for conservation and recreation while the District concentrates on acquiring lands for water-related purposes.

These agencies have already acquired lands that the Task Force agrees will be used for the restoration initiative. From fiscal year 1996 through fiscal year 1999, the agencies acquired about 541,300 acres. Table 1 shows the agencies and programs acquiring lands, the acreage acquired, and the funds expended.

⁵The Florida Preservation Trust Fund was created by the Preservation 2000 Act. Enacted in 1990, the Preservation 2000 Act created a coordinated land acquisition program to protect the integrity of ecological systems and provide multiple benefits, including the preservation of fish and wildlife habitat, recreation space, and water recharge areas. The act provided about \$300 million per year for land acquisition. The Preservation 2000 Act was reauthorized in 1999 as the Florida Forever Act.

Table 1: Land Acquisition by Federal and State Agencies and Programs for the South Florida Ecosystem Restoration Initiative, Fiscal Years 1996-99

Dollars in millions

Agency/program^a	Acreage acquired	Funds expended
Department of the Interior/state of Florida (Farm Bill/state match)	73,617	\$229
Department of the Interior (National Park Service, Fish and Wildlife Service, Land and Water Conservation Fund) ^b	153,187 ^c	76
Florida Conservation and Recreation Lands program	179,130	326
Save Our Rivers program (South Florida Water Management District)	135,328	217
Total	541,262	\$848

^aThe data presented on acreage acquired and funds expended by the state agencies and programs are by calendar years. The data presented for the federal agencies and programs and Farm Bill funds are by fiscal years. The federal data presented are as of September 1999.

^bThe Land and Water Conservation Fund grant to the state is included here because the lands acquired with the funds are part of a settlement with the state under which the federal government agreed to buy lands for storm water treatment areas.

^cIncludes 108,000 acres that were part of the Florida-Arizona Land Exchange. In this exchange, Interior traded 111 acres in downtown Phoenix for 83,000 acres to be added to the Big Cypress National Preserve, 4,000 acres to be added to the Florida Panther National Wildlife Refuge, and 21,000 acres to create the Ten Thousand Islands National Wildlife Refuge.

Source: Prepared by GAO from data provided by participating federal and state agencies.

According to Task Force officials, the acreage acquired with the Farm Bill funds will be used for water projects associated with the first goal, getting the water right. The Task Force officials said that the lands acquired for this goal would also support the second goal by providing habitat benefits, particularly by creating or improving wetlands. According to Task Force officials, the acreage acquired by the South Florida Water Management District will be used mostly for water projects associated with the Task Force's first restoration goal. The acreage acquired by the state Conservation and Recreation Lands program and the lands acquired by the National Park Service and the Fish and Wildlife Service will be used for habitat under the second goal.

A Plan Would Coordinate the Land Acquisition Programs of the Federal and State Agencies Participating in the Restoration

The importance of acquiring lands to accomplish the goals of the restoration initiative and the Task Force's reliance on the participating federal and state agencies for such land acquisition puts a premium on having a systematic land acquisition plan and effective communication and coordination among the Task Force members. A land acquisition plan would allow the Task Force—as the entity responsible for (1) developing plans and priorities to guide the restoration initiative and (2) coordinating and facilitating the efforts of the agencies participating in the initiative—to clearly communicate its land needs and priorities to the federal and state agencies responsible for acquiring lands. Because the South Florida ecosystem covers a vast area (about 11.5 million acres) and because much of the undeveloped land is under development pressure, it is unlikely that all of the lands needed to fully restore the ecosystem can be acquired, making it important to prioritize the acquisitions that are possible. The Task Force, in 1996 and 1999, developed two land acquisition lists, but these lists were not complete and did not contain the elements of a land acquisition plan. The first list, which was developed to allocate Farm Bill funds, contained the lands that the members of the Task Force could agree were important for the restoration initiative, many of them related to the Corps' Restudy. The second list, which was developed in response to congressional inquiries, was a compilation of projects proposed by state and local agencies and prioritized by the Task Force. Neither list identified all of the lands needed for the acquisition, nor did the lists include other elements of a land acquisition plan, such as estimated costs or time frames. To be useful in coordinating the agencies' acquisition efforts, a land acquisition plan should identify

- the acres that will be needed to accomplish each of the goals of the restoration initiative or, at a minimum, the general areas where lands will be needed;
- the purpose of acquiring the lands and the way the lands will be managed after they are acquired, such as for water management or habitat;
- the agency responsible for acquiring and managing the lands; and
- the time frames when lands will be needed for projects and the estimated costs of the lands.

The land acquisition plan we envision would supplement the strategic plan we recommended in our 1999 report. We recommended that a strategic plan be developed to lay out how the restoration initiative would be accomplished and to set goals and performance measures to help coordinate the participating agencies' activities. A similar effort to develop

a plan laying out the lands to be acquired for the restoration would help coordinate the agencies' land acquisition activities. In addition, a land acquisition plan would provide other benefits. In particular, it would enable the Task Force to give the Congress and the state of Florida—both of which will provide the necessary funding—a reasonable estimate of the total acreage needed and the full cost of the acquisition. As such, a land acquisition plan would provide the necessary justification for acquiring particular lands and for requesting the funding needed from the federal and state governments. A land acquisition plan would also serve as a benchmark for measuring the progress being made in acquiring the lands needed to accomplish the restoration initiative's goals, and would allow the Task Force and the agencies to adjust project schedules, reallocate acquisition budgets, or identify alternative lands for acquisition. Furthermore, if certain lands cannot be acquired because a landowner is unwilling to sell, a land acquisition plan would allow the Task Force and the agencies to identify other means of protecting the lands. For example, if a key parcel cannot be acquired, the Task Force—through an agency—may elect to offer other incentives to a landowner to protect the land, such as an easement or tax incentive.

Some Task Force officials we spoke with during our review did not believe that enough information was currently available to develop a land acquisition plan. We believe that considerable progress is possible. If the Task Force were to (1) assess the lands already identified as needed by the federal and state agencies, (2) assess additional lands that are needed, and (3) incorporate the information from these assessments into a single document, the Task Force would have the framework for a land acquisition plan that could be expanded to include other necessary components, such as costs, priorities, responsible agencies, and time frames for acquisition. Such a plan would serve as a valuable tool for the Task Force to ensure that the lands needed for the initiative are acquired. Other federal and state officials were concerned that the development of a plan that publicly identified the lands needed would cause the price of the lands to rise. While this concern is valid, we believe that the benefits of developing the plan outweigh the drawbacks. When specific lands cannot be identified, the Task Force could identify the general areas where lands will be needed, estimate the acreage needed, and indicate when the specific lands will be identified. As the restoration initiative progresses, the land acquisition plan could be revised to reflect changes and additions to the specific lands identified as needed for the initiative.

Task Force Has Not Used Available Information on Lands to Develop a Plan

Although the Task Force has not developed a land acquisition plan, information that would be included in the plan is generally available. First, the federal and state agencies participating in the initiative have already identified some lands in the ecosystem that they plan to acquire. Although the Task Force has not yet assessed those lands, it could do so to determine how and to what extent they could be used to further the goals of the restoration. Second, the federal and state agencies have also completed studies and assessments that identify areas of potential acquisition. The Task Force has not used these studies and assessments to independently identify additional lands needed to achieve its restoration goals. A land acquisition plan would specify the parcels needed and the purpose of the lands, along with cost estimates and time frames. The plan could also include the general areas where lands will be needed, together with the purposes for which the lands will be used and general estimates of acres and costs, until the information is refined. The following paragraphs summarize, for each of the restoration goals, (1) the acreage already identified by the agencies, (2) the studies and assessments that the Task Force could use to identify other land needs, and (3) the additional information that the acquisition plan would need to include.

Goal 1—Getting the water right: The Corps has estimated that about 220,000 acres are needed for water storage areas, such as reservoirs, and for water quality treatment areas. The Corps identified the general locations of these acres and modifications in the Restudy, completed in 1999. Of the 220,000 acres, 70,000 acres are on the land acquisition lists for the state's Conservation and Recreation Lands and Save Our Rivers programs. The remaining parcels have yet to be identified. A land acquisition plan would include the parcels already identified and could include general areas until more precise information was developed. The Restudy does not comprehensively address water quality issues, which is one of the purposes of this goal. As a result, the lands that will be needed to achieve the water quality portion of this goal have not yet been identified. For example, in August 1999, the Task Force's working group published a plan, called the *Lake Okeechobee Action Plan*, that makes recommendations for reducing phosphorous pollution in the lake—a water quality problem. One of the plan's recommendations—to create storm water treatment areas for removing pollutants from urban and agricultural runoff—will require lands. Until the state and federal agencies determine what actions will be taken to improve the quality of the lake's water, the number of water quality areas and the acreage needed are unknown. If a land acquisition plan were developed, it could include the lands that would

be needed for these areas. Until the information is refined, the Task Force can include general estimates.

Goal 2—Restoring and enhancing the natural system: While federal and state agencies participating in the restoration have identified about 630,000 acres that need to be acquired for habitat in the South Florida ecosystem, the Task Force has not assessed how or to what extent these lands would be used to accomplish goal 2. In addition, the Task Force has not identified other lands that will be needed to accomplish this goal. For example, the goal requires that physical and biological connections be made between existing natural areas, but Task Force officials could not identify where all these habitat connectors or corridors would be and thus could not identify the lands that remained to be acquired. Furthermore, the Task Force has not used two assessments that identify lands or actions necessary to preserve threatened and endangered species and their habitats in the South Florida ecosystem, including potential habitat corridors, to identify additional lands that might be needed to accomplish this goal. The first assessment, the *Multi-Species Recovery Plan* produced by the Fish and Wildlife Service, identifies actions to recover the 68 federally listed species and their habitats. The second study, *Closing the Gaps in Florida's Wildlife Habitat Conservation System*, produced by the Florida Fish and Wildlife Conservation Commission, identifies 4.8 million acres whose acquisition or protection would preserve key species and their habitats throughout Florida, including the South Florida ecosystem. If a plan were developed, it could include the parcels the agencies have identified as needed. The plan would also include a schedule for the Task Force to review the agencies' assessments and identify other lands needed to accomplish this goal.

Goal 3—Transforming the built environment: The Task Force included a few projects involving county lands on the list of priorities it developed in 1999. These projects were proposed by local governments, since the Task Force has not assessed what lands would be needed to support this goal. According to Task Force officials, the lands for the third goal will be identified by local community and city governments, with state and Task Force involvement. The state has two programs that the Task Force could use to identify lands for this goal, the Florida Communities Trust program and the Florida Greenways and Trails Acquisition Program. For this goal, as for the first two goals, the land acquisition plan, if developed, could include the parcels identified by the localities and would include a schedule for reviewing lands in the available assessments to determine additional needs.

Interior Has Not Consistently Applied Its Cost-Sharing Policy to Maximize Its Land Acquisitions

To maximize the acreage acquired with \$200 million in Farm Bill grants, the Department of the Interior developed a cost-sharing policy that required the state of Florida to match the federal funds dollar for dollar. Under this policy, the Secretary of the Interior retained the authority to waive the matching requirement. Interior approved four grants to buy lands in the East Coast Buffer, the Carroll property, the Southern Golden Gate Estates, and the Talisman lands.⁶ While the state contributed matching funds for one grant, the Secretary waived the matching requirement or accepted lands in place of funds for the other three grants. The state had already acquired, or was in the process of acquiring, these lands that it used for matching purposes. Had Interior consistently applied its cost-sharing policy, we calculate that an additional \$77 million would have been available for land acquisition. According to Interior officials, the agency did not always apply its cost-sharing policy because it wanted to give the state credit for lands that it had already acquired or was in the process of acquiring. Furthermore, Interior agreed to share the cost of another 12 parcels equally with the state; the state had agreed to acquire these parcels to settle a lawsuit that began almost 2 years before the grant was approved. Had the Department not approved this purchase, we calculate that an additional \$4 million would have been available for land acquisition.

Interior and State of Florida Agree to a 50/50 Cost-Sharing Policy

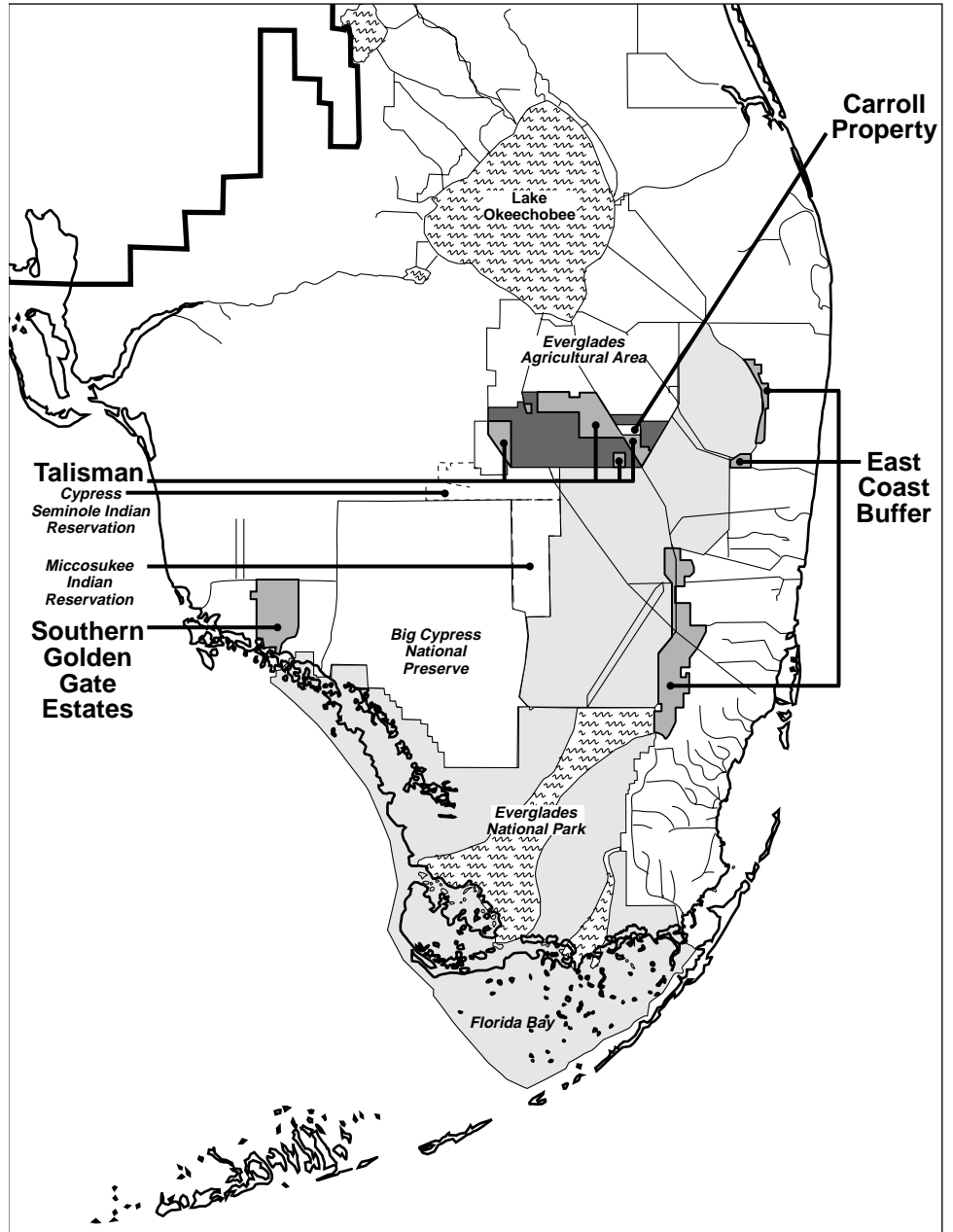
Interior developed a cost-sharing policy for spending the \$200 million in Farm Bill funds, even though the legislation did not require such a policy. To set forth the manner in which these funds would be spent, Interior entered into a framework agreement with the U.S. Department of the Army (Corps), the Florida Department of Environmental Protection, and the South Florida Water Management District in October 1996. Interior entered into an agreement with these agencies because they have active land acquisition programs and would be the likely recipients of Farm Bill funds to acquire lands for the restoration initiative. Both the Florida Department

⁶More specifically, Interior approved three grants and one cooperative agreement. For this discussion, we will refer to all of these as grants. In addition to these grants, Interior entered into an interagency agreement with the Corps and the U.S. Department of Agriculture (USDA) for the construction of a quarantine research facility for melaleuca (a rapidly spreading exotic tree from Australia). Interior provided a total of \$6.2 million to the Corps to construct the facility. USDA will operate and maintain the facility, which will facilitate ongoing research into the eradication of melaleuca through the use of biologic control agents. If left unchecked, melaleuca displaces native plant and animal communities and threatens the stability of the Florida Everglades ecosystem. Under the terms of the original framework agreement, the Corps is not required to match the funds.

of Environmental Protection and the South Florida Water Management District receive funds for land acquisition from the Florida Preservation Trust Fund—a fund that makes about \$300 million available annually for land acquisition throughout the state. The framework agreement included a provision for leveraging that, unless waived by the Secretary, required the Farm Bill funds to be matched dollar for dollar. According to Interior officials responsible for overseeing these funds, the land acquisition needs of the ecosystem exceeded the \$200 million provided by the Farm Bill. Having the state match the funds would have doubled the funding available to acquire lands and maximized the acreage that could be acquired.

Interior approved four grants to buy lands in the East Coast Buffer, the Carroll property, the Southern Golden Gate Estates, and the Talisman lands. The East Coast Buffer consists of approximately 72,000 acres of marshes, reservoirs, and groundwater recharge areas in Palm Beach, Broward, and Miami-Dade counties. The East Coast Buffer is also referred to as a water preserve area and is expected to become part of a future Corps project that will help restore the Everglades ecosystem, in part by preventing water from being lost through seepage and by regaining lost capacity for storing water. The Carroll property consists of 1,233 acres in the Everglades Agricultural Area and is also intended to become part of a future Corps project. The lands would serve as part of a water management area designed to assist in the restoration of the Everglades ecosystem by improving water quality and regaining lost water storage capacity. The Southern Golden Gate Estates comprises about 57,200 acres in southwest Florida and is a diverse landscape of freshwater marshes, wet and dry prairies, hardwood hammocks, and pine flatwoods. The acquisition of these lands will protect essential habitat for numerous threatened and endangered plants and animals and will help preserve and restore the freshwater flow to Gulf Coast estuaries. The Talisman lands encompass over 50,000 acres and are located south of Lake Okeechobee in the Everglades Agricultural Area. According to agency officials, these lands have been identified in the Restudy as a good candidate for regional water storage to meet the ecosystem's long-term restoration needs. Figure 2 shows the locations and boundaries of these projects.

Figure 2: Location of Lands Acquired With Farm Bill Funds



Source: GAO's adaptation of a map prepared by the Department of the Interior's Fish and Wildlife Service.

Interior Has Not Fully Implemented Its Cost-Sharing Policy

In granting the Farm Bill funds, Interior implemented its cost-sharing policy requiring the state to provide a dollar-for-dollar match for one of the four grants (the Carroll property). For the remaining three grants, Interior either waived the cost-sharing requirement (Talisman) or accepted as a match lands that the state had already purchased (Southern Golden Gate Estates) or that the state had begun purchasing (East Coast Buffer). If Interior had required the state to match the Farm Bill funds dollar for dollar for each of the properties acquired with these funds, we calculate that an additional \$77 million could have been available to acquire lands in the ecosystem. Table 2 summarizes the information on how the Farm Bill funds were spent, how much the state contributed, and how much would be needed for the state to fully match the Farm Bill grants as provided in the framework agreement. A detailed discussion of each of the grants follows the table.

Table 2: Farm Bill Grants and the State’s Dollar Match

Dollars in millions

Grant	Farm Bill funds	State’s actual dollar-for-dollar contribution to the grant or equivalent state spending	Additional amount needed for a 50/50 match
East Coast Buffer ^a	\$50.8	\$39.8 ^b	\$11 ^b
Carroll property	3.1	3.1 ^c	0
Southern Golden Gate Estates	38.1	38.1 ^d	0 ^d
Talisman	100.6	34.4	66
Other ^e	7.5	f	f
Total	\$200.0	\$115.4	\$77

Note: Numbers may not add because of rounding.

^aIn addition to the original Farm Bill grant of \$36.9 million, Interior awarded \$13.9 million in Farm Bill funds to an existing Land and Water Conservation Fund grant that required the state to match the grant.

^bAs part of its match, the state provided 33 parcels that the South Florida Water Management District had purchased for \$21 million. If Interior had required the dollar-for-dollar match, \$21 million would have been available to acquire additional lands. The District has continued to acquire lands on its own in the East Coast Buffer, spending an additional \$10 million, thereby reducing its cost-sharing requirement to about \$11 million.

^cThe state did not share the cost of the Carroll property. However, the state contributed an additional \$3.1 million to the East Coast Buffer grant and in doing so met its cost-sharing match for this grant. For

the purposes of our table, we have included the state's contribution as part of the Carroll property grant.

^dThe Secretary of the Interior decided that the state had met the matching requirement because it had already spent over \$97 million to acquire lands in this vicinity and did not require the state to provide a dollar-for-dollar match. However, the state also continued to acquire lands under its own program and spent about \$47 million in 1998 and 1999. In doing so, the state effectively met its cost-sharing requirement of \$38.1 million, even though matching was not required.

^eIncluded in the other category is \$6.2 million provided to the Corps to construct a melaleuca research facility and \$1.3 million in administrative costs.

^fNot applicable.

Source: GAO's analysis of federal and state land acquisition data.

Carroll Property Grant

Interior implemented its cost-sharing policy when it acquired the Carroll property. The state originally agreed to provide half of the acquisition costs and anticipated using Preservation 2000 funds. However, because the Carroll property generates income from a sod farm and the state is restricted from acquiring income-generating lands with Preservation 2000 funds, the state was unable to share the cost of the property. Instead, Interior purchased the Carroll property entirely with Farm Bill funds for a total of about \$3.1 million. To compensate for being unable to share in the cost of the Carroll property, the state increased its contribution to the East Coast Buffer grant by \$3.1 million—the amount that Interior provided to acquire the Carroll property. By contributing additional moneys to the East Coast Buffer grant, the District retained an overall 50/50 cost-share ratio for the Carroll property.

Talisman Land Acquisition Grant

Interior entered into a cooperative agreement with the South Florida Water Management District and The Nature Conservancy to purchase the Talisman lands owned by the St. Joe Company. The Department chose the framework of a cooperative agreement because it believed that acquiring the Talisman lands would require significantly more federal involvement and would allow Interior to bring in The Nature Conservancy, a third party with extensive experience in complex real estate transactions, to assist in the negotiations.

The federal government decided to acquire the tract in full and obligated \$133.5 million for the acquisition because it was concerned that the state would not have matching funds available. Later, the state of Florida contributed a total of \$34.4 million toward the purchase of lands that it needed for water treatment within the Talisman area. The federal government's final share of the project totaled \$100.6 million. Because Interior waived its cost-sharing policy, the state was not required to provide a full dollar-for-dollar match. As a result, in acquiring all of the Talisman lands, the federal government paid 75 percent of their cost and the state paid 25 percent.⁷ Had the state provided a full 50-percent match, an additional \$66 million could have been available for land acquisition.⁸

Southern Golden Gate Estates Grant

Interior awarded a grant for \$38.1 million to the Florida Department of Environmental Protection to acquire 29,250 of the 57,200 acres in the privately-owned Southern Golden Gate Estates. The grant agreement, which was signed in April 1998 and amended in December 1999, did not require the state to provide a dollar-for-dollar match because the Secretary of the Interior accepted as a match lands that the state had already purchased. According to Interior officials, the Secretary did this because the Florida Department of Environmental Protection, through its Conservation and Recreation Lands program, had met the matching requirement by spending \$97 million on lands in the Southern Golden Gate Estates area and in four nearby areas. Over half of the \$97 million—or \$52 million—was spent by the state from 1993 through 1997—a period of 1 to 5 years before Interior and the Florida Department of Environmental Protection signed the grant agreement. By giving the state credit for lands it had previously purchased, Interior sacrificed its objective of maximizing the acreage that could be acquired with the grant funds.

⁷The Talisman transaction was more complicated than this because it involved third-party cost-sharing. The total cost of the lands was actually \$152.5 million, with an additional \$0.7 million being paid to The Nature Conservancy for its services in the transaction. The federal government paid \$100.6 million for the transaction, including \$99.9 million for the land (66 percent of the total cost) and \$0.7 million for The Nature Conservancy's expenses. The state contributed \$34.4 million to the total cost and other parties, which included other sugar companies, provided \$18.1 million toward the total cost. For the sake of discussing the state's cost share for the parcel, we focused only on the total costs provided by the federal and state governments.

⁸While we recognize that the additional \$66 million would have exceeded the cost of the Talisman acquisition, these funds could have been used to acquire lands in other projects.

In fairness, the state has continued to purchase lands in these areas on its own and, as a result, has essentially met the cost-sharing requirement, even though it did not provide a dollar-for-dollar match. Since 1998—the year the grant agreement was signed—the state has spent about \$47 million to acquire lands in the Southern Golden Gate Estates and nearby areas. This \$47 million exceeds the \$38.1 million needed to satisfy the matching requirement. However, the state’s expenditure of \$47 million in 1998 and 1999 to acquire lands in this area was not a result of Interior’s actions or efforts to ensure the purchase of as much land as possible with Farm Bill funds. Moreover, in taking this approach, Interior does not retain control over the management of these lands, as it would have done if the lands had been purchased as part of the Farm Bill grant. Because the state acquired the lands independently, they may not have to be managed to meet the purposes of the Farm Bill (conservation and/or part of a Corps project) or of the Fish and Wildlife Coordination Act (consideration of benefits to fish and wildlife).⁹

East Coast Buffer Grant

For this grant, Interior awarded \$36.9 million to the South Florida Water Management District in December 1996 to acquire lands in the East Coast Buffer.¹⁰ The East Coast Buffer covers three counties and consists of 72,000 acres. According to state officials responsible for land acquisition, the East Coast Buffer lands are under intense development pressure from urban and agricultural expansion, and their acquisition must be accelerated to prevent them from being converted to incompatible uses, such as housing developments.

For the Farm Bill grant of \$36.9 million for the East Coast Buffer, Interior accepted as the state’s match (1) \$15.9 million in funds and (2) 33 parcels of land that the District was in the process of acquiring for \$21 million. As part of the grant agreement, Interior agreed to accept parcels that the District

⁹Although the grant does not explicitly give the federal government any control over lands acquired independently by the state in the project area, the Fish and Wildlife Service and the state are drafting protocols that would require all the lands in the project area to be used and managed according to the grant provisions, whether the lands were acquired with Farm Bill funds or independently by the state.

¹⁰In addition, Interior awarded \$13.9 million in Farm Bill funds to an existing Land and Water Conservation Fund grant, also made to purchase lands in the East Coast Buffer. In total, Interior awarded \$50.8 million in Farm Bill funds to purchase land in the East Coast Buffer. Interior also required the state to provide \$13.9 million to match the Farm Bill funds that were added to the Land and Water Conservation Fund grant in the East Coast Buffer; however, no parcels have been approved for purchase with these funds.

was acquiring as long as the parcels were purchased after the enactment of the Farm Bill (Apr. 4, 1996). Although the acquisition of each of the 33 parcels was completed after this date, the District had begun to purchase all of these parcels before the Farm Bill was passed. The District had ordered appraisals for each of the 33 properties from 1 to 9 months before the Farm Bill's passage. According to Interior officials, the Secretary accepted the 33 parcels as part of the state's match because it wanted to give the state credit for the lands it was acquiring. Because Interior accepted parcels that the District was in the process of acquiring, it did not further its goal of buying as much land as possible with the grant funds. If Interior had required a dollar-for-dollar match, \$21 million would have been available to acquire additional lands.

In fairness, as with the Southern Golden Gate Estates grant, the District has continued to acquire lands on its own in the East Coast Buffer and has thus essentially met part of its cost-sharing requirement, even though the lands it has acquired were not purchased as part of the grant. Since the grant agreement was approved in 1996, the District has spent an additional \$10 million to acquire lands in the East Coast Buffer. By acquiring these lands, the District has effectively reduced its cost-sharing obligation to \$11 million (\$21 million – \$10 million = \$11 million).

Interior approved the purchase of another 12 parcels in the East Coast Buffer area and agreed to share the cost of these parcels equally with the state. The state was acquiring these 12 parcels as part of the settlement of a lawsuit filed against the District in December 1994, or 2 years before the approval of the Farm Bill grant. Specifically, the owners of the 12 parcels sued the District for inverse condemnation,¹¹ claiming that the District had flooded their lands and publicly marked them for acquisition, thereby decreasing their value. After the parties failed to resolve the lawsuit, the District's governing board agreed to acquire the 12 parcels by condemnation for \$4.3 million, a price set by the court that included interest and legal fees. The federal share came from the \$36.9 million in Farm Bill funds, and the state's share came from its \$15.9 million contribution—Interior paid \$2.14 million, and the state paid another \$2.14 million. Interior approved the purchase of these parcels because nothing in the Farm Bill legislation or the grant agreement precluded the District from

¹¹The term "inverse condemnation" refers to governmental action that substantially diminishes the economic value of private property and for which compensation must be paid.

spending grant funds to acquire property by condemnation and because Interior had previously accepted lands that the state had bought as part of a legal settlement. Had Interior not accepted the purchase of these parcels, \$4.3 million would have been available to acquire additional lands.

Conclusions

While land acquisition is critical to the success of the restoration effort, the South Florida ecosystem is so large that not all of the lands within it can be acquired and preserved. In our 1999 report, we concluded that a strategic plan outlining how the restoration of the ecosystem will occur would increase the chances of success for this complex, long-term restoration initiative. Similarly, a land acquisition plan would increase the Task Force's chances of success. Although the Task Force cannot acquire lands, it is responsible for coordinating the federal and state agencies that do acquire lands. A land acquisition plan that clearly articulates the needs and priorities of the Task Force to participating federal and state agencies would be valuable in coordinating the agencies' land acquisition activities. Furthermore, without a plan, the Task Force cannot (1) determine how much land will be needed to accomplish its goals, (2) estimate the full cost of acquiring these lands, (3) measure progress in acquiring lands for the restoration, or (4) increase the chance that the lands acquired are those that are most needed. Such information is important to provide status reports to the Congress and the state of Florida, which are jointly funding the restoration initiative. The efforts of the federal and state agencies to identify lands for acquisition could serve as a good starting point for developing a plan, and the Task Force should build on these efforts. We envision that the land acquisition plan will be a work in progress that the Task Force and others—such as the Congress—can use to monitor progress in land acquisition throughout the course of the initiative.

As important as a land acquisition plan is the acquisition of as much land as possible with the funds available for this purpose, because undeveloped land in South Florida is becoming increasingly scarce and costly. Although the Farm Bill did not require cost sharing, Interior recognized the importance of this approach and established a cost-sharing policy with the state. To the extent that Interior did not choose to follow its own cost-sharing guidance, it did not achieve its goal of purchasing as much land as possible with the Farm Bill funds. We are not making a recommendation because the grant agreements for all of the Farm Bill funds have been finalized and most of the \$200 million in Farm Bill funds has been spent. Furthermore, appropriations to Interior for land acquisition grants to the state of Florida from the Land and Water Conservation Fund in 1999 and

2000 provide for a 50/50 cost-sharing arrangement and provide that new state appropriations must be used for the state's share.

Recommendations

To ensure that the lands needed to accomplish the goals of the South Florida Ecosystem Restoration Initiative are identified and acquired, we recommend that the Secretary of the Interior, as the Chairperson of the South Florida Ecosystem Restoration Task Force, in conjunction with the other members of the Task Force, develop a land acquisition plan. This plan would include (1) an assessment of the lands needed to accomplish each of the goals of the restoration, (2) a description of the purpose for which the lands will be acquired and how they will be managed, (3) an estimate of the cost of these lands, (4) an estimate of when the lands will be needed for related restoration projects, and (5) the agencies responsible for acquiring the lands. This plan should be updated to reflect changes and additions to the restoration initiative's land acquisition needs.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of the Interior, whose Secretary chairs the South Florida Ecosystem Restoration Task Force; the state of Florida's Everglades Policy Coordinator; the South Florida Water Management District; and the Florida Department of Environmental Protection for review and comment.

The Department of the Interior provided comments signed by the Counselor to the Secretary, who, as the Secretary's designee, also serves as the chair of the Task Force. The Department concurred with our recommendation that the Task Force develop an overall land acquisition plan and stated that it would recommend that the member agencies undertake an effort to integrate existing land acquisition programs into a single overall plan. The Department, noting that the plan would build on the land acquisition plans and programs of the Task Force's member agencies, agreed with us that the Task Force is the appropriate entity and has the statutory authority under the Water Resources Development Act of 1996 to coordinate the development of an overall land acquisition plan.

The Department did not agree with our conclusion that it did not follow the cost-sharing guidance it established for spending Farm Bill funds and, therefore, did not achieve its goal of purchasing as much land as possible with these funds. In its comments, the Department stated that we did not fully reflect the goals for the expenditure of the \$200 million in Farm Bill

funds and that we did not accurately represent the expected ultimate cost share for the lands acquired with Farm Bill funds. The Department stated that one of the goals of spending Farm Bill funds was to acquire the Talisman lands. The Department decided to purchase these lands, even though the state was not able to provide its full cost share for the transaction, because the acquisition was of paramount importance for future water storage and water quality improvement. In addition, the Department stated that the East Coast Buffer and Talisman lands will ultimately be used for the Corps' Comprehensive Everglades Restoration Plan (formerly called the Restudy) and, as such, will be subject to a full cost share between the Corps and the state. The Department also provided technical clarifications to the report, which we incorporated as appropriate.

We recognize that these land acquisitions have been identified as important to the restoration initiative, and we are not taking issue with their acquisition. The focus of our review was to determine whether the Department had accomplished its intended purpose of maximizing the amount of land acquired with Farm Bill funds. The Department, in its comments to us and in an internal memo, stated that the main purpose of establishing the cost-sharing agreement was to increase the amount of funds available so that it could buy as much land as possible. Numerous federal and state officials have told us that the opportunity to acquire lands in South Florida is disappearing and that lands—particularly those on the east side of the natural system where the East Coast Buffer is located—are under intense development pressure. We acknowledge that the cost-sharing agreement was not legislatively mandated, and we believe that the Department showed financial acuity in establishing such an agreement. However, while we recognize that the Secretary of the Interior retained the discretion to waive the cost-sharing requirement under the framework agreement, we continue to believe that that the Secretary's decision to waive the cost-sharing requirement or to approve other cost-sharing approaches for the Farm Bill grants did not achieve the Department's goal of buying as much land as possible. Furthermore, although the Department believes that the cost share for at least the East Coast Buffer and Talisman parcels will be equalized when the Restudy components are built, we do not agree that the Department should rely on future contributions—for as-yet-unauthorized projects—to meet the cost-sharing requirement. The Department of the Interior's comments and our detailed responses appear in appendix III.

The state of Florida provided comments from the Everglades Policy Coordinator, together with an additional set of consolidated comments from the Florida Department of Environmental Protection and the South Florida Water Management District. The state fundamentally disagreed with the conclusions and recommendation in our report. The state's disagreement focused on three areas, which are presented and discussed below. The state also provided technical clarifications to the report, which we incorporated as appropriate. The state of Florida's comments and our responses appear in appendix IV.

First, the state believes that our report did not fairly characterize the state's past contributions and continued commitment to land acquisition in support of the protection and restoration of the Everglades ecosystem. We do not believe that this is true. We recognize throughout the report that the state has a number of land acquisition initiatives and, over the years, has contributed significantly to the acquisition of lands for the ecosystem. Furthermore, our report discusses the role of the state agencies in acquiring lands for the initiative and describes the programs in some detail.

Second, the state disagreed with our recommendation that the Task Force create a land acquisition plan because it believes our report and recommendation imply that the Task Force should plan to acquire and manage all the lands needed for the restoration initiative. The state indicated that because it has the best-funded and most comprehensive conservation land acquisition program in the nation, it is in a better position than the federal government to acquire and manage land acquisitions for the restoration initiative. We did not envision, in recommending that the Task Force develop a land acquisition plan, that the Task Force would be the entity to acquire and manage all lands for the initiative or that the process of acquiring lands would be federally driven. We believe—and clearly state in our report—that the federal and state agencies participating in the initiative are responsible for the acquisition and management of lands and that these agencies have developed a number of plans and studies that are a good starting point for the Task Force to use in developing a land acquisition plan. The Task Force was created specifically to coordinate and facilitate the efforts of the agencies participating in the restoration initiative, and we believe that it is the appropriate entity to develop a land acquisition plan to communicate the initiative's land needs and priorities to those agencies that have land acquisition responsibilities.

Third, the state said that throughout the report, our characterization of its compliance with Interior's cost-sharing requirement is misleading because, according to the state, it has spent more than the amount needed for a 50-percent match. The state's assertion is not accurate. We specifically point out the cost share required by each grant and identify the dollar amount contributed by the state in each instance. We believe that the state disagrees with our interpretation of what the cost-sharing requirement entailed and would like us to count as part of its match lands that it acquired before the Farm Bill grants were approved. However, we believe that lands acquired or in the process of being acquired before the grants were approved should not be counted as part of the match because these lands do not maximize the acreage acquired with Farm Bill funds (including the state's matching funds) and do not, therefore, help the Department meet its goal of maximizing the lands purchased with Farm Bill funds. We did give the state credit for lands it acquired on its own after the Farm Bill grants were approved because these lands increased the acreage purchased after the Farm Bill was passed and the funds used to purchase them could have served as the state's match.

Scope and Methodology

To determine what the Task Force has done to identify and acquire lands needed to accomplish the goals of the South Florida Ecosystem Restoration Initiative, we contacted officials from the South Florida Ecosystem Restoration Task Force. We also obtained and analyzed applicable reports, plans, and other documents related to identifying and acquiring lands for the restoration initiative, such as the Task Force's *Fiscal Year 2000 Cross-Cut Budget, Integrated Financial Plan: Calendar Year 1999*, and 1999 biennial report called *Maintaining the Momentum*. In addition, we met with the Chair of the South Florida Ecosystem Restoration Task Force, the executive director of the Task Force, the chair of the working group, the chair of the Task Force's Science Coordination Team, the counselor to the Assistant Secretary for Fish and Wildlife and Parks, and the environmental coordinator for the governor of Florida. We also met with representatives of the Miccosukee Tribe and of Florida's sugar industry.

Because the Task Force cannot acquire lands and must rely on the participating agencies to do so, we contacted both headquarters and field officials from the federal and state agencies involved in land acquisition. These agencies include the National Park Service, the U.S. Fish and Wildlife Service, the U.S. Army Corps of Engineers, the Florida Department of Environmental Protection, and the South Florida Water Management District. At each agency, we interviewed cognizant officials about their land

acquisition programs, including the criteria and process used to identify and prioritize land for acquisition. We also obtained and reviewed information, including annual reports, related to the agencies' land acquisition programs. In addition, we obtained, analyzed, and compiled data from these five agencies on the funds expended for land acquisition for the South Florida Ecosystem Restoration Initiative from 1996 through 1999 and the acreage acquired. We did not independently verify the reliability of these data or trace the data to the systems from which they came, nor did we verify the completeness or accuracy of the data. Such an effort would have required a significant investment of time and resources and these data were not critical to our findings and conclusions.

To determine how the Department of the Interior maximized the lands acquired with \$200 million in Farm Bill funds, we interviewed officials from the Department of the Interior, the South Florida Water Management District, and the Florida Department of Environmental Protection who were responsible for submitting, approving, and administering the grants funded with these moneys. We reviewed applicable laws and regulations and criteria developed by the Department of the Interior for allocating the Farm Bill funds. We held extensive discussions with officials from the U. S. Fish and Wildlife Service's Division of Federal Aid in Atlanta about the policies and procedures developed to administer the Farm Bill grants and about Interior's cost-sharing policy and process for reviewing, approving, and monitoring individual grants and the funds expended. In addition, we discussed the review and approval of specific parcels acquired under these grants, including Federal Aid's examination of appraisals. We also reviewed the files maintained by Federal Aid officials on the individual grants. We analyzed related quarterly and annual progress reports to determine how the grant funds were expended and how many acres were acquired. In addition, we obtained and compared the four Farm Bill grant agreements with the Department's cost-sharing policy to determine whether the grants were consistent with the policy. We obtained and analyzed data on the hundreds of individual parcels acquired with these funds to determine how the costs were shared between the federal and state governments and when the parcels were acquired. While Land and Water Conservation funds have been authorized for grants to the state for land acquisition in fiscal years 1998 through 2000, only the funds for fiscal years 1999 and 2000 have a statutory matching requirement, which means that the state will match these funds with new state funds. One grant has been awarded from the funds for fiscal years 1999 and 2000, but the grant funds had not been expended as of September 1999. As a result, we could not determine if the

cost-sharing requirement for these funds had been applied and did not include them in our review.

We conducted our review from July 1999 through March 2000 in accordance with generally accepted government auditing standards.

We are providing copies of this report to the Honorable Bruce Babbitt, Secretary of the Interior; the Honorable Jeb Bush, Governor of Florida; and other interested parties. We will also make copies available to others upon request.

If you or your staff have any questions, please call me at (202) 512-3841. Key contributors to this report are listed in appendix V.

A handwritten signature in black ink that reads "Jim Wells". The signature is written in a cursive, flowing style.

Jim Wells
Director, Energy, Resources,
and Science Issues

List of Requesters

The Honorable Frank H. Murkowski
Chairman, Committee on Energy and
Natural Resources
United States Senate

The Honorable Craig Thomas
Chairman, Subcommittee on National Parks,
Historic Preservation, and Recreation
Committee on Energy and Natural Resources
United States Senate

The Honorable Slade Gorton
Chairman, Subcommittee on
Interior and Related Agencies
Committee on Appropriations
United States Senate

The Honorable Ralph Regula
Chairman, Subcommittee on
Interior and Related Agencies
Committee on Appropriations
House of Representatives

Members of the South Florida Ecosystem Restoration Task Force

The South Florida Ecosystem Restoration Task Force consists of representatives from 15 federal, state, and local agencies and tribal governments participating in the restoration initiative. The members of the Task Force as of February 2000 are listed below.

Representatives of Federal Departments and Agencies

Mary Doyle, Chair
Counselor to the Secretary
Department of the Interior

Michael L. Davis
Deputy Assistant Secretary of the Army (Civil Works)
Department of Defense

Jonathan Charles Fox
Assistant Administrator for Water
Environmental Protection Agency

Vacant
Department of Transportation

Glenda Humiston
Deputy Under Secretary for Natural Resources
Department of Agriculture

Lois Schiffer
Assistant Attorney General—Environment
and Natural Resources
Department of Justice

Sally J. Yozell
Deputy Assistant Secretary—Oceans and
Atmosphere
National Oceanographic and Atmospheric
Administration
Department of Commerce

Terrence “Rock” Salt
Executive Director
South Florida Ecosystem Restoration Task Force

Appendix I
Members of the South Florida Ecosystem
Restoration Task Force

Representatives of
State and Local
Governments

J. Allison DeFoor, II
Environmental Policy Coordinator
Office of the Governor
State of Florida

David B. Struhs
Secretary
Florida Department of
Environmental Protection

Michael Collins
Chairman
Governing Board
South Florida Water Management District

Clarence E. Anthony
Mayor
City of South Bay

Raoul Valdes-Fauli
Mayor
City of Coral Gables

Representatives of
Native American Tribes

Dexter Lehtinen
Special Assistant for Everglades Issues
to the Miccosukee Tribe

Jim Shore
General Counsel to the Seminole Tribe
of Florida

Federal and State Land Acquisition

A number of federal and state agencies are acquiring lands for the South Florida Ecosystem Restoration Initiative. The federal and state governments already own and manage many lands in South Florida, and these lands will be managed for restoration purposes. The federal government manages over 20 areas, totaling about 2.9 million acres, including 4 national parks and preserves and 16 federal wildlife refuges. The state manages a total of about 1.7 million acres in the region, including parks, refuges, forests, and water management areas. Both the federal and state governments intend to acquire more lands for the restoration initiative. Together with already existing parks, preserves, refuges, and other public lands, the lands acquired will form the core of the natural ecosystem and will be managed to achieve the three goals of the initiative—getting the water right, restoring and enhancing the natural system, and transforming the built environment.

Federal Land Acquisition

The federal agencies that are acquiring lands for the South Florida ecosystem are the National Park Service and the U.S. Fish and Wildlife Service. In addition, the U.S. Army Corps of Engineers is acquiring lands for water projects related to other lands being acquired by the Park Service. The Park Service and the Fish and Wildlife Service each manage significant portions of land in the ecosystem; in total, the agencies manage about 2.9 million acres of parks and refuges. The agencies generally acquire lands either to expand the boundaries of existing parks or refuges or to acquire inholdings—nonfederally owned lands within the boundaries of parks or refuges. The Land and Water Conservation Fund is the primary source of funding for lands acquired by the Park Service and one of the main sources of funding for lands acquired by the Fish and Wildlife Service. The money in this fund, which is largely raised through royalties on offshore oil and gas development rights on federal lands, is appropriated by the Congress.

National Park Service

The Park Service is acquiring lands for its South Florida parks and preserve—Everglades National Park, Biscayne National Park, and Big Cypress National Preserve. Lands for national parks are generally acquired through congressionally authorized and funded expansions or purchases of inholdings. Each year, the National Park Service proposes a number of land acquisition projects, identified by the individual parks and prioritized by Park Service headquarters. During the budget process, the Congress authorizes and appropriates Land and Water Conservation Funds for these projects. For fiscal year 2000, Everglades National Park received \$20 million, Big Cypress National Preserve received \$11.3 million, and Biscayne

National Park received \$600,000 from the Land and Water Conservation Fund for land acquisition.

The Congress authorized a 146,000-acre expansion of Big Cypress National Preserve in 1988 and a 107,600-acre expansion of Everglades National Park in 1989. During fiscal years 1996 through 1999, the Park Service acquired 14,618 acres for Everglades National Park and, in total, has acquired 75,250 acres in the expansion area, including some lands donated by the state. According to Park Service officials, the expansion lands will be mostly acquired by the end of fiscal year 2000. The Park Service acquired 93,393 acres for the preserve from 1996 through 1999 and, in total, has acquired 107,002 acres for the expansion, including lands donated by the state. The Park Service has been acquiring lands within the authorized boundaries of Biscayne National Park and, from 1996 through 1999, acquired about 1,065 acres for the park.

Fish and Wildlife Service

The Fish and Wildlife Service acquires lands to protect important wetlands, protect important habitats for threatened and endangered species, and provide wildlife-oriented public use. The Service identifies lands to create or expand refuges under several authorities, including the Migratory Bird Treaty Act of 1929, the Fish and Wildlife Coordination Act, and the Fish and Wildlife Act of 1956. Lands for acquisition are generally identified by the field offices, and then, depending on the source of the funds intended to be used to acquire the lands, some lands are placed on a nationally prioritized list and others are prioritized by the Service's regional offices. Funds for acquisition come primarily from the Land and Water Conservation Fund or the Migratory Bird Conservation Fund, some of whose funding is raised through the sale of duck stamps and taxes on hunting equipment. In addition to acquiring lands for habitat, the Fish and Wildlife Service develops protection plans for threatened and endangered species, some of which include land acquisition. For South Florida, the agency developed the *Multi-Species Recovery Plan*, which identifies habitats throughout the ecosystem that can be acquired by other federal and state agencies or protected through other means, such as purchases of conservation easements.

The Fish and Wildlife Service manages 16 refuges in South Florida, including the Ten Thousand Island refuge; the J.N. "Ding" Darling refuge, the Matlacha Pass refuge, the Hobe Sound refuge, and the National Key Deer refuge. The Fish and Wildlife Service also considers its activities in three other refuges—Archie Carr, Lake Wales Ridge, and Pelican Island—to

be part of the restoration effort; these refuges are outside the boundaries of the South Florida Water Management District, which is the official boundary of the ecosystem, but the Service includes these refuges because they provide habitat protection to threatened and endangered species. In South Florida, from fiscal year 1996 through fiscal year 1999, the agency acquired 40,194 acres of land for nine refuges. The agency spent \$12 million for these lands, mostly from the Land and Water Conservation Fund. In fiscal year 2000, the agency plans to spend \$8.8 million to acquire lands for four refuges.

State Land Acquisition

The state of Florida has several ongoing land acquisition programs. Two of the state's key programs for land acquisition are the Conservation and Recreation Lands (CARL) program and the Save Our Rivers (SOR) program. CARL, which was created in 1979, identifies, prioritizes, and acquires lands statewide for recreation and conservation purposes, and SOR, which was created in 1981, identifies and acquires lands significant for water management purposes. The state considers the recommendations of the Fish and Wildlife Service's *Multi-Species Recovery Plan* and the state Fish and Wildlife Conservation Commission's *Closing the Gaps in Florida's Wildlife Habitat Conservation System* in planning and prioritizing land acquisition projects. In addition, the state acquires lands through its Fish and Wildlife Conservation Commission, its Greenways program, and its Florida Community Trust program. These programs acquire lands for the conservation and protection of natural lands and open spaces, for the creation of greenways (natural areas along rivers and other corridors such as trails), or for wildlife management areas, parks, and forests.

The state's acquisition programs are funded from two primary sources—the Florida Preservation Trust Fund and documentary stamp taxes. The Preservation 2000 fund was established in 1990, when the state legislature passed the Preservation 2000 Act to establish a land acquisition fund to protect the integrity of ecological systems in the state, provide for the preservation of fish and wildlife habitats, provide lands for recreation, and protect water sources. The fund generated about \$300 million per year from the sale of bonds, which will continue through the end of 2000. In 1999, the program was reauthorized for another 10 years as the Florida Forever program.¹ Money from the Preservation 2000 fund is distributed to each of the land acquisition programs in the state in varying shares—CARL and SOR receive a total of 80 percent of the funds. The state's documentary stamp tax, which raised about \$1 billion in fiscal year 1999, repays the Preservation 2000 bonds and provides additional funding for the CARL and SOR programs. These two sources provide an annual payment to the CARL and SOR programs. In fiscal year 1999, the programs received about \$213 million and about \$153 million, respectively, to acquire lands throughout the state.

Conservation and Recreation Lands

This program, the state's largest, acquires environmentally endangered lands, lands to protect species and habitats, lands to protect or restore important ecosystems, and lands to provide recreational opportunities. In fiscal year 2000, CARL had 1.4 million acres remaining to be acquired in its state plan. From 1996 through 1999, CARL acquired 179,130 acres in South Florida, worth \$326 million.² According to state officials, about 630,000 acres in South Florida remain to be acquired for habitat and conservation purposes.

Lands to be acquired by the CARL program are first proposed by any party, including the public, state or federal employees or agencies, or others. These proposals are evaluated by biologists, land managers, and other specialists to determine the boundaries needed to preserve important natural communities and within which lands will be acquired. The lands are also evaluated for public access and recreational opportunities. On the

¹The legislation includes some changes in the administration and allocation of the Preservation 2000 fund. According to state officials, under the new program, the local agencies will receive a larger share of the funding and the fund will be managed by a new governing board.

²These figures do not include the acres that the state acquired with Farm Bill grant funds.

basis of these evaluations, the Land Acquisition and Management Advisory Council—which includes the Secretary and Deputy Secretary of the Florida Department of Environmental Protection, the Director of the Florida Division of Forestry, the Executive Director of the Fish and Wildlife Conservation Commission, the Director of the Division of Historical Resources, and the Secretary of the Department of Community Affairs—votes initially whether to conduct a further evaluation and public hearing process.

After a project has been proposed and initially approved, it receives a public hearing, during which landowners can request that their lands not be considered for acquisition. If a proposal makes it through this public hearing, the Advisory Council then holds another vote on whether to design a project for the land, which includes an analysis of the land's ownership, ease of acquisition, and regulatory controls in place. A team of land managers, real estate appraisers, and land acquisition agents develops a plan to acquire the land, which includes the proposed cost, the possible coordination among different agencies for land management, and proposed phases for acquisition. Further public hearings are held, and then the Advisory Council ranks the projects that have made it through this process. New projects are added to the state priority list, which is organized into six groups—projects that are a priority, projects that can be acquired at a bargain or cost-shared price, projects that are substantially complete, multiparcel projects, less-than-fee-simple purchase projects, and projects involved in negotiations that have reached an impasse. These are then approved by the Board of Trustees—the Governor and the Cabinet—of the Internal Improvement Trust Fund.

Save Our Rivers Program

The state acquires land through SOR, which enables each of the state's five water management districts to acquire lands that are important for water management, including river floodplains, wetlands, aquifer recharge areas, springs, and lakes. The water districts are responsible for managing the state's water resources for the benefit of the public and for providing environmental protection, water supply, flood control, and water-quality protection. The South Florida Water Management District is responsible for these activities within its boundary, which surrounds the Chain of Lakes, Lake Okeechobee, and the Everglades area and is considered the official boundary of the South Florida ecosystem for restoration purposes. The District is also the local agency, with the Army Corps of Engineers, responsible for acquiring land and constructing water projects proposed in the review of the Central and Southern Florida Project (Restudy). From fiscal year 1996 through fiscal year 1999, the District acquired about 135,328 acres worth about \$217 million.³ According to the District, about 110,000 acres remain to be acquired in South Florida for water projects.

The lands that the District proposes to acquire are nominated by private and public groups and by the District's staff, in accordance with the District's strategic planning needs. A team of technical staff evaluates the water and natural resource values of a proposed acquisition. This evaluation analyzes the land's usefulness for water management purposes, water supply, conservation and protection purposes, habitat diversity, species diversity, vulnerability (to development), public use, and other purposes. In addition to this analysis, the team evaluates the benefits of lands that will be used primarily for off-site benefits. For example, the evaluation considers the ability of wetlands to serve as water quality systems, to serve as recharge areas for underground aquifers, or to serve as buffers to protect habitats or to provide public enjoyment. After this evaluation, the projects are reviewed by the District's management and are discussed in public meetings. Projects that are approved at these levels are discussed and selected by the District's governing board. At any point in the process, private landowners can request that their lands be removed from consideration, and the District honors these requests.

³These figures do not include the acres acquired by the state with Farm Bill grant funds or the funds contributed by the state to match the grant funds.

Other State Acquisition
Programs

The state, using its Preservation 2000 funds, also acquires greenways, wildlife lands, and other community lands. The state programs, which have received about \$40 million per year from Preservation 2000 in addition to other funding, include the following:

- The Florida Communities Trust helps local governments acquire conservation lands and open spaces.
- The Florida Greenways and Trails Acquisition Program acquires lands to conserve greenways and trails to link natural areas and open spaces, conserve natural landscapes and ecosystems, and offer recreational opportunities.
- The Florida Fish and Wildlife Conservation Commission, Florida State Parks, and Florida Division of Forestry each acquire inholdings and additions to wildlife management areas, state parks, and forests.

These programs identify and acquire lands. In addition, the Florida Fish and Wildlife Conservation Commission conducted a statewide review of habitat lands that can be acquired by other agencies or protected by such means as conservation easements, cooperative agreements with private owners, or tax breaks. This study, *Closing the Gaps in Florida's Wildlife Habitat Conservation System*, identifies strategic habitat areas that should be protected to save rare plants, animals, and natural communities.

Comments From the Department of the Interior

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAR 10 2000

Mr. Jim Wells
Director, Energy, Resources and Science Issues
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Wells:

Thank you for the opportunity to review and comment on the General Accounting Office (GAO) draft report entitled *South Florida Ecosystem Restoration: A Land Acquisition Plan Would Help Identify Lands That Need to Be Acquired* (GAO/RCED-00-84).

Land Acquisition Plan

The GAO report contains the single recommendation that the Department of the Interior, in conjunction with other members of the South Florida Ecosystem Task Force (Task Force), develop an overall plan of the land acquisitions needed to accomplish the initiative's goals. GAO recommends that this plan include: (i) an assessment of the lands needed to accomplish restoration goals; (ii) a description of the purpose for which the lands will be acquired and how they will be managed; (iii) the estimated acquisition costs; (iv) an estimated time frame for when the lands will be needed; and (v) the agencies responsible for acquiring the lands. The GAO recommends that the plan be updated to reflect changes and additions to the restoration initiative's land acquisition needs.

The Department concurs with the GAO recommendation that the Task Force develop an overall land acquisition plan. This recommendation builds upon certain existing Task Force member agency land acquisition plans and programs. The State of Florida's Department of Environmental Protection and the South Florida Water Management District acquire and manage lands under the State Conservation and Recreation Lands and the Save Our Rivers programs, respectively. Additionally, the Army Corps of Engineers (Army Corps), working with the South Florida Water Management District as local sponsor, has assessed the amount of lands needed to implement structural and operational modifications for the Central and Southern Florida Project to restore, preserve and protect the South Florida ecosystem. The Army Corps included this assessment in the Comprehensive Everglades Restoration Plan submitted to the Congress last July. Additionally, in response to language contained in the Fiscal Year 2000 Department of the Interior and Related Agencies Appropriations Act, Public Law 106-113, the Department will soon submit a report to the House and Senate Appropriations Subcommittees on Interior and Related

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Agencies listing all of the non-Federal lands needed to restore the South Florida ecosystem. As Chair of the Task Force, the Department will recommend that those Task Force member agencies with primary responsibility for land acquisition undertake an effort to integrate existing land acquisition programs into a single overall land acquisition plan to acquire the lands needed to accomplish the initiative's goals. The Department believes that the Task Force, pursuant to its statutory duties under the Water Resources Development Act of 1996 to coordinate consistent plans and programs for the restoration of the South Florida ecosystem, is an appropriate entity to coordinate the development of an overall land acquisition plan.

Expenditures of 1996 Farm Bill Funds for Everglades Ecosystem Land Acquisition

In addition to the single recommendation contained in the draft report, the GAO finds that the Department did not consistently apply its own discretionary cost share policy in the expenditure of \$200 million in 1996 Farm Bill funds. The October 3, 1996, Framework Agreement among the Department of the Interior, the Department of the Army, the State of Florida Department of Environmental Protection and South Florida Water Management District for the expenditure of 1996 Farm Bill funds established a policy for a 50 percent match for any non-federal land acquisitions; however, the Department retained the discretion to reduce or waive the match if the circumstances warranted such action. The GAO draft report asserts that had the Department consistently applied its cost share policy, either by not reducing the 50 percent match, or not accepting lands as a match, another \$77 million would have been available for land acquisition. Information presented in Table 2 of the GAO draft report states that an additional \$11 million would be required to achieve a 50 percent match for land acquisition within the East Coast Buffer project and \$66.1 million would be required to achieve a 50 percent match for the Talisman acquisition.

The Department believes that the GAO's findings concerning the application of the discretionary cost share policy does not fully reflect the goals for the expenditure of the 1996 Farm Bill funds for land acquisition and does not accurately represent the expected ultimate cost share for lands acquired with Farm Bill funds. The GAO draft report fails to note that the same October 3, 1996, Framework Agreement that establishes the discretionary cost share policy for land acquisition also requires that the Federal costs for such acquisitions ultimately incorporated into an Army Corps project shall count toward the overall Federal share of the project cost. Because it is likely that all of the East Coast Buffer and Talisman project lands acquired with Farm Bill funds will be incorporated into an Army Corps Comprehensive Everglades Restoration Plan project and it is proposed that the overall cost share for the Comprehensive Everglades Restoration Plan be equally cost shared with the State of Florida, the State will ultimately be required to match any Federal land acquisition costs as part of the overall project cost that it did not match up front in the acquisition stage of project implementation.

Additionally, in the 1996 Farm Bill, Congress did not require a non-federal match for the \$200 million appropriation. The legislative history specifically noted the importance of acquiring the approximately 50,000 acres held by the Talisman Sugar Corporation in the Everglades Agricultural Area (EAA) because of the suitability of those lands to provide significant water

See comment 1.

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storage capacity. Further, the legislative history indicated the importance of land acquisition in furthering water quality improvements. The 1996 Farm Bill required the Department to use all of the \$200 million by December 31, 1999.

Prior to using any 1996 Farm Bill funds, the Department sought recommendations from the Task Force, the Governor's Commission for a Sustainable South Florida, and the public. Those recommendations indicated the overwhelming importance to the restoration effort of acquiring the Talisman and other EAA lands. In fact, both the Governor's Commission and the Task Force ranked the acquisitions of Talisman and East Coast Buffer as the number one priority for Farm Bill expenditures. Discussions within the Department, with the State of Florida, and with other stakeholders, including various EAA sugar producers, all indicated that a simultaneous acquisition of the Talisman lands and trade of certain portions of such lands with other EAA property owners would result in the most beneficial acquisition for Everglades restoration purposes and would allow the Army Corps to proceed with site specific studies to plan and construct a 360,000 acre feet water storage reservoir in the EAA.

As proposed under the recently completed Army Corps' Comprehensive Everglades Restoration Plan, the EAA water storage component, which includes portions of the Talisman lands that were acquired, is expected to improve the timing of environmental water deliveries to the Water Conservation Areas, reduce damaging flood releases from the EAA, reduce damaging Lake Okeechobee releases to the estuaries and provide for EAA water and flood protection requirements. Talisman was particularly desirable as a site for such a water storage reservoir because it was a willing seller acquisition. Further, because numerous other sugar producers were interested in exchanging some of their lands for Talisman lands, it allowed the Federal and State governments to negotiate an acquisition that resulted in numerous public benefits. These include those described above, as well as facilitating the South Florida Water Management District's implementation of the Everglades Construction Project, a series of six stormwater treatment areas presently under construction at the bottom of the EAA that are expected to significantly improve overall water quality.

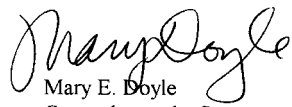
Overall, the Department believed that the acquisition of the Talisman Sugar Corporation lands, as well as other EAA lands, for future water storage and water quality improvement was of paramount importance and because the State of Florida was not able to provide 50 percent of the funds for this acquisition, the Department faced the choice of either providing more than 50 percent of the funding for the acquisition or not acquiring Talisman. Because the Talisman acquisition and exchange provided significant public benefits, the acquisition was from a willing seller, and the legislative history indicated Congressional intent to acquire Talisman, the Department funded 66 percent of the Talisman acquisition and exchange, with the remaining 34 percent of the funding provided by the South Florida Water Management District and other sugar producers.

See comment 2.

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The Department appreciates the opportunity to provide comments on the GAO draft report. More specific comments are contained in an enclosure to this letter and certain technical comments have been provided directly to GAO staff. If you have any additional questions or need additional information, please call me at (202) 208-6447.

Sincerely,


Mary E. Doyle
Counselor to the Secretary

Enclosure

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**Department of the Interior
Additional Comments and Suggested Corrections or Additions to GAO Draft Report
South Florida Ecosystem Restoration: A Land Acquisition Plan Would Help Identify
Lands That Need to be Acquired
(GAO/RCED-00-84)**

Page 2:

The GAO draft report states: "While monies from another federal source, the Land and Water Conservation Fund, have also been authorized for land acquisition grants to the state, part of this funding - \$46 million provided in 1998 - was granted to the state without a matching requirement, and the remainder - \$105 million provided in 1999 and 2000 - though subject to a state matching requirement, has not been expended."

The Department believes that this sentence infers that a matching requirement could have been imposed by the Department for land acquisition in STA1-E. In fiscal year 1998, Congress appropriated \$46 million from the Land and Water Conservation Fund for a grant to the State of Florida for the purchase of lands in Stormwater Treatment Area 1-East ("STA1-E"). The STA1-E land acquisition funds were requested to fund the federal commitment, reflecting the position of the United States under a judicially approved consent decree settling long standing water quality litigation between the United States and the State of Florida, for land acquisition within STA1-E. As a result, no statutory matching requirement was imposed. As part of the consent decree, the South Florida Water Management District is expending \$505 million to construct a series of six stormwater treatment areas in the southern portion of the Everglades Agricultural Area to improve the water quality of agricultural runoff into the water conservation areas. The construction of STA1-E is specifically designed to improve water quality entering Loxahatchee National Wildlife Refuge and it is for that reason that the United States agreed to pay for its construction.

Of the \$105 million appropriated by Congress in fiscal years 1999 and 2000 (comprised of \$60 million in fiscal year 1999 and \$45 million in fiscal year 2000), \$38.9 million of the fiscal year 1999 appropriation has been obligated by the Department for acquisitions within the Corkscrew Regional Ecosystem Watershed and East Coast Buffer projects and, as of March 1, 2000, \$3.8 million of that amount has been expended by the South Florida Water Management District. Of the remaining fiscal year 1999 appropriation, the Department has proposed the obligation of \$18.9 million towards the purchase of the approximately 9,000 acre Berry Groves in the Caloosahatchee River Basin and the closing for that acquisition is scheduled for June, 2000.

The Department expects to obligate the \$2.2 million remainder of the fiscal year 1999 appropriation during fiscal year 2000. The \$45 million fiscal year 2000 appropriation is not yet available to the Department for obligation, as the two conditions precedent for the obligation of those funds have not been met. However, the Department expects that one of these conditions precedent will soon be satisfied with the Department's submission of a complete non-federal land

See comment 3.
Now on p. 4

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acquisition list and the Department anticipates that the other will be satisfied with the submission of the Administration's authorization proposal for the Army Corps' Comprehensive Everglades Restoration Plan.

The Department recommends that the GAO modify the sentence on page 2 to more accurately the STA1-E land acquisition and the status of the fiscal year 1999 and 2000 appropriations.

Page 3:

The GAO draft report states: "For the other three grants, the Secretary waived the matching requirement or accepted lands in place of funds."

Consistent with federal regulations found at 43 C.F.R. § 12.64, which govern grants and cooperative agreements to state and local governments, and which allow for matching and cost share requirements to be satisfied with the value of in-kind contributions, the Department determined that accepting lands in place of funds satisfied the discretionary cost share requirement that the Department established for the expenditure of Farm Bill funds. The Department believes that the discretionary matching requirement was satisfied for the East Coast Buffer, Carroll Property and Southern Golden Gate Estates grants. For the Talisman cooperative agreement, the South Florida Water Management District and other sugar producers provided 34 percent of the funding.

Page 6:

The Department recommends that the phrase "recent legislation" be changed to "the Conference Report accompanying the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2000."

Page 7:

The Department's report containing recommendations for the resolution of disputes was submitted to the House and Senate Appropriations Subcommittees on February 28, 2000. The Department recommends that the report be revised to reflect this action.

Page 20:

The GAO draft report discussion of the Talisman purchase and exchange (and the numbers used throughout the report) does not accurately reflect the Department's financial contribution towards the acquisition. The Department provided 66 percent of the funds for the acquisition, not the 75 percent cited in the draft report. The final purchase amount was \$152.5 million, of which the Department provided \$99.9 million, the South Florida Water Management District provided \$34.4 million, and the other parties to the transaction provided the remainder, for an overall cost share of 66 percent Federal funding, and 34 percent non-federal funding (the South Florida Water

See comment 4.
Now on p. 5.

See comment 7.

See comment 5.
Now on p. 10.

See comment 6.
Now on p. 10.

See comment 7.
Now on p. 23.

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Management District provided \$34.4 million and other parties to the land exchange provided the remaining \$18.1 million). Under the Cooperative Agreement, the Department obligated an additional \$0.7 million on top of its share of the purchase price (for a total Federal obligation of \$100.6 million) for The Nature Conservancy's administrative costs in assisting with this simultaneous acquisition and exchange. The Department requests that the GAO incorporate the accurate cost share figures in its description of this acquisition.

Page 20:

In the portion of draft report dealing with the Southern Golden Gate Estates (SGGE) grant, GAO states that Interior, by allowing Florida DEP to use already-purchased lands in Collier County (including within SGGE) to satisfy the matching requirement, failed to maximize the amount of land that could be acquired with grant funds. GAO states that because these lands were purchased independently, Interior will not be able to regulate their management as it could regulate lands purchased with grant funds, and therefore the lands are not a true match.

The Department does not agree with GAO's conclusion. In approving the grant for acquisitions within SGGE, the Department determined that DEP's prior acquisitions satisfied the discretionary matching requirement. As a result, all lands located within SGGE boundaries, not just those purchased with grant funds, are to be included in the same critical Everglades restoration project and must be regulated accordingly to ensure that they remain suitable for such use. In other words, the state-purchased lands located within SGGE are subject to the same management and use provisions of the grant as those purchased with federal funds.

The Department's total commitment of Farm Bill funds for SGGE acquisitions is about \$38.1 million, while Florida DEP's contribution has already exceeded \$27 million and is expected to reach \$60 million.

Page 22:

The GAO draft report discusses 33 parcels, valued at \$21.0 million, that Interior agreed to accept to match the federal funds awarded under the first East Coast Buffer Farm Bill grant. These parcels were acquired by the South Florida Water Management District after the Farm Bill was enacted into law (April 4, 1996), although appraisals and negotiations had commenced before that date. It must be stated that a significant federal benefit was created by matching the value of the federal funds with the 33 parcels, in that those parcels became "federalized" by their being used to satisfy the matching funds requirement and by being part of the lands acquired for the East Coast Buffer/Water Preserve Area project. Additionally, as noted above, accepting these purchases as a match is consistent with federal regulations found at 43 C.F.R. § 12.64 allowing for in-kind contributions. Since their acquisition, the 33 parcels have been subject to federal regulations and restrictions, including federal control over both their interim and ultimate use.

Additionally, the GAO draft report discusses 12 parcels in the East Coast Buffer that were

See comment 8.
Now on p. 24.

See comment 9.
Now on pp. 24 and 25.

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acquired by the South Florida Water Management District as part of an acquisition that originated as an inverse condemnation action, but was converted to a condemnation action by the South Florida Water Management District. Prior to reimbursing the South Florida Water Management District for 50 percent of the acquisition cost, the Fish and Wildlife Service requested advice from the Department's Office of the Solicitor. The Office of the Solicitor determined that the acquisition was an allowable cost under OMB Circular 87 governing allowable costs for grants to state, local, and Indian tribal governments.

Page 23:

The GAO draft report states: "To the extent that Interior did not choose to follow its own cost-sharing guidance, it did not achieve its goal of purchasing as much land as possible with the Farm Bill funds." The Department's official comments on the GAO draft report indicate that there were several important policy goals to be achieved with the expenditure of Farm Bill funds, including the acquisition of the Talisman properties to acquire lands to increase water storage and improve water quality. This sentence implies that maximizing funds was the only Departmental goal for the expenditure of Farm Bill funds and the Department requests that the GAO report more accurately describe the Department's goals as reflected in the comment letter.

Pages 25-26:

In describing its methodology to review the Department's implementation of the Farm Bill and Land and Water Conservation Fund grants to the State of Florida, the GAO draft report states that it "obtained and analyzed data on the hundreds of individual parcels acquired with these funds to determine how the costs were shared between the federal and state governments and when the parcels were acquired. While Land and Water Conservation funds have been authorized for grants to the state for land acquisition in fiscal years 1998 through 2000, the majority of these funds have not been expended. As a result, we could not determine if the cost sharing requirement had been applied and did not include them in our review."

The Department notes that the cost sharing requirement for the fiscal year 1999 and 2000 Land and Water Conservation Fund grants is a mandatory statutory condition of providing the Federal funds to the grant recipient and the Department may not provide such funds unless the recipient agrees to a 50 percent match. To date, the only Land and Water Conservation Fund grant that has been approved by the Department is a \$38.9 million grant to the South Florida Water Management District for the purchase of lands in the East Coast Buffer and the Corkscrew Regional Ecosystem Watershed. As described in the grant documents, the South Florida Water Management District will equally match these funds with new state funds. As a result of the grant being a legally binding contract, subject to enforcement mechanisms, the Department expects that the South Florida Water Management District will provide a 50 percent match for purchases within the area covered by the grant. The South Florida Water Management District is obligated to report periodically to the Department on the expenditures under the grant so that the Department can monitor the overall cost share to ensure that the match is achieved. The

See comment 1.
Now on p. 26.

See comment 10.
Now on pp. 31 and 32.

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Department recommends that the GAO draft report be modified to more accurately reflect the fact that the cost share is determined up-front in the grant documents and that the Department monitors the implementation of the grant to achieve the overall cost share.

Page 31:

The Department recommends deleting "Dry Tortugas National Park" from the sentence describing National Park Service land acquisition efforts as no acquisitions are required for this park. Further, the Department notes that the National Park Service expects to complete all remaining acquisitions within the East Everglades Addition to Everglades National Park later this calendar year. All funding to complete acquisitions at Everglades National Park has been appropriated by Congress.

See comment 11.
Now on p. 36.

The following are GAO's comments on the Department of the Interior's letter, dated March 10, 2000.

GAO's Comments

1. Our review focused on the Department's establishment and implementation of the cost-sharing policy. While one of the Department's goals was to acquire the Talisman lands with Farm Bill funds, we believe it is evident that the purpose of requiring a dollar-for-dollar match is to increase the funds available and thus acquire more lands than otherwise would be possible. Furthermore, our report noted that the lands acquired with Farm Bill funds—particularly the East Coast Buffer and Talisman lands—will likely be used for the Corps' Comprehensive Everglades Restoration Plan (formerly the Restudy). While it is expected that the cost of the Corps' restoration plan will be shared equally by the federal and state governments, the Department's assertions about the future use of the land and about sharing the cost of the plan's projects—which may or may not come to pass because the plan has not yet been authorized—are not a substitute for the finite match required under its own policy. By not consistently requiring that this cost-share be met, the Department did not achieve its goal of acquiring as much land as possible with these funds, which had to be obligated by December 1999, and missed opportunities to acquire more land.

Our report recognizes that the Congress did not require a cost-share for the Farm Bill funds, and the report commends the Department for demonstrating the financial acuity to establish one. We do not take issue with the acquisition of the Talisman lands, nor do we disagree that one of the purposes of the Congress in providing Farm Bill funds was to acquire the property. However, because we believe that the establishment of the cost-sharing requirement reflects the Department's intent to acquire as much land as possible with the Farm Bill funds, we continue to believe that the Department should have required a 50/50 match from the state. We therefore did not revise the report.

2. The Department also notes that its concern that the state of Florida would not be able to provide 50 percent of the funds for the acquisition. As noted in our report and in the comments provided by the state, Florida has \$300 million per year for land acquisition programs and is working closely with the Task Force and federal agencies on the acquisition of lands that will be used for the restoration. We believe that the Department and the state could have worked out an arrangement—as they did for the Carroll property when the state could not provide its share for that parcel—under

which the state would have acquired lands in other areas over time to provide its match. The Department indicated in an internal memo that it was going to seek a commitment from the state to fund land acquisition at least equal to the state's matching requirement; however, the Department never sought such an agreement.

3. We revised our report accordingly.

4. Our report acknowledges that the 1996 Farm Bill did not include a cost-sharing requirement and that the Secretary of the Interior retained the right to waive the matching requirement established by the Department. However, our purpose is to point out that the Department, after taking the commendable step of establishing a policy to increase the funds available for land acquisition, did not consistently apply this policy. While the Department correctly states that in-kind contributions are allowed under the federal grant regulations, its acceptance of lands that had already been purchased or were in the process of being purchased in place of cash did not increase the funds available for land acquisition and thus did not maximize the lands purchased with Farm Bill funds.

5. We revised our report accordingly.

6. We revised our report accordingly.

7. Our review focused on the cost-sharing agreement between the federal and state governments. The Department is correct that the total cost of the parcel was \$152.5 million, plus \$0.7 million for The Nature Conservancy's administrative costs, and that the federal government's share of the total cost was 66 percent. The remaining share (34 percent) was paid not only by the state but was also by third-party purchasers. Therefore, we did not change our discussion of the federal and state costs for this reason, but we revised our report to reflect the full cost of the parcel and the contribution of outside parties in the transaction.

8. As noted in our report, state-purchased lands located within the Southern Golden Gate Estates are not subject to the same management and use provisions as those included in the grant. However, we did revise our report to indicate that the Department of the Interior and the state are currently developing protocols that will govern the use and management of lands acquired in the Southern Golden Gate Estates, whether these lands are acquired with Farm Bill funds or independently by the state. Once the protocols are finalized, the lands acquired independently by the state will

be subject to the same grant provisions as those acquired directly with federal funding. In addition, in discussing the state's cost-share for the Southern Golden Gate Estates, we gave the state credit for effectively matching the \$38.1 million in federal funds provided in the grant, even though the Department did not require the state to match the funds. We did not change the figure to \$60 million as the Department suggested because the figure cited by the Department is an anticipated amount, not a final amount, and because we already acknowledged in our report that the state had independently purchased lands in the area worth \$52 million.

9. We recognize that in-kind contributions are allowed under the federal grant regulations. However, as we noted earlier, the Department, by accepting lands that had already been purchased or were in the process of being purchased instead of cash, did not increase the funds available for land acquisition and thus did not maximize the lands purchased with Farm Bill funds. We also believe that the state was responsible for acquiring the 12 parcels in the East Coast Buffer that were part of a legal settlement against the South Florida Water Management District because the state took the actions that resulted in the settlement and the subsequent acquisition.

10. We revised our report accordingly.

11. We revised our report accordingly.

Comments From the State of Florida

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



JEB BUSH
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

March 10, 2000

Mr. Jim Wells, Director
Energy, Resources and Science Issues
United States General Accounting Office
Washington, DC 20548

Dear Mr. Wells:

This is in response to your letter of February 28, forwarding copies of the draft report on South Florida Ecosystem Restoration land acquisition. It includes our comments and encloses those of the Department of Environmental Protection (DEP) and the South Florida Water Management District (SFWMD).

We appreciate the opportunity to comment on the draft report and request that this letter and the attached comments be incorporated into the official record regarding this matter, and, if possible, printed as an appendix to the Final Report. We anticipate your favorable consideration of our comments and incorporation of the recommended changes into the report.

As a general comment on the draft report, we urge you to consider this central fact: Florida's top environmental priority is the protection and restoration of the Everglades ecosystem, from the Kissimmee River and Chain of Lakes to the Big Cypress Swamp/Ten Thousand Islands, Lake Okeechobee, the Water Conservation Areas, the St. Lucie Estuary, the Everglades, Florida Bay and the Florida Keys. The first critical priority in accomplishing this is the acquisition of lands deemed essential to Everglades ecosystem protection and restoration. We cannot agree with the conclusions and implications in this report that the South Florida Ecosystem Restoration Task Force should, through federal legislation and federally driven processes, plan to acquire and manage all of the land needed for these purposes. The primary reason we do not agree is because Florida has the best funded and most comprehensive conservation land acquisition programs in the Nation, perhaps exceeding that of any sovereign nation; however they respect and preserves private property rights because they are willing seller programs. Any other approach could easily be self-defeating, raising so much objection that achieving our mutually agreeable goals of Everglades protection and restoration could become but a partially fulfilled dream.

We agree with the DEP and SFWMD comments in the attached Memo of March 7, 2000. The following additional comments are provided and are referenced to the appropriate page and paragraph in the draft report:

See comment 1.

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Page 2

See comment 2.
Now on p. 3.

1. Page 1, paragraph 2: If the numbered items are intended to represent the approved goals of the South Florida Ecosystem Restoration Plan, (4) appears to be inaccurate. Goal 3 of the plan, as currently written is "Transform the built environment." Florida is working with the Task Force staff to re-write this goal to acknowledge that State, regional and local governments are responsible for land use planning, not the federal government, and to make the goal practical and achievable, with benchmarks and measurable objectives.

See comment 3.
Now on p. 3.

2. Page 1, paragraph 2: In the sentence beginning "To date, federal and state . . ." please add after "state". "regional and local agencies". The priority lists and land acquisition projects of the state, regional and local agencies in South Florida, particularly the State's Conservation and Recreation Lands (CARL) and "Save Our Rivers" (SOR) programs, are primarily based upon Everglades ecosystem restoration goals and priorities;

See comment 4.
Now on p. 4.

3. Page 2, end of paragraph 1: In reference to your statements about matching requirements, the federal Farm Bill legislation did not require state matching dollars. The U.S. Department of the Interior, with State agreement, adopted a policy of 50% matching funding from the State and SFWMD. Florida has spent more than the 50% matching requirement. The draft report's characterization of what has actually happened in the land acquisition programs here is misleading. We urge you to correct the misleading statements, which are throughout the report. The U.S. Fish and Wildlife Service took nearly two years to approve our grant application for the federal portion of the Southern Golden Gate Estates acquisitions. While we were working to resolve those issues, we continued to acquire land in Southern Golden Gate Estates with State dollars. These expenditures resulted in our exceeding the matching requirements of the initial Farm Bill grant for this project. The first East Coast Buffers grant with the SFWMD required nearly 7 months to complete.

See comment 5.
Now on p. 4.

4. Page 2, Paragraph 3: We completely agree that the South Florida Ecosystem Restoration Task Force cannot acquire land on its own – it's individual members can. Please cite the appropriate provisions of Section 528, WRDA 1996 as to the duties, responsibilities and powers of the South Florida Ecosystem Restoration Task Force. Nothing in Section 528, WRDA 1996, is intended to controvert the powers, duties and responsibilities of individual Task Force member agencies as provided in law. As mentioned in the DEP comments, we do not agree that a Task Force "Strategic Land Acquisition Plan" would do anything different than what is already being done to acquire the lands needed for Everglades ecosystem restoration.

The map and table (drawn from a comprehensive data base maintained by the DEP in partnership with regional, local and federal agencies) is producing information that enables the identification of lands remaining to be acquired and the tracking of progress in acquiring the lands. This team is working to incorporate other State, regional and local government acquisitions of conservation, park, open space, recreation, mitigation and restoration lands. This information will be incorporated into the database and will be useful to better track accomplishment of Goal Three of the South Florida Ecosystem Restoration Plan.

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See comment 6.
Now on p. 5.

5. Page 3, Paragraph 1: The emphasis on "dollar-for-dollar" matching is and has always been difficult to understand given the fact that since 1983 Florida has spent more than \$2 billion and the federal government \$1 billion on Everglades ecosystem protection and restoration activities. We agree with the DEP comment that this draft report is too narrowly focused and fails to fairly represent Florida's continued commitment to Everglades ecosystem protection and restoration.

See comment 7.
Now on pp. 1 and 8.

6. Page 4, before "Since 1947..." request you add: "In 1983 Florida initiated a comprehensive strategic program to protect and restore the Florida Everglades ecosystem from the Kissimmee River and Chain of Lakes and Lake Okeechobee to the Big Cypress Swamp/Ten Thousand Islands, to the Water Conservation Areas, the Everglades and Florida Bay. This program was one of nine environmental programs awarded a Presidential Medal for Achievement in 1992. The Governor's "Save Our Everglades" program's first and foremost task was to acquire land needed for protection and restoration of the Everglades ecosystem. The program has been continued by each Governor since 1983.

See comment 8.
Now on p. 10

7. Page 7, Paragraph 1 "Task Force cannot identify . . .". While the Task Force may not have developed a comprehensive strategic land acquisition plan needed to accomplish the goals of the restoration initiative, as mentioned above, the State of Florida and the SFWMD have been working to implement the six strategic objectives of the Governor's "Save Our Everglades" Program (now called the Governor's Everglades Program) which has, as a first priority, the identification and acquisition of lands needed for total Everglades ecosystem protection and restoration. We cannot understand why this report continually implies that the right lands for protection and restoration have not been identified. They have been, and the State, the SFWMD, the U.S. Department of the Interior and the U.S. Army Corps of Engineers have worked steadily to accomplish the protection of the Everglades ecosystem, particularly since 1983.

We agree that information on land acquisition programs of local governments, mitigation lands, privately owned lands under conservation easements and other state programs, such as the Florida Communities Trust and Florida Recreational Development and Assistance Programs, has not been incorporated into the data base, primarily because the focus of the past seventeen years has been on acquiring privately owned lands within the natural system boundaries, not necessarily the urban and suburban areas (see comment 4, above).

See comment 9.
Now on p. 11.

8. Page 8, paragraph 2: Please note that Chapter 373.59, Florida Statutes, the "Save Our Rivers" program, authorizes the state's water management districts (WMDs) to acquire land to protect water resources. The WMDs do not directly provide water to residents. Water resource lands include surface water resources, wetlands, aquifer recharge areas, seeps, springs and other lands or waters deemed essential to the protection of fresh water resources.

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See comment 10.
Now on p 13.

See comment 11.
Now on pp. 14 and 15.

See comment 12.
Now on p 16.

See comment 13.
Now on pp. 17 and 38.

See comment 14.
Now on pp. 18 and 19.

See comment 15.
Now on p. 21.

9. Page 9, Table 1: For the record, please note that you requested data from the State and SFWMD on land purchases from 1993-2000 and have decided to use only data from 1996 to 2000. Again, Florida believes this only tells part of the story.

10. Pages 10-11 - General Comment: The decision as to whether a Strategic Land Acquisition Plan is needed to accomplish "South Florida (or Everglades) Ecosystem Restoration" should not be solely a decision of the Congress. The Florida executive and legislative branches would also need to approve such a decision because of requirements of Florida law. The ten-year, \$3 billion Florida Preservation 2000 program, initiated in 1990, has been reconstituted as the "Florida Forever Program" enacted by the 1999 Legislature. The Florida Forever Act takes effect July 1, 2001, and will provide \$300 million/year for ten years.

One important new provision of the act is that where possible, less-than fee interests in lands should be acquired, in order to provide more complete patterns of protection and to stretch limited acquisition dollars. The management of lands acquired both under the Preservation 2000 program and the Florida Forever program, is an important focus in the new legislation. The State of Florida must implement the Florida Forever Act pursuant to its provisions, thus the State must carefully consider which parcels should be jointly acquired with the federal government. This does not mean, however, that lands acquired by the State, regional and local governments for Everglades protection and restoration would be managed for any other purposes. As mentioned above, Florida has participated as a full partner with federal agencies in acquiring lands needed for Everglades ecosystem protection and restoration (see Map and Table produced for Senator Bob Graham, copies of which were provided to the GAO team).

11. Page 12, Paragraph 3 – "Goal 1 . . ." after "220,000 acres", please add: "... (70,000 acres of which are on the active CARL and Save Our Rivers acquisition priority lists). . ."

12. Page 13 – General: The land acquisition recommendations of the Multi Species Recovery Plan and Closing the Gaps in Florida's Wildlife Habitat Conservation System are considered in the planning of land acquisition projects under the CARL and "Save Our Rivers" programs.

13. Page 15 – General: See earlier comment about the 50/50 cost sharing policy and the State/SFWMD ongoing acquisition of land. Rather than stress a "dollar-for-dollar" matching requirement, it is the achievement of the goal that is important. Land acquisition is needed to protect and begin restoring the Everglades ecosystem. The critical questions should be how much land has been acquired and where, and, how much remains to be acquired.

14. Page 18, middle of paragraph: We request that you acknowledge that the State, the SFWMD and local governments are acquiring lands essential for Everglades ecosystem protection and restoration with 100% state, regional and local dollars with no federal matching requirements (see comments 5 and 7 above).

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See comment 16.
Now on pp. 21 and 22.

15. Page 19, Table 2: The SFWMD comment about the East Coast Buffers project is relevant here and on page 21. We question the use of partial information in this table and the implied conclusions that the "matching" dollars that would have otherwise gone to the federal government, were not used for the acquisition of lands needed for Everglades ecosystem restoration and protection. Southern Golden Gate Estates: Please show \$47 million as State match for Southern Golden Gate Estates. Footnote "d", which explains this project, is internally inconsistent within itself. You say that the State continued to purchase land in this area and spent \$47 million in 1998 and 1999 (which it did); concluding that: "In doing so the state met its cost-sharing agreement even though it did not provide a dollar-for-dollar match." This is an inconsistent statement and we cannot understand its logic nor its place in this report.

See comment 17.
Now on p. 24.

16. Page 21 Paragraph 2: Please see comments above. Again, you have stated that even though the State met its cost-sharing requirement, we did not provide a "dollar-for-dollar" match. The statement that "Interior does not retain any control over the management of this land" is not accurate, especially given the requirements of the U.S. DOI grant agreements and review protocols with the State and the SFWMD for these acquisitions. In our opinion, the last sentence of this paragraph is not accurate and should be removed from the report.

We cannot state strongly enough that the land "the state acquired independently" is managed to protect and restore the Everglades. Furthermore, you should cite the provisions of the U.S. Fish and Wildlife Service grants with the DEP. This land is being managed consistent with the federal Fish and Wildlife Coordination Act. Grant FB-3 with the DEP (for Southern Golden Gate Estates) provides the USFWS oversight for not only the lands acquired with Farm Bill funds but also the lands in that project acquired with 100% state funding. While we do not agree with federal oversight of our land management we know full well that these lands are and will be managed to restore the hydrology of Picayune Strand and restore the health of the Ten Thousand Islands estuary. This is what we have been working for on this project since 1985.

See comment 18.
Now on pp. 26 and 27.

17. Page 23: We request that the Conclusions section be rewritten in consideration of the above comments.

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We urge your consideration of these comments and anticipate a positive response. Florida has long been leading the Everglades ecosystem protection and restoration effort with its leadership, its programs and its dollars. We have provided State funds in years when Congress made no appropriations for important federal Everglades protection and restoration projects such as the Big Cypress Addition land acquisition and Stormwater Treatment Area 1, East projects, and we have always acted to achieve Everglades protection and restoration goals in partnership with Congress and federal agencies. We will continue to do so and look forward to working with Congress to authorize and fund the Comprehensive Everglades Restoration Plan.

Sincerely,



J. Allison DeFoor, II
Everglades Policy Coordinator

JADeF,II/rs



Memorandum

**Florida Department of
Environmental Protection**

TO: Allison DeFoor
Environmental Policy Director
Office of the Governor

FROM: Ernie Barnett, Director
Ecosystem Projects

DATE: March 7, 2000

SUBJECT: GAO Report

The Department has reviewed the draft GAO report concerning a land acquisition plan to support the South Florida Ecosystem Initiative and offers the following comments.

In general, we believe the report is too narrowly focused and fails to fairly represent Florida's continued commitment to land acquisition efforts in support of the South Florida Ecosystem Restoration Initiative. The recommended land acquisition plan will duplicate the state's existing land acquisition program, Conservation and Recreational Lands Program (CARL). We cannot anticipate what would be done differently under a Task Force guided land acquisition plan that is not already being accomplished under the state's land acquisition program. The state land acquisition process is authorized by state law and is not subject to direction or guidance by the Task Force. However, CARL program procedures provides for coordination with other public or private land acquisition agencies, including federal entities.

We do not believe that the Task Force can identify all the land needed for the restoration initiative any better than the state's land acquisition program has already done. This is confirmed by the number of state projects that were included on the two land acquisition lists that were prepared by the Working Group to allocate Farm Bill funds and in response to congressional inquires. Moreover, it is likely that existing project boundaries will change and new projects will be added over time. It is not possible to identify all the lands that will be needed at this time. Additional lands will almost certainly be identified as we learn more about ecosystem restoration and resource management needs.

Land values are highly speculatively and attempting to estimate them is best done under the land appraisal process the state currently uses. Accurate records are kept for land acquired that supports the restoration initiative. Finally, all land purchased under the CARL program is purchased for conservation purposes as described under Section 259.032(3), Florida Statutes. These purposes are consistent with the goals of the restoration initiative.

See comment 1.

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See comment 10.

Restricting the report's analysis to the period of 1996 to 1999 ignores the state's long-efforts to ecosystem restoration in South Florida. Through 1999 the state has acquired approximately 1.5 million acres at a cost of almost \$ 1 billion for conservation purposes in South Florida. In addition, the state has donated or acquired 1.7 million acres at a cost of \$76.2 million for federally owned or managed parks and wildlife refuges in South Florida. The fact that State of Florida has contributed so much to the restoration initiative through its land acquisition program was a primary reason that a dollar for dollar match was not required by the Department of Interior when making the Farm Bill grants.

See comment 5.

As your report says the Task Force cannot acquire lands on its own. Instead it must rely on its participating state and federal partners. We believe that enough information is currently available to track current state and federal land acquisition efforts that meet the goals of the restoration initiative and to provide Congress with reasonable estimates of the acreage needed and the costs of the land acquisition. Recently, the Department of Environmental Protection, working with my office, the South Florida Water Management District, and the Department of Interior developed a map and table that documents land acquisition efforts from 1947 through 1999 in South Florida. The table provides data on lands acquired and acquisition expenditures for South Florida and Everglades ecosystem conservation and restoration by the State of Florida, and the federal government. As additional land acquisition projects are identified and approved at the state and federal level they will be added to the map and table.

Accordingly, we do not see a need for the Task Force to duplicate these efforts. We suggest that the state and South Florida Water Management land acquisition plans be recognized as the primary means of achieving Goal 2 of the South Florida Ecosystem Restoration Task Force, which is "*To Restore and Enhance the Natural System*".

See comment 19.

In addition to the Department's comments, the South Florida Water Management District has provided us their comments pertaining to the prior purchase issue (page 21, East Coast Buffer Grant):

All of the land acquired is within the boundary of the East Coast Buffer Project and eligible for funding under Grant Agreement FB-1 (East Coast Buffer/Water Preserve Areas Land Acquisitions). While the inverse condemnation lawsuit was instituted by the landowners before the Farm Bill was passed, the FB-1 Grant was in place and the FB-1 Grant protocol was followed at the time the final judgement was funded. Acquisitions which were closed (date of final judgement for legal proceedings) after 4/01/96, the date the Farm Bill became law, are acceptable under the terms of the Framework Agreement. The inverse condemnation action, if successful, could have resulted in the landowner being awarded money damages and still retaining title to the land. The District believed it was prudent to convert the action to a quick take condemnation to avoid the possibility that the public would have to pay for the land twice.

/eb

The following are GAO's comments on the state of Florida's letter, dated March 10, 2000.

GAO's Comments

1. Our report does not recommend that the Task Force acquire and manage all lands for the restoration initiative; we clearly state that the federal and state agencies participating in the initiative are responsible for these activities. We recognize that the state is committed to the restoration effort and has initiated a number of activities and programs aimed at restoring the ecosystem. However, because the Task Force was created specifically to coordinate and facilitate the efforts of the numerous federal, state, local, and tribal entities participating in the restoration initiative, we believe that the Task Force is the appropriate body to develop a land acquisition plan. Furthermore, we believe that a land acquisition plan will allow the Task Force to clearly communicate the initiative's land needs and priorities to the federal and state agencies that are responsible for land acquisition. Our recommendation does not envision that the Task Force would usurp the authorities of the agencies that acquire lands, nor that it would supplant or duplicate the planning processes they have under way. As we point out in our report, we believe that the planning efforts of the federal and state agencies are a good starting point for the Task Force to develop a land acquisition plan.

2. The numbered items referred to by the state were not intended to reflect the goals but were intended to describe activities for which lands will be needed. However, to avoid confusion with the goals, we revised the report accordingly.

3. The state is correct that regional and local agencies acquire lands in the ecosystem. However, we did not make this change because our report focuses specifically on lands acquired by the federal and state agencies.

4. Our report recognizes that the Farm Bill legislation did not require cost-sharing and that the state agreed to match Farm Bill funds dollar for dollar. Our report also acknowledges that the state has continued to acquire lands on its own—separate from the grant agreements—in the Southern Golden Gate Estates and the East Coast Buffer. In the case of Southern Golden Gate Estates, our report clearly states that the funds expended by Florida in this area have more than exceeded the cost share required for the grant. In addition, we point out that the state's expenditure to acquire lands in the East Coast Buffer that were not part of the grant reduced its cost-sharing obligation. Therefore, we did not revise our report.

5. As we stated earlier, our recommendation does not envision that the Task Force would usurp the authorities of the agencies that acquire lands, nor that it would supplant or duplicate the planning processes they have under way. However, we believe that because lands are so critical to achieving the initiative's goals, a land acquisition plan such as the one we recommend would increase the initiative's chances of success.

Furthermore, we believe that the map recently developed by the state that shows the past and planned acquisitions of the federal and state agencies is a valuable tool to visualize the ecosystem and locate lands for future acquisition. However, because the map does not provide the information on cost, time frames, or alternatives to acquisition that a land acquisition plan would provide, we do not believe that the map alone can take the place of a land acquisition plan.

6. Our report recognizes that state of Florida has a history of acquiring lands for conservation purposes, and our report includes information in the introduction and background sections and in appendix II on the state's land acquisition programs and holdings. We do not disagree that the state has spent more than the federal government on restoration activities. However, our report correctly points out that the state agreed to match the Farm Bill funds dollar for dollar. This cost share was established, even though the Farm Bill legislation did not require it, because the Department of the Interior recognized that lands in South Florida are under development pressure and wanted to maximize the lands acquired with these funds. In addition, we acknowledge that the state has continued to buy lands in the ecosystem on its own.

7. Our report already includes some discussion of Florida's efforts in 1991 and 1994. However, we added a statement to describe the 1983 Save Our Everglades effort and indicate that the program is ongoing.

8. Our report does not state that the "right" lands for the restoration initiative have not been identified. Rather, our report focuses on the fact that the Task Force has established three restoration goals and has not identified all the lands needed to achieve these goals. Our report refers to hundreds of thousands of acres of land, including many lands identified by the state programs, that could be used for the restoration goals. We believe that as the entity responsible for coordinating the federal, state, local, and tribal restoration activities, the Task Force should develop a plan that identifies lands needed for each of the restoration goals. Most important, we do not envision that the Task Force would supplant the ongoing efforts

of the federal and state agencies; rather, we see it as building on those efforts.

9. We revised our report accordingly.

10. For the purposes of describing lands acquired for the South Florida Ecosystem Restoration Initiative, we focused on lands acquired from 1996 through 1999. We chose this period of time because the South Florida Ecosystem Task Force was expanded in 1996 to include state, local, and tribal representatives, as well as federal agency representatives. While not presented separately in the report, information on the acreage acquired by the state for conservation and preservation purposes was added to the report. In addition, the state's land acquisition programs are described in appendix II of the report.

11. Because the South Florida Ecosystem Restoration Task Force established three goals to accomplish the restoration—all of which require lands, we believe that the Task Force is the appropriate entity to develop a land acquisition plan. Accordingly, our recommendation is addressed to the Secretary of the Interior, as the Chairperson of the Task Force.

12. We revised our report accordingly.

13. Our purpose in discussing the *Multi-Species Recovery Plan* and *Closing the Gaps in Florida's Wildlife Habitat Conservation System* in our report is to show that studies and assessments identifying lands needed for conservation and habitat preservation have already been done and that this information is available to the Task Force. We also revised our discussion of the state's land acquisition programs in appendix II of the report to reflect the state's consideration of this information in its planning process.

14. We agree with the state that questions such as how much land has been acquired and where, and how much remains to be acquired are critical and need to be answered. Accordingly we recommended that the Task Force develop a land acquisition plan that would identify the lands that need to be acquired to accomplish the initiative's goals. We also agree that lands need to be acquired to protect and restore the ecosystem. As we have stated, we commend the Department of the Interior for showing the foresight to establish a cost-sharing policy that would enable it to acquire as much land as possible, given that undeveloped land in South Florida is becoming increasingly scarce.

15. Our report already acknowledges the efforts of the state to independently acquire lands for the protection and restoration of the ecosystem. Although we recognize that several local governments have established land acquisition programs, consolidated information on the acreage and the funds expended by local governments to acquire lands for the restoration initiative was not readily available.

16. The purpose of this table is to show the state's dollar contribution to the Farm Bill funds, as written into each of the grant agreements. Our report clearly shows that the state continued to acquire lands independently in the East Coast Buffer and Southern Golden Gate Estates grant areas. As the state requested, we revised the table to reflect the state's ongoing independent acquisition of lands in the grant areas—we added \$10 million for the East Coast Buffer and \$38.1 million for the Southern Golden Gate Estates.

17. As noted in our report, state-purchased lands located within the Southern Golden Gate Estates are not subject to the same management and use provisions as those included in the grant. However, we did include a footnote to indicate that the Department of the Interior and the state are currently developing protocols that will govern the use and management of lands acquired in the Southern Golden Gate Estates whether the lands are acquired with Farm Bill funds or independently by the state. Once the protocols are finalized, the lands acquired independently by the state will be subject to the same grant provisions as those acquired directly with federal funding.

18. We carefully considered all of the state's comments and incorporated the suggested changes where appropriate. However, we believe that our report accurately reflects the results of our work, and we did not revise our conclusions.

19. We recognize that the Farm Bill grant was in place when the 12 parcels, which the South Florida Water Management District had agreed to buy to settle an inverse condemnation action, were acquired. However, we believe that the state should be responsible for acquiring these lands because the actions that resulted in the legal settlement and subsequent acquisition were the state's.

GAO Contact and Staff Acknowledgments

GAO Contact

Barry Hill (202) 512-3841

Acknowledgments

Alfredo Gómez, Susan Iott, Chet Janik, and Sherry McDonald also made key contributions to this report.

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