

The Panhandle Paradox

By Hal Herring

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Are The St. Joe Company's development plans for huge swaths of timberland in northwest Florida an environmentally sensitive 'New Ruralism' or a serious threat to irreplaceable ecosystems? The site for the new Panama City/Bay County International Airport.

Burnt Mill Creek is a blackwater stream, stained dark with tannins from the live oak forests and wetlands it drains, and built to river-size by a complex vascular system of tributaries that, even this far upstream, still rise and fall with the pulse of the tides. The creek water moves slowly in this flat part of the Florida Panhandle; the cabbage palms cast their wild-haired reflections on its surface, making Burnt Mill seem relentlessly exotic.

I set off in a borrowed canoe from the Highway 388 bridge and paddle north, the creek looping so sinuously that I often find myself disoriented, looking at a patch of trees that

I thought I had left far behind now only a few dozen yards away across a bank of rushes. A wide trail emerging from the pines shows the tracks of deer, wild turkey and feral hogs, and a rustling in the palmettos turns out to be a bright green anole lizard, the kind we called "chameleons" when I was a child. As the creek takes a long turn against an upland, I notice a little palm-thatched shelter built by some fellow wanderer. Whoever it was dined on oysters; the shells are a pearlescent scatter down the bank.

Mullet jump beside the canoe, sailing to an improbable height above the water, and I'm reminded of the old

Florida legend that mullet were once birds and never lost the habit of flight. Of course, in Burnt Mill they might be leaping to escape any number of predators, depending on the tides and winds, from freshwater bass and gar to goliath tarpon drawn inland from the vast reaches of the Gulf of Mexico. Alligators hunt them, too, roaming this shifting border between salt and freshwater. In this place so far removed from mankind's noisy works, a timeless ebb and flow of hunter and hunted prevails, punctuated with the beauty of a fish-eagle in a white sky or a seepage bog a-riot with red and white blooming pitcher plants.

It felt good to be back here, even as the biting gnats began to rise and the vicious little horseflies the locals call "yellow flies" made their attacks. The Panhandle has loomed large in my life, from 1960s childhood vacations at the beaches of Panama City to work on commercial fishing boats in the early 1980s, just before the swordfish and grouper fisheries collapsed. I planted trees here on contract with the paper companies, wandered the Apalachicola and Choctawhatchee rivers and, as recently as 2003, reported on conservation efforts for the Nature Conservancy. As the condominiums rose like walls along the beaches from Pensacola to Destin, the changeless nature of the interior Panhandle became one of the rarest of commodities and a source of solace to me and thousands of others.

Now, though, the change is coming here, and coming very fast, bringing with it a hard rain of questions, from the appropriate use of public money and resources to the meaning of private property rights and the inadequacy of laws meant to protect the environment. Some of the questions relate to the right of self-determination for communities faced with the massive plans of outside interests. Controversy over the answers has pitched environmentalist against environmentalist, neighbors against neighbors. Over all, politics looms, still holding fast to the old paradigm that development is the highest and best use of

land, even as that paradigm is shot full of holes by the growing understanding of the social, economic and environmental costs that development spawns. In one sense, the debate over the future of the Panhandle is a microcosm of almost every environmental debate in the nation. But it is also a particular debate about one powerful entity: a former timber company that owns more than 500,000 acres of the Panhandle and wants to use them as something besides an enormous pine tree factory.

Just west of Burnt Mill Creek, and just east of its nearly identical twin, a watershed known as Crooked Creek, an enormous airport is being built, the first new U.S. airport to be constructed since the terrorist attacks of September 2001. Called the Panama City/Bay County International Airport and Industrial District, the project is remarkable in many ways. With an area of more than 1,400 acres, two runways and a 105,000-square-foot terminal, it is large enough to handle many times the current air traffic needs of Bay County, which has a population of 161,000.

The existing Panama City Airport lies less than 10 miles south of the new one, and it is a sleepy, pleasant facility, with a terminal built in 1995 that sees less than a dozen flights each day. Use of that airport has actually declined over the past two years. And it's not as if the area has a shortage of air options. There are four other airports within driving distance of the new project: Pensacola Regional; the Northwest Florida Regional Airport in Okaloosa County (next door to Bay County); the Destin/Fort Walton Beach Airport; and the Tallahassee Regional Airport, just 84 miles away, which is a 2,700-acre, two-runway, modern airport that serves a population of 1.5 million people.

But the new Bay County International has an important backer: The St. Joe Company, one of the largest private landowners in Florida, a former paper company turned real estate visionary and likely the largest political force in the state. The airport will be built on 4,000 acres donated by St. Joe, and it

will abut almost 78,000 acres of St. Joe lands that are today a largely inaccessible mix of pine forests, shallow swamps and blackwater creeks. If all works as planned, these lands will be transformed into industrial parks, neighborhoods, recreation areas and businesses. As Randy Curtis, the executive director of the Panama

City/Bay County Airport, told a reporter, the airport will create fundamental change: "The planning process isn't the same, but in a lot of ways the situation is comparable to Ft. Myers 25 years ago. The relocation of the airport is going to be the trigger to remake the entire Bay County area."

Through economic downturn, endless controversy, lawsuits and even a rejection of the new airport in a citizen referendum, the Panama City/Bay County Airport plan has moved inexorably forward. While environmentalists filed lawsuits and biologists warned of polluted runoff in the bays, the question for the established powers supporting the airport was never whether this last undeveloped expanse of Florida — more than 600,000 acres of fragile aquifers, rare flora and fauna and wetlands that feed one of the nation's most vital inshore fisheries — should be developed. The question was always: How?

The snow-white beaches and green Gulf waters sell themselves, but the isolated interior lands, those miles of monotonous industrial pine forests, titi swamps, pitcher plant bogs, jagged limestone sinkholes and strange spring creek systems — what would inspire people to buy and build there? More important, how would people get there?

Since 1980, Florida has almost doubled in population — from 10 million to more than 18 million people — but the inland Panhandle unfolds as miles of emptiness. This is the country, after all, that almost destroyed the De Soto expedition in 1539, as the Apalache warriors pushed the Spaniards south into the Apalachicola River swamps, where they subsisted, barely, on roots

and grass (and took what revenge they could by allowing their greyhounds to devour, alive, their Indian guide). Today, the land is not pristine, at least not most of it. The pinelands are scraggly industrial forests, fast-growing slash pine planted after massive clear-cutting of the original longleaf pine forests was completed early in the 20th century. All but the deepest swamps have ditches and canals cut into them, representing attempts to drain them over the years.

But the land has remained sodden, and most of the would-be settlers moved on, leaving this part of Florida battered but semi-intact, the redoubt of black bear, red-cockaded woodpeckers and the humble, endangered gopher tortoise, a keystone species whose burrows shelter myriad other rare animals. In fact, the Panhandle is home to a complex matrix of biodiversity, down to rare flatwoods salamanders and unique species of crayfish. The forests and swamplands break the force of the 60 or so inches of rain that fall every year, and the few human inhabitants make for few pollutants; the rivers that flow through here to the Gulf are among the nation's cleanest, creating some of the richest fisheries left on the planet when they mix with the saltwater in the estuaries and bays behind the barrier islands lining the Gulf of Mexico. Apalachicola Bay oysters, considered by many chefs as the world's finest, are only the most famous of the seafood that depends on, and comes from, these clean waters.

The science of determining the true value of ecological systems like the Panhandle's is in its infancy. The federal regulations that are supposed to limit the destruction of wetlands are seldom enforced. Lawsuits based on wetlands losses are almost always unsuccessful (as they have been in regard to the airport). So it seems that the future of hundreds of thousands of acres of environmentally important lands — a huge portion, in fact, of the Florida Panhandle — will be directed, for good or ill, by a company with a storied history and a tendency to almost always get its way, somehow or other.

The St. Joe Paper Company's entry into the harsh world of the Panhandle began when gunpowder manufacturer Alfred DuPont, flush with cash from World War I and looking for new investment opportunities far from a contentious family, came south from Virginia in the mid-1920s. DuPont's brother-in-law was a diminutive fellow Virginian, Edward Ball, who would guide the DuPonts' Panhandle investments. Ed Ball was an American original, a man of blue-blooded but cash-poor origins who quit school at 13 and drifted through a long list of professions, including soldier and Alaskan prospector. Always and foremost, he was a rough-cut businessman. Kathryn Ziewitz and June Wiaz, writing in *Green Empire: The St. Joe Company and the Remaking of Florida's Panhandle*, described Ball's work for the DuPonts: "Ball found himself a prospector of what he called 'good old Florida sand and mud' — cut-over land that had lost its value after timbering."

Even in 1927, Ball and the DuPonts recognized that one day, vacationers would appreciate the snow-white beaches of Bay and Walton counties as one of the most beautiful stretches of coastline in the world. And even with the old-growth timber gone, the inland territories held promise, when the roads and railways came, as surely they must. From their home base in Jacksonville, Ball and the DuPonts would assemble assets that seem almost unfathomable today: almost a million acres of land (much of it purchased for \$13 to \$15 per acre), 39 miles of coastline, 256 miles of other waterfront, plus the town and port of Port St. Joe, where a new paper mill was soon roaring, ready for an endless succession of newly planted slash pines that could mature to usable pulp in as short a cycle as 25 years.

The St. Joe Company's land holdings in the Panhandle, circa 2000. (The company has since sold off and donated land.) Following Alfred DuPont's death in 1935 and a massive restructuring of the company, Ed Ball would operate the renamed St. Joe Paper Company for

the next 60 years. According to *Green Empire*, Ball began each workday with the question, "Who do we fight today?" and ended it with a glass of good bourbon and a habitual toast, "Confusion to the enemy!" His pugnacity, political power and brilliance served him well: When Ball died in 1981, he had amassed his own fortune of more than \$200 million, and The St. Joe Paper Company was one of the largest pulp and paper companies in the U.S. The company's vast landholdings and other interests — including railroads, banks and south Florida's Talisman Sugar Corp. — were worth more than \$1 billion. Residents of the Panhandle to this day speak of the "St. Joe wave," a palm up gesture to the horizon, indicating that the company owns the land as far as one can see.

In the early years of the 21st century, paper and timber companies across the U.S. began divesting themselves of their land. Land values had simply risen so high that there was more profit in selling real estate than growing trees. The International Paper Company announced the sale of 6.8 million acres across the Southeast, from Virginia to Louisiana, in 2005. Plum Creek Timber, America's largest landowner with 8.2 million acres, announced that it would leave the timber business and become a real estate and development company, beginning with a 426,000-acre project in the North Woods of Maine. Other major timber companies followed suit. Overall, the divestitures constituted the largest change in American land ownership since the Louisiana Purchase.

This shift was fed by demographics. U.S. baby boomers were reaching retirement age and looking for second homes or retirement properties. St. Joe was among the first to understand the boomer retirement market. In 1997, the company hired Peter S. Rummell, a former executive of The Walt Disney Co., to turn a conglomerate focused on timber into a real estate development corporation that could build entire cities and towns.

It's hard to imagine someone bet-

ter suited to the job. Rummell, then 51, had been involved in coastal development since 1971, helping to build resorts on Hilton Head, S.C., and Amelia Island, Fla. He had worked for Arvida, a company founded by aluminum magnate Arthur Vining Davis to develop his 100,000 or so acres in south Florida. Purchased by Disney in the early 1980s, Arvida remained a development colossus, building the intensively planned town of Weston, Fla., on Disney property right at the edge of Everglades National Park. A former swampland, Weston now has a population of more than 65,000 and is one of the most affluent cities in the state. Rummell stepped over to work for Disney in 1985 and led the creation of Celebration, a town in central Florida just south of Disney World that is carefully planned to evoke the ambience of an early 20th-century village, with amenities that include a foam "snowstorm" every evening during the Christmas shopping season.

The model for many recent St. Joe developments was the beachfront community of Seaside, founded by Miami real estate developer Robert Davis in Walton County in 1981. Built on 80 acres of scrubby beachfront land inherited from his grandfather, Davis' meticulously planned anti-suburbia, anti-urban-sprawl experiment was (and arguably, remains) a dramatic success, widely praised as a shining example of New Urbanism. The town was the setting for the 1998 movie *The Truman Show*, and, as the movie illustrates, it looks too perfect to be quite real, but it turned out to be exactly what many second-home buyers wanted. Modest cottages built in Seaside during the mid-1980s for about \$60,000 are worth \$2 million now.

The empty pinelands, blackwater lakes and palmetto scrub that gave Seaside its air of isolation were owned by The St. Joe Company. By 1999, work had begun on what St. Joe called WaterColor, a 499-acre New Urbanist development that would rapidly envelop Seaside with elegant neighborhoods

of Caribbean- or “Old Florida”-style homes and restaurants, and an inn and spa.

If St. Joe had been a draft horse of a paper company for most of a century, as a real estate developer it turned racehorse. By 2002, the company’s list of major development projects had expanded to 23. It included a gated beachfront community of 90 lots called the The Retreat, in Walton County, featuring homes that went for as high as \$9 million. Southwood, attached to the city of Tallahassee, was planned for more than 4,000 homes. SummerCamps, an isolated development near the tiny fishing town of Carrabelle, at the lower end of the Apalachicola National Forest, was an experiment in building high-end homes on a beach that was more bayfront than oceanfront — a direct attempt to reach the “eco-retirees” and families who wanted a back-to-nature experience for their children.

To provide access, St. Joe donated right of way and money to build and re-route highways. Recognizing that modern retirees require access to quality medical care, St. Joe gave land for new hospitals. Hoping to attract families, the company contributed land for schools. The new communities were intensively planned on the New Urbanist model. As described in one St. Joe advertisement, these communities are designed to “recapture the defining characteristics of America’s small towns.”

The story of The St. Joe Company development of the Florida Panhandle is not entirely a sad one, though it is thick with irony. The modern St. Joe Company takes pride in its environmental record and the stewardship of its lands. At the same time, it has been the single most powerful and relentless advocate for creating, almost out of whole cloth, a cascade of development that could one day stretch through much of the Panhandle from the Gulf Coast to the Alabama border.

As St. Joe began to focus on its inland holdings, a new term entered its marketing efforts: “New Ruralism.” Three “products” were planned: a se-

ries of small farm and equestrian communities called White Fence Farms, the Florida Ranches (which are pretty much what the names suggest) and RiverCamps, described by St. Joe literature as a “woodland retreat” of around 450 homes spread across 1,500 acres along the marshes of Crooked Creek, which flows into West Bay, just south of the new Panama City/Bay County Airport.

Waterfront homes in this development will be valued in the range of \$1 million. Planned amenities include, according to advertisements, an exceptional level of service: “A few clicks of a mouse can tell us to set your thermostat, stock your refrigerator, ice down your favorite chardonnay, arrange for an 8 a.m. fly fishing lesson, a 10 a.m. kayak rental, and sign you up for the Saturday night oyster roast. We want our owners’ RiverCamps experiences to be exceptional, and easy to enjoy.” As Rummell explained on Business Wire in 2005, “Joe’s New Ruralism products are for people seeking a simpler life from a simpler time and wanting to reconnect with the land without the need to make a living from it. Technology provides a way to reconnect with the world, but at a safe distance.”

Rummell and his colleagues were insistent upon the semantics of what they hoped to accomplish: The development of the towns and resorts was called “place-making.” What everyone once called the Redneck Riviera would now be the Emerald Coast; the Panhandle became “Florida’s Great Northwest.”

WaterColor and subsequent developments undertaken by St. Joe, and guided by Peter Rummell, the former Disney exec, and his staff of “imagineers,” were noteworthy for being environmentally friendly. As Rummell told reporter Brian Yablonski in 2004, “We are working hard to demonstrate that a real estate company can be one of Florida’s most important conservationists.” By most standards, St. Joe has held to that belief, at least as closely as could be expected, given the scale of its developments and the fact that so many

of them are in sensitive natural areas.

Information published by the company in a pamphlet called “Beyond Green” describes the relocation of endangered gopher tortoises from development lands, the hiring of wildlife biologists and foresters, “turtle-friendly” lighting for beachfront developments (hatchling turtles navigate to the sea by going to the least-dark horizon, and artificial lights often cause them to move inland to their doom), and 500-foot buffers between new homes and waterways, when most Florida laws require only 30 feet. Impacts to the habitat of the endangered Choctawhatchee beach mouse by the construction at WaterColor were mitigated by setting aside 80 acres of beachfront and the introduction of six pairs of the rare mice in the new set-aside. Part of the New Urbanist model — clustering homes and businesses, and reserving as much as 60 percent of the land in major developments for natural areas, parks and protected wetlands — certainly made the new St. Joe developments less environmentally destructive than the typical Florida subdivision.

But the larger environmental story of north Florida lies not in the practices embraced by these developments but in the enormous acreage of “conservation properties” that St. Joe has sold, a total of more than 120,000 acres as of late 2008. Through programs like Florida Forever, which drew its funding from a small tax on each real estate transaction in the state, agencies such as the Northwest Florida Water Management District purchased wetlands, prevented development over recharge areas for drinking water aquifers and guarded irreplaceable resources, including Deer Point Reservoir, which provides the drinking water for Panama City.

A small and dedicated army of conservationists worked with and within St. Joe to identify the most critical lands and create the often complex mechanisms for getting the money to buy and protect them. “Let’s face it,” said Richard Hilsonbeck of Tallahassee’s office of the Nature Conservancy, “90 percent

of Florida relies on aquifer recharge for its drinking water, and if you don't protect these areas, you won't have that. The state of Florida is very reluctant to condemn lands for conservation, so these sales are extremely important."

Of course, the sales worked for St. Joe, too. "St. Joe was using the proceeds from conservation sales to fuel their development, and then adding value to the developments by backing them up to these protected lands," Hilsonbeck acknowledged. "But the end result was that they made a lot of important conservation sales at good prices." As John Robert Middlemas, a prominent Panama City conservationist and former state legislator told a reporter in 2004, "I think St. Joe is kind of green, but the main kind of green they are interested in is money."

Tate's Hell Swamp offers a prime example of why public money is being used to buy land in the Panhandle, even when the purchases benefit development every bit as much as conservation. The swamp — 202,000 acres of blood-sucking insects, dwarf cypress trees, black bears, alligators and slow-moving blackwater just north of the town of Apalachicola — is named for Cebe Tate, an 1870s settler who entered it to track down a hog-killing panther and was lost for a week. When he emerged, legend has it, his brown hair had turned completely white. The swamp holds 12 distinct ecological communities and supports rare Florida beargrass, several species of carnivorous sundews and varieties of pitcher plants, the oldest flowering plants on earth.

From the 1950s through the 1990s, St. Joe and other timber companies bulldozed almost 800 miles of roads it used to extract the swamp's timber and replant with more marketable slash pines. The pines were then fertilized with nitrogen and phosphorous. To make more dry land for the pine plantations, ditches were dug to allow rainwater to run off quickly into the Apalachicola River and downstream to Apalachicola Bay. The runoff flooded the bay with heavy pulses of fertilizer-contaminated

fresh water that endangered the fisheries there.

In 1994, the Northwest Florida Water Management District, a state agency, began purchasing land in the swamp to try to stop the runoff and preserve the fishery. So far, the state has purchased about 107,000 acres, and, as funds permit, will spend decades and millions more trying to restore the natural functions of the area.

In Florida, such unanticipated development costs have become recognized as the norm rather than the anomaly.

In 2006, for example, the city of Tallahassee agreed to spend \$160 million to upgrade its sewer systems; the treated wastewater was to be recycled by spraying it over crops and fields near the treatment facility. This irrigation increased nitrate levels in the groundwater. That water emerged miles to the south in Wakulla Springs, in Edward Ball State Park.

From a pelagic-blue eye in the limestone, hundreds of feet in diameter and 285 feet deep, Wakulla Springs produces an average of 250 million gallons of water per day, the sole source of a crystal clear river that runs 9 miles to Apalachee Bay on the Gulf. Sold to the state by the St. Joe Company in 1986, Wakulla is one of Florida's most iconic tourist attractions. The early Tarzan movies were filmed here, as was *The Creature from the Black Lagoon*. It has glass-bottom boats and "jungle cruises" that offer views of alligators, manatees and other wildlife in and along the river. Tourism at Wakulla Springs contributes an estimated \$7.5 million annually to the economy of what is still a rural, impoverished county.

The nitrates in the groundwater seeped into the springs, feeding algae and weed growth that threatened to choke the springs and the river; the change in groundwater chemistry required state employees to treat the waters with herbicides twice a year, at a cost of \$70,000 per application. The treatments continue (although they have been reduced to once per year)

as does nitrate contamination of the springs, some of it apparently coming from septic systems.

Wakulla Springs is not an isolated phenomenon; much of the Florida Panhandle is underpinned by the same karst, or highly permeable bedrock, that transmits the water that feeds Wakulla. This natural foundation has created a gift: The Panhandle contains the world's largest concentration of freshwater springs, but development atop that foundation has ominous implications.

William Cleckley, director of the Northwest Florida Water Management District in Panama City, points to Wakulla Springs as an example of what his agency is trying to avoid through large-scale purchases of St. Joe lands. "North of the new airport, we have all that steep upland habitat, all of those lakes," he says. "It is some of the most important habitat and recharge area anywhere." Acquisitions of these kinds of uplands have been controversial in the past. "But the costs of development there were just not factored in," he says. "Those costs don't ever get factored in."

And they're not going to be, at least in the near future. The Florida Forever program, which buys critical conservation properties, has had its funding taken away in the current budget crisis. And in 2008, state legislation to add protection to Florida's springs failed, as did a bill intended to manage urban fertilizer use.

In 2002, as it became clear that the Panhandle was slated for an unprecedented level of development, the Nature Conservancy teamed with the Florida Department of Environmental Protection and the Department of Defense to try and establish the Northwest Florida Greenway, a 1,000-square-mile swath of lands protected mostly by conservation easements (in which landowners agree to limit development in return for money and tax breaks) and some outright purchases. Beyond its environmental aims, the Greenway was meant to ensure that the military training mis-

sions at the Joint Gulf Range Complex, anchored by Eglin Air Force Base, the largest and most active Air Force base in the U.S., would not be compromised by development. The first purchase for the Greenway was to be an estimated 60,000 acres of land owned by The St. Joe Company.

The true scale of St. Joe's development plans was just then becoming known, in part because of an April 2002 story by St. Petersburg Times reporter Craig Pittman titled "Florida's Great Northwest, Brought to You by the St. Joe Co. (with Your Help)." Officials at Eglin expressed concern that as development escalated, the sprawling base would become the last refuge of the more than 70 species of threatened and endangered wildlife and plants found there. "I was amazed when I was given this job that I was responsible for the care and feeding of over a half-million acres that, even with all of our readiness testing activities, have been treated like a national park," Col. Robert Nolan, then the commander of the base's 46th Test Wing, told me in a 2003 interview.

Laws meant to protect these habitats could severely limit the kind of live-fire exercises, weapons testing and other military training for which the base is an irreplaceable resource. The base tries hard to consult with neighbors, Nolan said. "But inherently our business is noisy and dangerous. We fly 45,000 flights per year and deal with the local community on noise issues, impact zones. We have a lot of night training and a lot of night-vision training that can be disrupted by light issues on our perimeter," he said. "If we have encroaching development, there are things that we just can't do."

By connecting the public lands from Tate's Hell State Forest in the east all the way to the Blackwater River State Forest west of Eglin and north to the Conecuh National Forest in Alabama, the Greenway would have provided critical travel corridors for large wildlife like the Florida black bear, protected water quality for endan-

gered fish like the Gulf sturgeon, maintained forest cover for the red-cockaded woodpecker, and so on. It would have preserved undeveloped lands as a "sponge" to soak up heavy rainfall, to filter pollutants and to control erosion. Under the terms of the planned conservation easements, hunting, fishing and other outdoor recreation would have been maintained, and both timber harvesting and ecological restoration could have been pursued.

Then-Florida Gov. Jeb Bush expressed his support of the project, estimated to cost \$200 million to \$300 million. But the Greenway concept collapsed just months after my interview with Nolan. The Nature Conservancy's Richard Hilsonbeck explains it this way: "I think the idea scared people. Several of the groups involved made a strategic error in announcing the plan too early, and that irked some landowners. Other landowners became speculators, saying 'We're in the Greenway, and we're holding out for top dollar.' St. Joe was never warm to the idea, either, and they had a lot of political clout."

In that world of political clout, other wheels, rolling toward other futures, had been turning for years.

In 1995, the Bay County Airport Authority proposed extending its 6,308-foot runway into Goose Bayou to meet Federal Aviation Authority safety concerns. The extension would have destroyed acres of seagrass beds, which are crucial to the health of the bay and its fisheries. The Florida Department of Environmental Protection objected; local environmental groups promised, and delivered, unyielding opposition.

According to Green Empire, when St. Joe suggested donating land for a new airport that would eliminate the need for runways in the bayou, federal officials were immediately interested. Studies contracted at public expense favored the relocation. Then-Gov. Jeb Bush expressed his enthusiastic support, as did most regional politicians.

None of this was surprising, given the enormous influence that St. Joe has exerted in the region, as St. Peters-

burg Times reporters Craig Pittman and Matthew Waite write in their new book, *Paving Paradise: Florida's Vanishing Wetlands and the Failure of No Net Loss*. "St. Joe's development machine is oiled by its political influence," they note in a chapter on the new airport. "Between 1997 and 2002, St. Joe donated the maximum legal amount to more than 100 candidates for state cabinet and legislative posts from both parties, with subsidiaries like Arvida often making an identical donation to the same candidates." Further connections to the political structure of the region are well known now to anyone who has followed the story: Jeb Bush was once a part of the Codina Group, the 12th-largest real estate development firm in the state, which was founded by Armando Codina, a supporter and friend of former President George H.W. Bush. St. Joe purchased 50 percent of the Codina Group in the late '90s, cementing ties to the man who would be Florida's governor. A Panama City attorney, William Harrison, represented St. Joe and was the co-chair of George W. Bush's presidential campaign in the Panhandle.

Besides, it would be difficult for any traditional political leader — connected to St. Joe or not — to ignore the company's donation of 4,000 acres or the promise of the massive development and tax revenues that would follow.

But it took the environmental community to actually open the window for the airport.

"All of us fought the extension of that runway into the Bay, and we overwhelmed the airport authority," recalls John Robert Middlemas, who led a group called Citizens for Sensible Airport Development. "We all said, 'We think you should relocate if you are going to expand.' And they took us up on it. They really took us up on it."

The outrage over seagrass destruction and the growing excitement, among many, over the possibility of an entirely new airport seemed to drown out the voices that were pointing out

that traffic at the Panama City Airport had not grown in years. There might actually be no pressing need for either a runway extension or a new airport.

Those voices were insistent and remained so even after the FAA approved the plan for the airport relocation in 2006. Don Hodges, born in Panama City, and now retired and returned home, was an Atlanta-based Delta Airlines executive and engineer with almost 30 years of experience that included designing airports.

“This has never been an aviation deal. It’s a land deal. And that’s what I’ve objected to,” Hodges says. “In 2000, I went to a planning meeting, just out of professional curiosity. The kid doing the presentation from Bechtel put on a slide show, basically saying, ‘There’s no traffic here; it’s a small airport,’ and so on. I thought he’d conclude by saying, ‘Thanks for the \$2.4 million consulting fee; see you in a few years.’ Instead, he said, ‘And this is why you need a new airport, and you need to complete it by 2006...’ I couldn’t imagine that.

“But back then I didn’t realize what it was really about, that it didn’t matter what it was — an airport, a shopping center, a moon port — it was going through.”

The fight over the relocation stayed hot for years. In early 2004, Bay County held a nonbinding referendum, with the question, “Do you favor relocation of the Panama City/Bay County Airport at no cost to the Bay County taxpayer?” Relocation opponents were outraged at the wording of the question, pointing out that the project would be funded by taxpayers across the nation, including those in Bay County. Even with the odd wording, voters rejected relocating the airport. But the referendum was non-binding, and supporters of the new airport ignored it.

The Natural Resources Defense Council, the Defenders of Wildlife and a pilots’ group filed suit against the FAA for approving the airport; local environmental groups remained steadfast in their opposition. But over time, the

most powerful environmental groups — and some leading Panhandle environmentalists — changed their minds. The catalyst for that change was an unprecedented land management proposal called the West Bay Sector Plan, developed by St. Joe, Bay County officials, the local airport authority and an array of environmental advocates who had decided the airport relocation was going to happen, no matter what, and it was time to make a deal. These advocates — including the Audubon Society, the Florida Wildlife Federation and the Nature Conservancy — felt that the NRDC lawsuit was doomed to fail (as it eventually did).

After that failure, all bargaining chips would be gone.

“As a longtime conservation advocate, I know how rare it is that anyone gets a ‘no’ who wants to develop wetlands,” said Eric Draper of the Florida Audubon Society. “The filling of wetlands has become the norm. The law says that you can’t harm water quality; it doesn’t say you can’t develop. And those non-navigable wetlands up there where the airport is aren’t protected at all.

“And I’ll tell you something about that airport site: It was high swamps and industrial pineland. What wetlands were there were already degraded. It would have been much better to buy and preserve it, but we couldn’t do that. We had to try and get something while we had a single landowner to deal with. Because after the development starts, when you have hundreds of landowners there, it will be too late.”

The West Bay Sector Plan is the largest land-planning effort ever undertaken in Florida. The airport and other business and residential development will take up a huge chunk of almost 75,000 acres of St. Joe land in north-central Bay County, but the plan calls for 39,000 acres of land to be left undeveloped. The most impressive attraction for environmental groups was a promise of no development along 39 miles of the shoreline of the West Bay, and an estimated 44 miles of buf-

fers along tributary creeks that far exceed the buffer zones required by law. Audubon of Florida also announced a joint effort with The St. Joe Company to build a “world-class, state-of-the-art Nature Center,” a “gateway to the West Bay Preservation Area.”

“We got behind the sector plan because of the 39,000 acres of preservation land,” says Middlemas, the conservationist and former state legislator. “It could be the largest preserved bay in the country. You could sit out there in that bay in 50 years and look at the shoreline, and it will look exactly the same as it does now.”

But it’s unclear whether or how the preservation promise will be fulfilled.

Of the 39,000 acres, almost 17,000 are the legally required mitigation for the wetlands filling for the airport and other projects. As to the remaining 22,000 acres of land promised to be conserved as part of the West Bay Sector Plan — well, no one seems to know what St. Joe plans to do, exactly. “We offered the certainty they asked for, but we can’t make them give us the easements,” Middlemas said in an interview in early 2009, when the airport was two-thirds complete. “We are not going to compromise on this, either.” He paused. “I’m speaking like we have some kind of authority or power, and we don’t really.”

Linda Young, the director of a group called the Clean Water Network, calls the notion that St. Joe will preserve the whole 22,000 acres ridiculous. “We’ve asked Joe, repeatedly, to put that agreement in writing, and they’ve never done it. Why would they?” Young says, her voice breaking with emotion. “You know, this whole thing was a big fight. I don’t know how it could have been bigger. Citizens for the Bay raised and spent a half a million dollars. We spent every minute we had, for months, writing letters; we met and talked to everybody, documenting every little piece of funding, every little development.

“And there’s Audubon, supporting it, telling everybody that they were getting 40,000 acres of conservation

land that would otherwise get paved! They've done more to help St. Joe than anybody else."

The new airport construction buried about 7,200 feet of creeks and filled 596 acres of wetlands. Although it was claimed that state-of-the-art storm water controls would be a part of the construction, in April 2009, with construction about 50 percent complete, a series of powerful storms swept the South. In parts of Bay County, as much as a foot of rain fell.

Crooked and Burnt Mill creeks ran with mud that was visible as a plume far out in the West Bay. The event was no real surprise — construction contractors on the airport site had racked up 72 violations of water quality regulations between March 2008 and April 2009. In May 2009, the Florida Department of Environmental Protection issued \$393,849 in fines for the water quality violations and for filling a small area of wetland without a permit. Airport officials say that they are working to remedy the water quality problems and are confident they can be effectively and permanently fixed.

But Jim Barkaloo, a fisheries biologist who now works part time for the nonprofit Baywatch Program of the St. Andrews Bay Resource Management Association, says the water quality problems were inevitable. "There is no place in Bay County where an airport this size belongs. And where they put it, between two major creeks, in the middle of all those wetlands? And at one point the FAA actually said there would be no impact?" Barkaloo says. "I just threw up my hands when it went through."

In a final irony, Leucadia National Corporation, the buyers of the old airport property on Goose Bayou, plan to build a community of 3,200 homes and 700,000 square feet of retail space there. The development will have a 150-slip marina that environmentalists believe will have a serious impact on the very seagrass beds that stopped the proposed runway extensions so long ago, and led to development of a new

airport.

Even if it left many people in the Panhandle embittered, the battle over the airport relocation is now generally considered to be in the rearview mirror. Real estate sales may be at a recessionary standstill, but the transportation projects long coveted by Panhandle developers and boosters — now given urgency because of the new airport — are in full flower. There is a proposal to create a four-lane highway on 388, the lonely two-lane road to the new airport. A matrix of other highways is planned. One, a four-lane toll road that will provide access to the airport from Eglin Air Force Base, is slated to cut through Nokuse Plantation, a nature preserve where \$16.5 million of public money was recently used to purchase conservation easements.

It seems as though St. Joe's dream for Bay County, at least, is on its way to becoming reality. Whether similar dreams will come true on the 500,000 or so other Panhandle acres the company owns remains uncertain. There are a series of wish-list highways that are in the pipeline but not yet approved. The overall plan seems straightforward, though: Make an isolated region accessible to more people who will spend money, build homes and towns, and create a new economy there.

Anyone hoping to reshape the St. Joe vision faces a daunting challenge: As it stands, there is simply no regulatory regime or government entity capable of protecting the public's interests

in the face of a politically powerful and sophisticated landholding giant like The St. Joe Company. As Pittman, the St. Petersburg Times reporter, put it in a 2002 interview for National Public Radio, "The state's growth management laws are not set up to deal with it; local planners are not really equipped to deal with this sort of thing. Everybody is just kind of overwhelmed by the St. Joe steamroller. Nobody has a grip on what St. Joe's doing, really, except St. Joe."

Ironically, given the company's stated goal of being an environmentally responsible developer, St. Joe might be the least of the region's worries. "St. Joe has a record of leaving really good natural buffers," said George Willson, former vice president for conservation for St. Joe, "and as long as they were doing their own developing, it was OK. But now, they are farming a lot of that out and selling properties to developers who do not share that New Ruralism concept." Willson is currently a conservation consultant and still active with St. Joe in identifying crucial conservation properties in the hope that, someday, Florida will emerge from its budget crisis and fund the Florida Forever program so it can preserve those properties from development. "We still have this one single biggest landowner," he said. "The opportunity is now."

Many things must change to take advantage of that opportunity in the Panhandle and in other places where huge tracts of timberlands are being sold off or developed.



Even with an optimum level of conservation purchases, a glaring deficiency in wetlands regulation needs to be corrected. A 2001 Supreme Court decision removed federal protections for “geographically isolated wetlands” like many of those filled by the airport project and like thousands of acres more that will be at risk as development proceeds in the Panhandle. Such wetlands are critical to aquifers, to wildlife, to surface water quality and to flood control.

The Clean Water Restoration Act, passed by the Senate Environment and Public Works Committee in June 2009 and before the House of Representatives as of this writing, would restore federal jurisdiction over “non-navigable waters” of the U.S. If the act passes in something akin to its current form, federal regulation of wetlands could be strengthened. But a change in law does not necessarily change the government’s approach to a problem.

As Pittman said in a recent e-mail interview, “In 1988, 1993, and 2005, Congress asked the Government Accountability Office to look into how well the Corps [of Engineers] was doing its job of protecting wetlands under the Clean Water Act. The GAO’s answer, in every single report, has been the same: awful.”

An effective wetlands policy is only part of a proper response to the long-term development of massive timber tracts and other environmentally sensitive land across the country. Particularly when dealing with large landowners who wield outsized political influence, the government must have procedures in place that factor in the full costs of proposed development.

Many local governments charge per-acre “impact fees” to developers, but the fees almost never take into account environmental costs that involve large-scale ecosystem damage. Regulatory regimes that charge or pay landowners for developing or preserving their property in a natural state — an approach that Stanford University ecologist Gretchen Daily and other scien-

tists and economists call “ecosystem services” — are truly in their infancy. The field of ecosystem services would have to grow up in a hurry to have any effect at all on St. Joe or the Florida Panhandle. But it’s clear that some way of valuing nature has to become standard practice if the government is to properly balance the benefits and costs of development and natural preservation.

Even if programs for valuing development and preservation are agreed on, questions about which level or levels of government should administer those programs will remain. The Clean Water Restoration Act may wind up being a good start toward better wetlands policy, but sweeping federal regulation can lead to the kind of political backlash that has attended the current Endangered Species Act, often described as “all stick and no carrot” for private landowners who provide habitat, willingly or not, for rare wildlife and plants. The act is one of the most visionary and effective environmental laws in the world. It is also deeply flawed and a blueprint for conflict.

So if north Florida and other timberland conversion plans are to proceed with something like environmental responsibility, there must be a general recognition that long-term, landscape-scale environmental protection depends on solid legal precepts: No one has the right to poison aquifers, fill swamps, flood out neighbors, pollute creeks or destroy rare wildlife on their private property. But to avoid overwhelming political strife, the law will likely have to be administered at the local and state levels, and it will have to value incentives over penalties. Landowners cannot be expected to bear the cost of ecosystem preservation alone — especially when they own everything from here to the horizon and are on extremely intimate terms with the government officials who regulate them.

During the winter and spring of 2009, the Panhandle was almost preternaturally quiet, muffled by the season and the stricken economy. St. Joe’s

stock prices had fallen to \$23 per share, down from \$41.80 in 2004. The company’s offices in downtown Tallahassee were shuttered. Peter Rummell had stepped down as CEO, passing the reins to St. Joe’s president, Britton Greene.

On a January morning, a drive along Route 30A, the beach highway, from WaterColor to Rosemary Beach is like a trip through a New Urbanist theme park after closing time, mile after mile of pastel-colored, high-end developments and shopping areas, almost all empty, with just a few trucks of construction workers here and there. Beyond the perfectly styled “Old Florida” beachfront homes, the Gulf is a wintry, translucent green, slapping lightly on the brilliant white sands that have made this coast famous. At certain places, 30A abruptly leaves behind the New Urban thickets and plunges into pinelands and palmetto scrub, preserved in the Point Washington State Forest and other state lands and parks, the coastal remnants of Ed Ball’s, “good old Florida sand and mud.”

At WaterSound, St. Joe’s gated beachfront and golf community near Santa Rosa Beach, the quiet prevails, and at midday there are no prospective customers in the offices. Billy Buzzett, St. Joe’s director of strategic planning, works in a modest office piled with maps. Buzzett is also a lawyer and a former civil engineer with a family history in the Panhandle that goes back to the 1850s. Buzzett says that, while business is slow, he is not particularly concerned. “We are still trying to get that long-term vision,” he says, “like the sector plan, which is a hundred-year plan, building it out over time. We’d like to find that template: What are the steps? How do you protect these lands? How do you avoid the piecemeal development that nobody wants? There should be an opportunity here to protect large ecosystems and have development, too.”

Asked what mechanism would be used to guarantee the protection of the lands in the West Bay that St. Joe had promised in return for the endorsement

of the environmental groups, Buzzett says his company is still working to find the best way. "We already have a 1,000-foot buffer to the water from our RiverCamps," he says, "far beyond what the law requires. As far as conservation easements, there's no requirement for that. Maybe easements are not the best way. But we have created these detailed maps for the sector plan, and it was very difficult to do that, with a lot of different people involved. I think if we decided to do something that was counter to the maps, we'd have trouble.

"What we have protects, if it is done, 33 miles of bayfront, 62 and a half square miles of land. It is going to be up to everybody else to decide whether this was the right idea or whether it would be better to try and deal with thousands of landowners who own an acre or two. For me, I think the large-scale planning will be better."

The small television in the office shows snowplows trying to clear roads in Kentucky and stranded travelers carrying suitcases into a high school gymnasium. Through the window, the sun is blazing down, pine trees stark against a sky as blue as deepwater ocean. "It might be slow now," Buzzett says, "but just look at it. People are always going to want to come to Florida."