Not Your Ordinary Joe:
The St. Joe Company and Florida's Great Northwest

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Abstract

This paper documents the impact of the St. Joe Company's growing real estate development portfolio on the Florida panhandle. It details the real estate market impacts of St. Joe (which have proven to be significant) and the concurrent community/economic development efforts undertaken by St. Joe to win community support for their projects (which have been substantial). The paper also discusses the political environment in the panhandle, in which small, low capacity governments have had to process huge development proposals by St. Joe. Lastly, it details the role of new regional planning processes in remaking the panhandle.

About the Author

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Introduction

The state of Florida has experienced tremendous growth over the last several decades, adding approximately 300,000 people per year since 1970. New residents continue to come to Florida for several reasons. First, the state attracts migrants due to its warm climate, beautiful beaches, and a rich, diverse natural environment. Second, Florida residents benefit from low tax rates, as Florida has no state income tax and the state's tax burden falls in the bottom third of all states (Florida TaxWatch 2006). Third, the state continues to see job creation rates that are the envy of most states; Florida often leads the nation in the number of new jobs created each year (Chapin, forthcoming). This population boom has occurred primarily in central and southern Florida, with the metropolitan areas of Orlando, Tampa, and Miami experiencing remarkable growth during the last few decades.

While many areas of central and southern Florida have experienced tremendous population growth and general economic prosperity, some areas have experienced few benefits from the state's population boom. Florida's panhandle region, in particular, has lagged behind the state as a whole on most measures of economic prosperity, such as income and educational attainment, and quality of life measures, such as access to health care. In recent years, a consortium of local governments, economic development entities, and real estate industry representatives have begun to recast the panhandle as a place for retirees, vacation homes, and upper middle class visitors. As part of this process, they have attempted to rebrand the panhandle from the "Redneck Riviera" to "Florida's Great Northwest". The proponents of Florida's Great Northwest (FGN) have tried to portray the panhandle as "the real Florida, the old Florida", a region with pristine beaches, undeveloped waterfronts, and tremendous untapped potential as a place to invest (Florida's Great Northwest, n.d.). Figure 1.1 illustrates the sixteen counties included in the FGN re-branding effort.

By far the most influential partner in FGN is the St. Joe Company (St. Joe), a former paper company that has turned into one of Florida's largest and most influential real estate development entities. St. Joe is the largest private landowner in Florida and the primary catalyst behind the remaking of a region largely bypassed by the state's decade's long real estate boom. St. Joe owns over 850,000 acres of land (roughly 2 percent of Florida's land area), with the vast majority of its holdings located in FGN. St. Joe has spent tens of millions of dollars on new infrastructure, built thousands of very expensive new homes (by panhandle terms), and invested heavily in commercial real estate ventures throughout the region. By the end of 2005, St. Joe had roughly forty predominately residential projects under development in the region, with an additional ten projects in the early planning stages. Beyond this large number of projects, St. Joe has almost single-handedly changed the residential real estate market in the region, bringing higher quality, but higher priced housing to a market long dominated by simple cracker houses and manufactured homes. Additionally, St. Joe's ongoing massive investments in the region's transportation infrastructure, several new or remodeled health care facilities, and various public-private partnerships have simultaneously improved and changed the quality of life in the region. In many ways, then, the panhandle is being remade by St. Joe.

Figure 1.1. Map of Florida's Great Northwest

The re-branding efforts of the panhandle by St. Joe and its FGN partners recall other efforts to recast the image and remake the landscapes of other American cities and regions. Rutheiser (1996), for example, chronicled how the city of Atlanta has been remade and rebranded over the decades, detailing how the city's leaders have successfully built an "imaginary city" that played host to the Olympics. Similarly, Cronon (1991) has written about efforts by public and private leaders in Chicago to establish that city as the heartland's leading economic center. In the context of Florida, in *Married to the Mouse* (2001) Fogelsong details how Orlando's growth machine used strategic infrastructure improvements and rebranding efforts to create the world's leading tourist destination in an area best-known for citrus and mosquitoes.

One purpose of this working paper is to document the impact of St. Joe on Florida's panhandle. The paper details the real estate market impacts of St. Joe (which have proven to be significant) and the concurrent community/economic development efforts undertaken by St. Joe to win community support for their real estate projects (which have been substantial). The paper presents evidence of a “St. Joe effect” on the panhandle, an effect which has contributed greatly to a rise in housing permits and housing prices in the region. Further, the paper details the indirect effects of St. Joe’s development approach, discussing how this large landowner has brought large-scale, high-end residential development to a part of the state long overlooked by the state’s largest developers.

A second purpose of the paper is to document the planning opportunities and challenges involved in working with a large landowner like St. Joe. Florida is well-known for its growth management system, one in which the state plays a substantial role in development review, particularly for large-scale projects, but the panhandle region has generally lagged behind the rest of the state in their planning efforts. Interviews with local planning staff, in particular, illuminated the planning challenges and opportunities associated with a large scale landowner like St. Joe. These discussions indicate that St. Joe has in some ways been just what the panhandle needed; a well-financed, pro-planning, long-term oriented developer interested not only in building and selling homes, but also in “placemaking”. In addition, St. Joe’s vast landholdings have provided opportunities for the purchase of environmentally sensitive lands and sites for needed public facilities. As the state and local governments in the region have come to terms with St. Joe’s development plans, planning processes have emerged that offer a potential model for planning at a scale and with a level of detail rarely seen in the United States. St. Joe has helped to raise the bar for both the development industry and the public planning process in the panhandle.

However, a large landowner like St. Joe also brings challenges for planners and these challenges remain an important part of the story. While St. Joe is a pro-planning development firm, their deep pockets have allowed it to work the existing planning system, sometimes overwhelming the planning staff’s of panhandle counties with more sophisticated and more detailed analyses than these local governments are accustomed to. In addition, in concert with other large development firms, St. Joe’s lobbying efforts have yielded changes to the rules governing large scale projects, changes that generally speed up the development process. Lastly, because St. Joe is such a large and active development company, its projects have received a great deal of attention from environmental groups and local activists, resulting in heated public debate about several of the company’s proposed projects.

This investigation has relied upon a broad set of data to inform its analysis. The paper presents quantitative data, including census data and data on housing starts and housing costs, as well as qualitative data generated by interviews with local planners, environmentalists, and representatives from St. Joe.[1] In addition, the author relied upon data collected by students in his Forecasting for Urban Development course (URP 5261) for students in the Florida State University urban and regional planning master’s program. This course requires students to develop a population and employment forecast for a Florida panhandle county. As part of their work, students are required to interview local planning staff, real estate agents, representatives from the state Department of Community Affairs, and other local insiders. Students then generate a detailed report on local demographic and economic conditions and trends shaping the county of interest. In the last five years, these forecasts have been completed for Bay, Franklin, Gulf, and Walton counties, each home to substantial development activity by St. Joe. The work for Franklin County has also been employed by state and local planning staff in support of a major comprehensive plan update for the county (Chapin, 2003).

The paper is organized as follows. In the first section, an overview of the St. Joe Company is provided, documenting the land holdings and development plans of Florida's largest private landowner. The next section outlines key impacts of St. Joe's panhandle real estate activities, including a substantial rise in housing prices and the emerging crisis of affordable housing in the region. Following this is a summary of the Florida planning context, including a discussion of how the state's regional planning processes continue to shape both St. Joe's planning and development efforts and the responses by local and state officials to these plans. In the next section the major opportunities and challenges of working with a large landowner like St. Joe are discussed. A final concluding section distills the planning lessons from the St. Joe case study, providing guidance to any local government working with a development-oriented large landowner.

Not Your Ordinary Joe

Founded by trustees of the DuPont Foundation, St. Joe began its existence as the St. Joe Paper Company, a corporation whose primary interest was in developing timberland to be used as inputs into the company's paper mills. In support of this venture, Edward Ball, brother-in-law to Alfred I. DuPont, began purchasing large tracts of north Florida land at very cheap prices during the 1920s and 1930s (Ziewitz and Wiaz 2004). These purchases included miles of beachfront property, with purchases of up to a quarter-million acres at a time. Using advanced silviculture practices for the time, the St. Joe Paper Company thrived for many years, with a growing market share in the paper-goods industry. However, with increased competition from overseas paper companies and the rise of environmentalism in the United States, St. Joe Paper began to fail as a business enterprise in the closing decades of the 20th century.

As the paper company started to decline, St. Joe's executives began the process of remaking the company into a real estate development firm.[2] While in retrospect this evolution makes perfect sense – how could any firm with such large landholdings in Florida not be in the real estate business? – in reality this transition was a slow, sometimes painful one. Over the course of the 1980s and early 1990s, the company made its first public stock offering, began to shed some if its paper company infrastructure, and began to hire people with real estate experience and expertise.

Two events epitomize the transition of St. Joe from a paper company to a real estate company. First, in 1996 the company sold their symbolic home, a paper mill in the town of Port St. Joe. This sale effectively marked the end of St. Joe as a paper company and, concurrent with this, the company re-branded itself (for the first time) as the St. Joe Corporation. As a result of this sale hundreds of paper company employees were laid off. In many ways the Port St. Joe economy has yet to recover from this economic restructuring. Reflecting this, the city was one of only four Florida cities to experience a net decline in population in the 1990s.

The second major transition point was the company's purchase in 1997 of controlling interest in the Arvida Company, one of Florida's established and acclaimed development firms. Arvida had worked with Disney in the development of Disney's Celebration new town development outside of Orlando. In that same year St. Joe hired Peter Rummell as CEO, a long-time Florida real estate developer and president of the Disney Development Corporation when they developed Celebration. By 1997, then, St. Joe was established as a real estate company, with a stock listing on the New York Stock Exchange.

It is also worth noting two other projects that influenced St. Joe's evolution into a real estate firm and their choice of design aesthetic once they established themselves as a development entity. In 1981 Robert Davis began development of Seaside[3], an eighty acre mixed use development located on the Gulf of Mexico in eastern Walton County. While a critical hit and a darling of the New Urbanist movement, most have overlooked the fact that Seaside has also been an economic success. Seaside illustrated to many developers, including St. Joe, that high end residential real estate projects could succeed in the central panhandle, a market typically overlooked by the state's largest residential developers.

Disney's new town in central Florida, Celebration, also has shaped St. Joe's development aesthetic. This New Urbanist community has also received a great deal of national press due to its somewhat unique look, pedestrian friendly design, and mix of housing types. However, while Celebration has been another economic success, that development experienced several problems related to construction, education, and image that ultimately caused Disney to distance themselves from the project.[4]

Drawing from these two projects, St. Joe has established a design aesthetic based in New Urbanist principles, but one that also reflects the realities of the real estate market in Florida. Their residential projects are typically mixed use, pedestrian and bike friendly, and very attractively developed. Residences are typically built with very small setbacks, with porches on the front, and alleys in the rear, features that are a hallmark of the New Urbanist approach. Reflecting the reality of the Florida real estate market, St. Joe offers a mix of residential products, including ranchettes, large-lot single-family homes, one-sixth acre single-family lots, townhomes, condominiums, and even apartments above storefronts in their commercial districts. St. Joe's projects receive great attention to almost every detail, with staff people spending months to make choices on building materials or the selection of a color palette for buildings and public spaces. In addition, St. Joe has a stated goal of community building, with investments in community facilities, walking trails, and other public spaces aimed at connecting residents. In Southwood, a new town development located in Tallahassee, St. Joe employs an "Art-of-Living Director" whose job is to organize community events and to promote community building. CEO Rummell has labeled the St. Joe design aesthetic as "placemaking" (St. Joe 2006a).

Beyond investing in and building residential communities, St. Joe has actively pursued other strategies for using their extensive lands. Included among these strategies has been the sale of land to the public sector, much of it via the state of Florida's Preservation 2000 and Florida Forever land conservation programs, as well as to private development firms. St. Joe has also pursued commercial development projects, including sixteen commercial office parks spread throughout the panhandle. Lastly, Joe has also donated sizable pieces of land, typically for public facilities that will support their development initiatives. For example, St. Joe has donated land for a new state of Florida office complex adjacent to their Southwood development in Tallahassee.

Reflecting these various activities, in 1999 the company reorganized itself into four branches, each intended to capitalize on a different aspect of the St. Joe holdings: (1) St. Joe Towns & Resorts (residential real estate), (2) St. Joe Commercial (commercial real estate), (3) St. Joe Land Company (land management and land development), and (4) St. Joe Timberland (timber management). This structure served the company well in the early 2000s, as the company's profits hit record levels and the company's stock performed very well, both factors leading to attention from institutional investors and other real estate interests.

Bringing the structure of the company full circle, in August 2006 the company again reorganized, this time collapsing the St. Joe Commercial, St. Joe Land, and St. Joe Towns and Resorts divisions into a single entity known by the company's original post-paper company moniker of The St. Joe Company (St. Joe 2006b). According to press releases that accompanied the restructuring, this last reorganization was brought about in part by two factors. First, several hurricanes ravaged the panhandle of Florida in the summers 2004 to 2005, slowing real estate demand in the panhandle and generating much higher insurance costs for residential property along the coast. Second, the burst of the national real estate bubble in 2006 contributed to St. Joe's restructuring, as the company's profits fell well below their levels of previous years.

St. Joe's Panhandle Land Holdings and Development Plans

As noted earlier, St. Joe has for decades been Florida's largest private landholder. At the apex of their land ownership in the late 1990s, the company controlled well over a billion acres, with the vast majority of these holdings being located in the panhandle. Figure 1.2 illustrates the location of St. Joe's holdings as December, 2005.

Figure 1.2. Map of Joe's Florida Panhandle Lands and Development Projects
(Source: *St. Joe Annual Report, 2006a*)

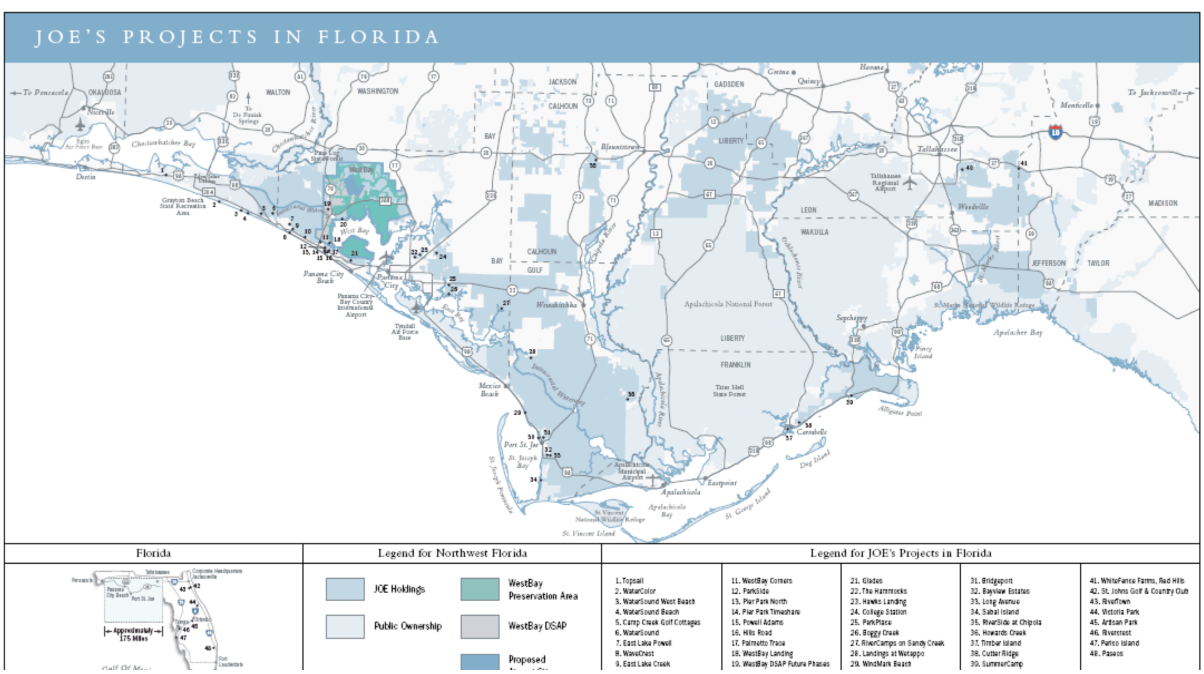


Figure 1.2 reveals some very telling facts about St. Joe's landholdings. First, the large majority of the company's lands are not located along the Florida coast; much of St. Joe's land is not the beachfront Florida that they advertise in much of their corporate materials. This has led the company to articulate a strategy for either disposing of or developing a market for these inland areas. St. Joe has sold huge swaths of land to the state of Florida, upwards of 50,000 acres at a time in some cases. The company has also donated large pieces of land for infrastructure projects to promote accessibility to the region (and to their other holdings). For example, St. Joe has offered 4,000 acres for a new airport in Bay County. To make these inland lands more attractive the company has also articulated a "New Ruralism" strategy, one that suggests that the New Urbanist principles of community building and connection to place can be brought to ranchettes and farmsteads (St. Joe 2005).

Second, while St. Joe's lands are predominately inland, they do own substantial lands within five miles of the coast. Much of the non-barrier island coast in western Bay County and eastern Walton County is owned by St. Joe, as are sizable portions of coastal Franklin and Gulf counties. The company estimates that they own over five miles of Gulf of Mexico beachfront, property worth billions of dollars in the current real estate market (St. Joe 2006a).

Third, in certain FGN counties, St. Joe is the dominant non-governmental land owner. For example, in Franklin County St. Joe owns approximately 75 percent of the privately owned land. In Bay and Gulf counties, the company owns roughly half of the privately held land. These huge holdings allow St. Joe to dominate these real estate markets. In the case of Gulf and Franklin counties, especially, if St. Joe isn't in the development business, very little development activity is possible.

Since 1999 St. Joe has been actively developing sizable portions of their panhandle lands, bringing over 26,000 new residential units to the region. Table 1.1 summarizes St. Joe's development projects by county as of December, 2005. The table illustrates that the company's development activity is truly regional in scope, with development projects in six of the region's counties, with future projects currently in the early stages in two additional counties (Wakulla and Gadsden). Of this activity, the largest and most extensive projects are planned for two of the most urbanized counties in the region, Bay and Leon. In addition to these entitled (approved) projects, St. Joe has plans in the pipeline for another 11,000 residential units and 1.8 million square feet of commercial space in the panhandle.

Table 1.1 Summary of St. Joe Development Activity in the Florida Panhandle, 2005

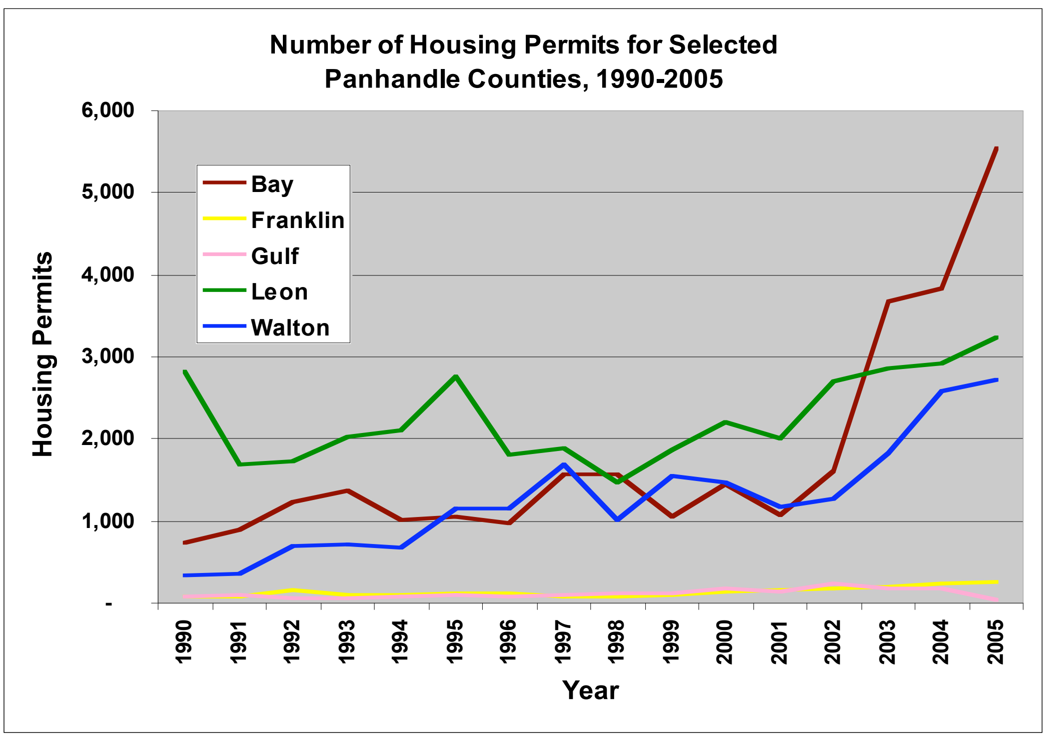
County	Acres in Development	Units in Development	Commercial Sq Footage
Bay	26,302	14,475	4,570,000
Calhoun	120	10	0
Franklin	821	982	39,500
Gulf	2,422	2,523	506,663
Leon	3,743	4,820	5,449,660
Walton	2,344	3,909	833,980
Totals	35,752	26,719	11,399,803

Source: St. Joe 2005 Annual Report (2006a)

This combination of the size, the location, the relative importance, and the development plans and ongoing development potential of these lands make the St. Joe Company a very powerful presence within the panhandle. In addition, the historically important role of the St. Joe Paper Company in the region's economy ensures the company's involvement in almost any discussion of issues of regional importance. Interviews revealed that many local governments in the panhandle have come to rely upon St. Joe for free or low cost land for public facilities such as schools, parks, and prisons. Many interviewees also noted that they see St. Joe as a partner in the development of the community; all reported very good relationships with the company, even in the face of public discontent with some of St. Joe's development plans.

The Impacts of St. Joe's Development Projects

Between 1998 and 2006, St. Joe received development permits for roughly 8,500 residential units, additional development activity for an already heating up real estate market. The immediate impact of St. Joe's development plans can be seen in Figure 1.3, which shows the number of residential units permitted for the period 1990-2005 in the five counties where St. Joe has undertaken development activity. This figure shows that in Bay and Walton counties there has been a spike in development since the late 1990s, about the time that St. Joe began seeking approval for several development projects in those counties. For example, between 1990 and 2000 Bay County averaged approximately 1,150 residential permits per year. Since 2001, when St. Joe began construction on several projects (with roughly 2,000 new units currently under construction), the county has averaged roughly 3,100 permits. Conversations with real estate agents and planners indicate that St. Joe's development activity has been a major factor in this building boom.



Leon County has also seen an increase in development activity since 2000, in part attributable to Southwood, a 4,770 unit planned community that began development in late 1999. Between 1990 and 1999 Leon had an average of 2,000 permits per year; since 1999 the county averaged 2,650 units per year. As in Bay and Walton counties, planning staff and real estate agents point to St. Joe as a major factor in this residential development boom, although the Tallahassee housing market experienced a more general housing boom during this period.

For Franklin and Gulf counties, the development activity of St. Joe is less pronounced, in part because of the small number of units being produced in these largely rural counties. However, the raw numbers indicate of a "St. Joe effect", as the number of units permitted in these counties went from an average of roughly 90 units in the 1990s to almost double that in the period 2000-2005.

It is worth noting that other counties in the region also saw some increases in development activity during this period. Santa Rosa, Okaloosa, and Wakulla counties, all coastal counties in the region, also saw permit increases during this period. Since the late 1990s, the panhandle has been in the midst of a remarkable real estate boom, with residential development activity levels at all-time highs in most counties. St. Joe has clearly benefited from such a market, selling homes at a rate that outpaced their own forecasts. However, as discussed below, St. Joe was also a major contributor to this boom. Without St. Joe, the counties of Franklin, Gulf, and Bay would have had substantially diminished levels of new home construction.

Beyond bringing thousands of new residential units to the region, St. Joe's development projects have had a profound impact upon the panhandle real estate market. Table 1.2 shows the median sales price of single-family units for these same counties for the years for which data are available. This table illustrates that housing prices in each county, except Leon, have increased at a rate greater than the state's over the period 1999-2003. Perhaps most remarkable have been the sales price increases in Gulf and Franklin counties, two counties largely ignored by real estate interests and home buyers during previous Florida land speculation booms.

Table 1.2. Median Sales Price for Single-Family Homes, 1999-2003

County	1999	2000	2001	2002	2003	Pct Change
Bay	$ 107,149	$ 110,795	$ 117,396	$ 123,903	$ 140,648	31.3%
Franklin	$ 153,070	$ 164,547	$ 171,291	$ 198,980	$ 266,924	74.4%
Gulf	$ 124,724	$ 138,494	$ 146,211	$ 173,255	$ 189,927	52.3%
Leon	$ 120,075	$ 118,474	$ 128,068	$ 132,304	$ 139,314	16.0%
Walton	$ 167,697	$ 181,002	$ 177,374	$ 225,756	$ 251,524	50.0%
State of Florida	$ 114,100	$ 119,000	$ 131,500	$ 142,000	$ 156,000	36.7%

Source: Florida Housing Data Clearinghouse

According to local planning officials and real estate agents, these increases are largely attributable to St. Joe. Further, they indicate that this "St. Joe effect" is actually due to separate, but related direct and indirect impacts.[5] The direct impact occurs as St. Joe builds a larger, higher quality product than these panhandle counties have typically seen. These larger homes, with greater in-house and community amenities, have contributed to increasing sales prices. In addition, St. Joe's residential sales are typically aimed at buyers from outside the region, which represents a different target market. This larger market has also contributed to increasing sales prices in the region.

The indirect impact of St. Joe on home prices rests on two factors. First, St. Joe has established "community building" as a development approach in the panhandle. For decades, most developers in the region built fast and built cheap, investing little in community facilities and even less on basic infrastructure. In Franklin and Gulf counties in particular, developers often "built" (or more correctly installed) manufactured homes on one acre lots, with septic systems. These "Bubba developers", as they are known in the region, don't look favorably upon planners and the planning process and their level of on-site investment is typically very low. However, St. Joe's sales record and substantial profits have helped to create a very different real estate development industry in the panhandle. Developers are now building housing that is similar to St. Joe in look, style, amenity, and level of investment.

The second indirect impact has to do with St. Joe's success in leveraging state and local government dollars for major infrastructure, public facility, and quality of life improvements in the region. St. Joe has backed efforts to build new schools, health care facilities, and park and recreation facilities. The rising quality of these public facilities, as well as the spread of urban services like central water and wastewater systems, is also a factor in rising real estate values. Local insiders suggest that these indirect impacts are also very important to understanding the "St. Joe effect" on the region.

The impact of the "St. Joe effect" panhandle real estate boom has been most pronounced for long-time residents of these counties. On the positive side, some residents have taken advantage of the boom to upgrade their housing. However, a more common story is the pricing out of many long-time residents, as they have been unable to afford rising property taxes. One of the major problems facing the region is affordable housing. While this is a problem being experienced throughout Florida, St. Joe's development activity has brought this problem to the panhandle at a pace few anticipated. What has resulted in many panhandle counties is a "two county" syndrome. Coastal areas are upper middle class retirement and vacation destinations, with very expensive real estate. In contrast, the inland areas of these counties have become the place for much more modest and much less expensive housing, although these areas are also suffering from shortages of affordable housing.

This last issue, in particular, requires a bit more attention. The St. Joe's Corporation is very clear about their business model; they make no room in their projects for affordable housing and their product is explicitly aimed at wealthy retirees, second-home buyers, or upper middle class residents. While local governments and the state have sometimes pushed the company to address this issue, the company has typically responded with payments in lieu of affordable housing or land donations for other infrastructure needs, solutions which usually sidestep the issue. As a result, while St. Joe, and the real estate industry more generally, profit greatly from the success of these developments, many existing residents in these panhandle counties have seen very little benefit from million dollar beach homes and $250,000 townhomes. While St. Joe can be applauded for their commitment to large-scale planning, their environmental ethic, and their commitment to quality housing, they have not and will not address the affordable housing problem unless required to by the public sector. Given St. Joe's influence (discussed later), this seems unlikely.

St. Joe: Pole or Enclave?

The case of St. Joe offers interesting insights into the role of large landowners as poles (centers of development activity) or enclaves (closed, detached development projects). St. Joe pointedly advertises and designs its communities as poles for development activity. Unlike gated communities that you will find in much of the state, St. Joe's communities are open (not gated) and accessible to surrounding landholdings (they typically have numerous entry/exit points). Further, St. Joe touts the connections of these communities to nature and the surrounding region, often promoting place as much as the product itself. In these ways, St. Joe appears to be an examples of a large landowner that understands and respects their role as a pole for growth.

While St. Joe may market their projects as growth poles, the location of their projects and the very narrow market are suggestive of enclave tendencies. For the most part, St. Joe's projects are true greenfield projects, disconnected physically from any existing development. Even in cases where they own land adjacent to existing urbanized areas, St. Joe has chosen to develop those portions of their property far from that development. Only in the case of WaterColor in Walton County has St. Joe nestled up to an existing development, in this case the new urbanist Seaside project discussed previously. The amenity packages at these communities are also indicative of closed communities, with recreational facilities and pocket parks that are aimed at community residents; only rarely are general use ballfields or large playgrounds found in these communities. In addition, St. Joe has made very few overtures to the existing panhandle housing market, instead aiming much of their advertising and market research at a national market. In some ways, then, St. Joe's panhandle communities are gated communities without the gates; these are communities that are visually distinct and home to a narrow class of user.

When viewed holistically, then, St. Joe is probably best understood as a "reluctant pole", a landowner whose form and level of investment has and will continue to attract development. As detailed in the previous section, St. Joe's projects have attracted copycat developers and developable land outside of St. Joe's landholdings has become a valuable commodity. Florida's development industry and real estate investors follow very closely the activity of St. Joe; when St. Joe invests in their land, investment in nearby land is likely to follow.

Despite these agglomerative effects, St. Joe clearly is uneasy about their role as a growth pole. Much like Disney in Orlando (Fogelsong, 2001), St. Joe is concerned about the type and look of development outside the "gates" of their projects. St. Joe is selling an image of communities in a natural setting, populated by people of means, and development in adjacent lands that is unattractive or at a lower price point can compromise this setting. In part flowing from this desire to control lands not owned by St. Joe, the company has embraced the regional planning process. This topic is discussed in the following sections.

The Florida Planning Context

The second purpose of this paper is to discuss the planning opportunities and challenges involved in working with a large landowner like St. Joe. However, before identifying these, a brief overview of the Florida planning and growth management context is required. This context is important because in many ways Florida is not typical, with state-mandated comprehensive planning and a development review process for large projects. In addition, during the 1990s the state developed other strategies for promoting desirable development outcomes from large-scale projects, approaches that potentially offer a model for working with a large, active landowner like St. Joe.

Florida's Growth Management and Comprehensive Planning Approach

Between 1960 and 2000 Florida's population more than tripled from roughly 5 million to almost 16 million. This massive population growth had immense impacts on local land markets, generated great stress on local and state infrastructure systems, and resulted in negative impacts on many of the state's natural resources. Ultimately, increasing recognition of these impacts contributed to the passage of a set of growth management bills in 1985, collectively known as the "Growth Management Act" (GMA) (DeGrove 2005). This legislation called for state oversight of local planning efforts, required consistency between often disconnected local plans, and established infrastructure concurrency, a requirement that certain urban services must be in place prior to the issuance of development orders (Ben-Zadok 2005). To date, Florida remains one of only a handful of states with a state mandated system for managing growth.

Another important element of the state's growth management approach was the establishment of an oversight role for the state's Department of Community Affairs (DCA). As the state's land planning agency, DCA is responsible for the review and approval of local comprehensive plans, as well as any amendments to these plans. In addition, DCA is tasked with providing technical assistance to local governments as they meet the state's requirements for comprehensive planning and growth management. As a result, DCA plays two very different, sometimes contradictory roles, regulator and consultant. At times the agency rejects proposed changes to local comprehensive plans. At other times, the agency provides technical assistance on proposed changes to these plans.

Given these dual, sometimes contradictory responsibilities, DCA has historically struggled to establish positive working relationships with local governments, especially those in the more politically conservative panhandle. Many local panhandle governments were slow to respond to the state's comprehensive planning requirements, yielding plans that were initially deemed out of compliance by DCA.[6] Some, such as Gulf County, were so slow to respond to the state growth management mandate that DCA eventually has to draft significant portions of local comprehensive plans, sometimes over the objections of these governments. Even today local governments in the panhandle retain their laissez-faire attitudes towards many planning issues, oftentimes resulting in greater DCA oversight than can be found in other areas of the state.

Florida's Review Process for Large Scale Projects

On top of the 1985 GMA and its requirements for detailed, ongoing comprehensive planning, Florida has a long history with regional planning efforts. Predating the GMA by thirteen years, in 1972 the state established a "Developments of Regional Impact" (DRI) process. The DRI process was designed to ensure state review of large, regionally significant land development projects.[7] DRI review was intended to help mitigate environmental, traffic, and other impacts of very large developments that affect at least two counties in the state. While the DRI process has experienced significant tinkering over the years, even experiencing a sunsetting of the process in the early 1990s with reinstatement two years later, it remains in place as a required planning process for large scale projects.

A primary benefit from the DRI process is that all affected parties are required to be at the table to review and provide comment on projects that meet minimum DRI thresholds. These parties typically include the project developer(s), affected local governments, the regional planning council, DCA, other state agencies (such as the Department of Transportation and the Department of Environmental Protection), and any interested citizens or issue groups (such as 1000 Friends of Florida). The DRI process requires the developer to submit detailed studies of the environmental and traffic impacts of the proposed project (at minimum). These parties are then tasked with reviewing impact analyses and working with the developer to determine a plan for mitigating these impacts. At the end of this detailed review process, the local government usually passes amendments to the local comprehensive plan, which are typically approved by DCA. In return for completing the DRI process the developer receives entitlements for the entire project, entitlements not subject to any further review by any level of government (unless a substantial deviation from the original development plan is to be pursued). Once the process is completed the project is deemed "vested" and the developer has the right to build the project as established by the DRI process.

Due to the extra layer of planning above that required for a typical comprehensive plan amendment, the DRI process typically takes a few years to be completed. There are also significant costs incurred by a project's developer as they prepare the analyses required by the process. Lastly, there are costs associated with the specific mitigation projects that arise from the process. Discussions with representatives of the development industry suggest that the typical DRI process is at minimum a million dollars out of pocket for the developer, in addition to the funds required to satisfy any mitigation requirements.

Not surprisingly, the DRI process is not popular with the development community. Development interests regularly lobby the state legislature to make changes to the DRI requirements, with some success. In recent years the legislature has exempted certain projects from DRI review and adjusted the DRI thresholds upward so that fewer projects trigger this process. Many local governments dislike the process as well, especially those in the panhandle, as it requires a great deal of extra work, coordination with other local governments and state agencies, and close contact with DCA.

Several of St. Joe's projects have triggered the DRI process, including Southwood in Leon County, WindMark Beach in Gulf County, PierPark in Bay County, and WaterSound in Walton

County. Other projects in Franklin and Bay counties would have qualified, but they are being pursued through alternative planning processes that have been developed in response to widespread displeasure with the DRI process (discussed in the next section). Due to this large number of DRI projects, St. Joe has acquired a great deal of expertise with the DRI process. In addition, St. Joe representatives, DCA planning staff, and other parties that routinely participate in the DRI process (e.g. 1000 Friends of Florida) have come to know each other very well. Representatives of these groups unanimously indicate that they have established courteous, professional, productive working relationships, despite differences in views towards the form, mix, density, and intensity of development.

Emerging Alternatives to Florida's DRI Process

Due to a substantial level of discontent with the DRI process in both developers and local governments, the state has developed two major alternatives to the typical DRI process. Generally speaking, these alternatives are designed to "incentivize" the regional planning process, with carrots available to developers that pursue one of these alternatives.

The first of these alternatives is the Florida Quality Development (FQD) process, passed in the mid-1990s by the state legislature after input from DCA. FQDs are intended to encourage large scale projects that are of the highest quality, with emphases on protecting environmentally sensitive lands, offering design features and infrastructure investments that represent the tenets of "good planning" (mixed uses, sidewalks, buffers for wetlands, etc.), and paying for the full costs of development. Projects identified by a developer as an FQD are reviewed by DCA and projects that amass enough "design points" are allowed to proceed under the FQD review process (Florida Department of Community Affairs, 2006).

The FQD program is designed to streamline the DRI process in several ways. First, a FQD proceeds simultaneously as a DRI and a comprehensive plan amendment; there is no need for further local review after the DRI is approved because the plan amendment is issued at the time of approval of the FQD. Second, DCA is the issuing agent for any plan amendments, not the local government, speeding the review process by several months. Third, FQDs receive priority for review by DCA planning staff, again potentially speeding up the review process. Fourth, once approved the FQD has more flexibility for amendment and revision than the typical DRI. Lastly, the FQD is intended to serve as a marketing tool, as the state encourages developers that have navigated through this process brand their development a FQD.

Despite these incentives, only eighteen FQD projects have been undertaken (Florida Department of Community Affairs, 2006), representing only a very small percentage of the DRI projects in the state. Planners and developers interviewed indicate that the streamlined permitting process doesn't offer substantial improvements over the typical DRI process. In addition, the FQD designation has never established itself as a useful brand for development projects in the state. In short, then, the incentives of the FQD process have not been sufficient to attract developers to pursue this alternative.

The second major alternative to the DRI process is the Optional Sector Planning (OSP) process, established by the state legislature in 1998. The OSP process actually involves two separate, but related processes: 1) a conceptual long-term buildout overlay plan, which establishes the broad development policies for the planning area, and 2) detailed specific area plans, which offers a finer grained look at future land use patterns and public facility needs (Florida Department of Community Affairs, 2001). OSPs can only be undertaken for areas of at least 5,000 acres in size, which limits this process to truly large-scale, regionally significant projects. As part of the 1998 implementing legislation, the legislature asked for five OSP demonstration projects.

The OSP is intended to provide a long-term land use vision and capital improvements plan for a large area. Once the OSP documents are created and approved by the local government, DCA reviews the OSP and, if found in compliance, notifies the local government that development orders may be issued for the project. If these development orders reflect the OSP, DCA effectively waives their right for further development review.

From the developer's perspective, the primary advantage of the OSP is that it economizes on the typical DRI-comp plan process. As this process results in a conceptual development plan, projects that reflect the adopted and approved OSP receive faster development review and approval from local governments and DCA. Once the OSP is approved DCA is effectively removed from oversight of any development within this planning area, so long as any project changes reflect the OSP.

From the state perspective, the benefits of the OSP process are many. First, this process involves planning at a scale generally not undertaken in Florida, except for particularly large DRI projects. Second, the OSP process is in many ways about "big picture" planning. With an emphasis upon issues of urban form, environmental protection, and the efficient provision of public facilities and urban services, the OSP process reflects the primary interests of the state in local land planning. Third, the OSP process requires extensive public involvement, over and above that required for the DRI process, with the hope that consensus can be generated concerning future land use patterns in the planning area.

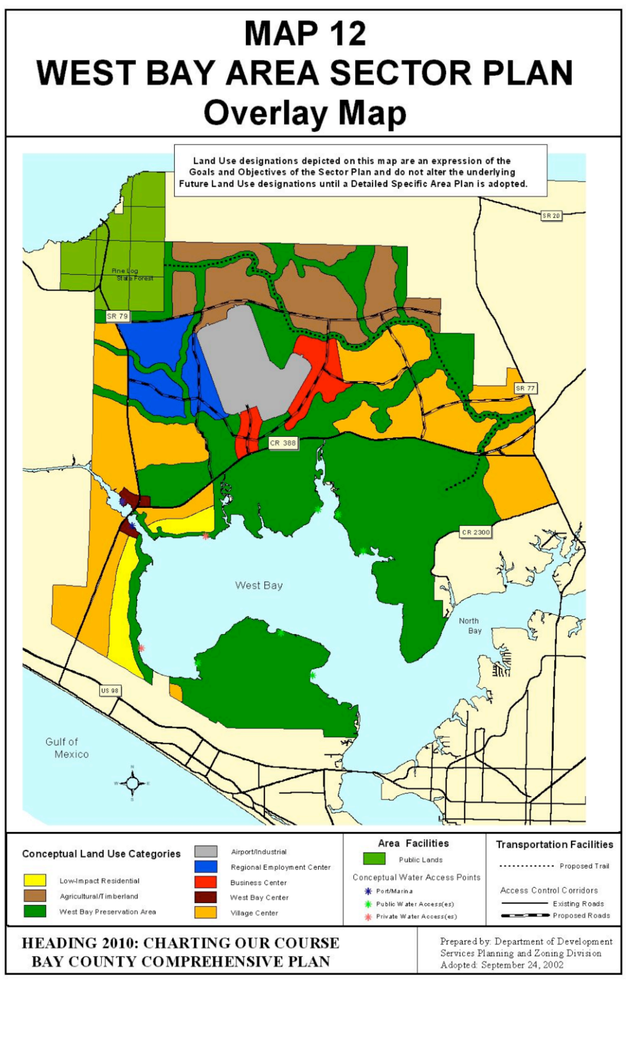
Despite these potential advantages to developers and to the planning process, only four of the five demonstration OSPs have been undertaken in the state, one each in Bay County, Clay County (in the Jacksonville area), Orange County (home to the city of Orlando), and Palm Beach County. In Bay County and Orange County, detailed specific area plans had been prepared for portions of these planning areas by the end of 2004 (Florida Department of Community Affairs, 2004). In both Clay and Palm Beach counties, however, problems have arisen that have scuttled OSP efforts. DCA remains committed to making the OSP process a viable alternative to the DRI process, despite the mixed success of their demonstration projects.

<u>The Bay County West Bay Sector Area Plan</u>

After the establishment of the OSP in 1998, DCA was interested in identifying demonstration projects that were candidates for this process. DCA actively marketed this program to developers and local governments and in 1999 Bay County, with the consent of St. Joe, responded by nominating the West Bay area of the county for the process. The West Bay area is a largely undeveloped part of Bay County, representing the westernmost fifth of this fast-growing panhandle county. Almost all of the land in this area is owned by St. Joe (see Figure 1.2). As noted earlier, St. Joe has offered 4,000 acres in this area as the home for a new regional airport that would be capable of serving large jets that would bring tourists and retirees to this area of the state.

In 2002, after two years of scoping meetings with major stakeholders and meetings to inform the public, DCA approved the 72,500 acre West Bay area for the sector planning process. Since this time, the county, the regional planning council and St. Joe have worked very closely together to generate a West Bay Sector Plan. This plan calls for a new regional airport, an industrial park, 10,000 residential units, a town center, and large conservation areas. The conceptual overlay plan, shown in Figure 1.4, was approved by DCA in 2004. Two detailed specific area plans have also been developed and approved by DCA. These specific pieces were subsequently adopted as part of the Bay County comprehensive plan and they are now in place to guide development in the West Bay area in the coming decades. The county and St. Joe have also begun work on the land development regulations needed to implement the OSP, and development is expected to commence in the next year.

Figure 1.4 Bay County West Bay Sector Plan Overlay Map



The Franklin County Overlay District Effort

In addition to the West Bay Sector Plan, St. Joe has also partnered with another local government on a second OSP. This project, known as the "St. James Island overlay district", is located in the eastern third of Franklin County. Franklin County has for decades been a sleepy, largely rural community, numbering roughly 10,000 residents in 2004. Located outside of the commuting sheds of Bay County's urban communities and the city of Tallahassee in Leon County, Franklin County experienced very little population growth between 1950 and 2000. However, as St. Joe refocused their energies away from natural resources and towards land development in the 1990s, the real estate market began to view the county in a new way. As noted earlier, the number of new units being permitted in Franklin County has doubled in the last few years. Beyond the roughly 1,000 new units that St. Joe has received entitlements for, an additional 3,000 residential units are being proposed for the county.

This proposed development contributed to the decision by St. Joe and Franklin County to come together in a planning effort that was intended to eventually evolve into an OSP for the St. James Island portion of the county.[8] The St. James Island area is roughly 60,000 acres of largely undeveloped pinelands. At the urging of DCA, St. Joe and Franklin County hired faculty and staff at Florida State University (FSU) to update the county's comprehensive plan and to lead the consensus building effort that is a hallmark of the OSP process. Throughout much of 2003, the FSU-led team held eight meetings with stakeholders and local residents to generate consensus for this planning effort (Florida Conflict Resolution Consortium, n.d.). In addition, Franklin County is in the final stages of the approval process for the major update of their comprehensive plan, a product of collaborative work by the county planning staff, St. Joe, and FSU planning faculty and students.

Despite significant progress in generating consensus concerning future land use patterns in the county, the St. James Island overlay district never proceeded beyond the public meeting stage. Interviews with Franklin County planning staff indicated that this process failed for two primary reasons. First and foremost, the OSP process proved to be too onerous for a small county with limited resources and planning staff; the planning department in Franklin County has only two full-time planners, one of whom is also the Director of Administration Services for the county. Second, despite direction from DCA to undertake this planning effort, it remained unclear to all involved whether or not this process would yield land entitlements for St. Joe. Because no community had yet to successfully navigate through the entire process, DCA was unable to provide clear guidance as to the form and content of the products of this process. Consequently, the uncertainty of the outputs from the process limited public support for the effort and this planning effort died on the vine.

Large Landowner Planning Opportunities and Challenges

The case of St. Joe and their development experiences in the Florida panhandle are instructive when considering the planning opportunities and challenges associated with large landowners. In this section, opportunities and challenges specifically related to St. Joe's status as the state's largest landowner are presented and discussed. These opportunities and challenges derive from author experience with planning issues in the panhandle, as well as interviews with local planners, St. Joe personnel, DCA staff, and representatives of interest groups.

Planning Opportunities Associated with St. Joe

While a number of planning opportunities emerged from the St. Joe case study, a number of these had much to do with factors separate from their ownership of large tracts of land in the region. For example, many real estate agents and planners identified very strongly with St. Joe's design aesthetic and their commitment to a loose version of New Urbanism. Similarly, some interviewees identified the better construction practices of St. Joe as a major advantage to working with this company. However, these opportunities have little to do with St. Joe's status as a large landowner. In the end, four primary planning opportunities specific to large landowners were indicated by the St. Joe case study.

Opportunity #1: Land for Public Facilities

When interviewed for this study, almost every party indicated that the biggest planning opportunity related to a large landowner like St. Joe was the potential for cheap or free land for public facilities. Local governments are always in need of land for infrastructure or public facilities and the ability of St. Joe to provide free or low cost land for these improvements has made them very popular with planners and public officials. St. Joe has donated land worth millions of dollars for parks, airports, fire stations, health centers, road right-of-ways, and public meeting facilities. In some of their new towns St. Joe has reserved sites for schools and parks, oftentimes centrally located within these communities.

In cases such as these, the advantages of a large landowner are obvious. A developer that owns 100 acres cannot afford to give away a 40 acre site for a high school, regional park, or fire station and large retention pond. In contrast, 40 acres are a very small percentage of St. Joe's landholdings, the loss of this acreage would mean very little for their development plans. St. Joe also understands that these land donations bring benefits to their developments, with well-placed schools and public parks yielding increased sales prices for some of their residential lots. Further, these land donations help to establish a positive working relationship with the communities that St. Joe is building in.

Opportunity #2: Regionally Significant Environmental Protection

Related to the first opportunity, the large land holdings of St. Joe also offer great opportunities for environmental protection. As with the provision of land for public facilities, a large landowner like St. Joe is also able to set aside large swaths of land for conservation because these set asides represent only a small percentage of their holdings. Clearly these set asides benefit St. Joe as well, because these conservation areas yield increased land values for their developed lands. However, the point remains that large landowners offer opportunities for large conservation easements, opportunities that are typically unworkable and infeasible when dealing with smaller landowners.

As a prime example of this planning opportunity, recall Figure 1.4 which illustrates the West Bay Sector Plan established as part of the OSP process in Bay County. As laid out in this plan, much of the land immediately surrounding the West Bay is to remain undeveloped, representing roughly 40,000 acres of the entire project area. All parties agree that the amount of land set aside for conservation in this plan are well above what would have been possible had this land been split across a number of landowners. Only because St. Joe owns so much land in Bay County is this planned conservation easement possible.

Opportunity #3: Innovations in State Regional Planning Processes

While the state of Florida has long required regional and state participation in the review of large, regionally significant projects through the DRI process, this process has proven to be costly and very unpopular with both developers and local governments. In response the state adopted two alternatives to the DRI process. In a large landowner like St. Joe the state found a partner willing to work through and fine-tune the OSP process. The OSP efforts in Bay County, which have proven to be successful, and Franklin County, which were less successful, have provided very useful experience for DCA in working out the specifics of these new regional planning processes.

As a large landowner, St. Joe was the ideal partner for these regional planning efforts not only because they are a deep-pocketed developer with a long-term interest in the panhandle, but because they will be undertaking other large scale projects in the coming years. The experience in Bay County is something that St. Joe can build upon. The company has received general approval for a land use plan for the West Bay area of Bay County and these approvals should speed along the development process once this project begins in earnest. On the public sector side, DCA has also learned a great deal about the OSP process, something it can draw upon as it works on other sector plans in the state. This successful experience should also help DCA to market the OSP as a viable and useful alternative to the DRI process.

Even the failed OSP process in Franklin County provided valuable experience and feedback for DCA and local governments in the state. For example, the state has clarified some of their language and guidance regarding the OSP process. DCA and St. Joe have also learned the limitations of a developer-led planning process. While St. Joe was able to provide the technical work to support an OSP, local governments must show a willingness to undertake the process and an ability to manage the process. DCA has therefore learned that the OSP process is likely to be successful only in areas with sufficient planning resources and a general commitment to long-term, regional planning. Given the Franklin County experience, DCA is not likely to again support an OSP process in a small, low capacity county.

Opportunity #4: Appropriate Planning Inputs and Better Development Outcomes

A final planning opportunity centers upon an ability to think about and plan at a scale that planners, environmentalists, and developers believe promotes better planning inputs and improved development outcomes. At the scale of development that many of St. Joe's products take, upwards of 75,000 acres, planners and the St. Joe development team are better able to protect environmentally sensitive lands, to plan for and begin to put into place an appropriate regional transportation system, and to establish a land use pattern that yields profits to the developer, while also incorporating concepts central to sustainability, desirable urban form, and overall quality of life. This approach in many ways reflects key characteristics highlighted in the regionalism literature, a literature that points to a need for planners to be engaged at the regional scale when developing plans for guiding development (see, for example, Wheeler 2002).

All interviewed parties agreed that the scale of St. Joe's development projects offers great opportunities for creating plans that are oriented to the long-term environmental and economic health of the affected communities. Particularly enthusiastic in their support for these large scale plans was the staff at 1000 Friends of Florida, an environmental group that has sparred with St. Joe over many of their proposed development projects. The 1000 Friends staff believe that these large scale planning efforts would help to overcome a long history of small scale, non-integrated development in the panhandle, a process that has yielded scattered development, a sometimes strange mix of land uses, and the consumption of critically needed environmentally sensitive lands. The expectation of these various groups is that, if local governments and DCA can work with St. Joe to ensure that these plans come to fruition, then attractive, efficient, sound development can occur in an environmentally fragile part of the state.

Planning Challenges

Interviews also indicated that many planning challenges have arisen for those governments working with the St. Joe Company. However, many of the identified challenges do not rest in St. Joe's status as a large landowner. Rather, many challenges concern St. Joe's status as a very active development firm in a region that has not experienced the same growth rates as much of the rest of Florida. For example, many noted St. Joe's propensity to keep silent about their long-term development plans. Similarly, some planners noted St. Joe's propensity for holding their project analyses close to the vest, disclosing this work only when required. This "closed" development model is not a function of St. Joe's large landholdings, but instead results from a very competitive Florida real estate setting, where land is scarce, land development takes time and money, and firms are constantly competing to develop and sell their products. St. Joe is secretive in large part because the market requires it to be. In the end, two major planning challenges relating to St. Joe's status as the region's dominant private landowner were identified.

Challenge #1: Cooptation of the Planning Process

Another challenge related to St. Joe's status as a large landholder rests in their ability to take over and dominate the planning process. As discussed earlier, St. Joe has embraced large scale, long-range planning for their projects, with a projected buildout for several of their communities in the range of 20-30 years. St. Joe has undertaken experimental planning processes in both Bay and Franklin counties, with mixed success. The company employs an army of planning consultants and they have thrown their influence and financial support behind regional planning efforts.

Beyond a commitment to successful community building, the company's support for these planning efforts is aimed in part at coopting the planning process. The state of Florida requires a great deal of planning by local governments and St. Joe has willingly stepped in to help local governments undertake this work. These efforts have yielded a West Bay Sector Plan that will yield thousands of new residential units and a Franklin County comprehensive plan update that will enable substantial new development in a formerly rural county. Local planners and DCA staff express deep respect for the planning analyses that St. Joe's planning team produces, while noting the vast amount of work that this has taken off of the plates of local and state planning staffs.

While St. Joe understands the value of planning in creating desirable communities, they also recognize that the planning process enables their development plans to proceed. The company has become an active "plan maker", a major force in the creation of these plans, and not simply a "plan taker", a developer that works within a land use plan developed by the public sector.

Challenge #2: Large Landowners as a Touchstone for Public Debate

All parties agreed that the major challenge in working with St. Joe on any one of their projects is the high likelihood of substantial backlash against the project, regardless of its merits. Public meetings held in conjunction with St. Joe's projects typically generate larger crowds than are seen for any other proposed or ongoing development projects. For example, the turnout for the meetings surrounding the St. James Island plan in Franklin County usually generated standing room only crowds, a majority of whom were against almost any St. Joe proposal.

These large, vocal crowds are a response to several interrelated factors. First and foremost, St. Joe is seen by many as the root cause for the panhandle's evolution from a rural setting, with low land costs, and with an economy based in natural resources, into a higher density, higher cost setting marketed to tourists and retirees. While St. Joe is certainly a major factor in this shift, many other developers have been building projects to support and grow this new economy, but with much less reaction from the public. Further, these developers often build their projects with less attention to protecting the regions' natural assets than St. Joe, yet they receive less backlash from environmental interests.

A second reason for this response is St. Joe's shift in policy towards their landholdings. For decades, residents in the panhandle had come to see St. Joe as a desirable landowner, as the company would allow people to hunt, fish, and recreate on their lands. While the company would occasionally farm all of the trees in an area, clearcutting hundreds of acres at a time, this was a small price to pay for the access to these lands and the lack of development in the region. However, St. Joe's evolution into a development entity has energized local residents to become engaged, residents that for decades largely viewed government and planning as a problem and not a solution.

Lastly, St. Joe's massive landholdings provide a focal point for general concerns about the direction the panhandle is taking. These massive landholdings have the potential to house hundreds of thousands of new units, forever changing this part of the state. The very fact of the massive holdings of this large landowner, upwards of 800,000 panhandle acres, makes St. Joe a touchstone for public debate. Most agree that if St. Joe's holdings were split up among many more landowners, the public response to any development proposals would be significantly less intense.

Challenge #3: High Levels of Political Influence

The final major challenge related to St. Joe's status as a large landholder lies in their access to and influence with state and local leaders. The company's status as the largest private landowner in the state and their panhandle development plans, which many politicians view strictly as "economic development", have provided numerous connections with county commissioners, state legislators, and the state's governor. In addition, St. Joe is a member of a very influential development lobbying group named the Association of Florida Community Developers (AFCD n.d.). The AFCD routinely lobbies for weakening the DRI process, a lesser state role in comprehensive planning, and greater state funding for infrastructure to support development. Members of the AFCD include most of the major homebuilders in the state, as well as numerous law firms and consulting firms that provide services to these large builders.

As a result of this access and influence, St. Joe and the AFCD have had a strong hand in shaping recently passed land use and planning legislation in the state. Evidence for this influence can be seen in two policy areas. First, St, Joe and AFCD lobbied to have the DRI thresholds raised in counties designated as "rural areas of critical economic concern". These counties include Franklin and Gulf counties, two counties where St. Joe has pursued several development projects. In the case of Franklin County, the new DRI threshold was set at 600 residential units. St. Joe's SummerCamp development in Franklin County subsequently came in at 599 residential units, thereby exempting this project from the DRI process.

Second, in 2006 the Florida Legislature passed House Bill 1359 (HB1359) which pertains to development within coastal areas of the state. Prior to this statute, the state had language that explicitly directed local governments to direct population and development away from "coastal high hazard areas", areas of particularly high risk from hurricane storm damage (Deyle, Chapin, and Baker, forthcoming). Backed heavily by St. Joe, HB1359 allows more development in these coastal hazard zones if the developer can somehow mitigate the impacts of this new development. It also reduces the state's role in limiting development within these areas. Representatives from 1000 Friends of Florida referred to this legislation as the "St. Joe Coastal Development Act".

Planning Implications Relating to Large Landowners

The St. Joe Company provides a fascinating case from which to examine the planning opportunities and challenges related to large landowners. With land holdings representing roughly 2 percent of Florida's area, in some cases with ownership of over half the privately-owned land in some counties in the panhandle, St. Joe is a prime example of a large landowner. The company's massive development plans in the region only serve to intensify the impacts of these large landholdings. As detailed earlier, St. Joe's development plans are occurring within the context of Florida's comprehensive planning system, the nation's most detailed state-mandated approach for managing growth. The intersection of this massive landowner, one with an active development agenda, and local governments and a state land planning agency, operating under a state mandate for comprehensive planning, makes for an excellent case study of the impacts of large landowners on planning processes.

Beyond detailing the real estate market impacts of St. Joe, this paper has discussed the ways in which a large landowner can positively and negatively influence local and state planning processes. Discussions with local experts revealed a number of planning opportunities and challenges related to St. Joe, although most of these had little to do with their status as a large landowner. When design-related and development practice-oriented opportunities and challenges were removed from the list, four planning opportunities and three planning challenges that are specifically related to St. Joe's massive landholdings were identified.

Given these findings, one central point of this paper is that, when compared to smaller developers (the panhandle's "bubba developers"), large landowners like St. Joe offer a very different set of planning opportunities and challenges. In many ways, large landowners represent the most desirable of developers; they have land to spare for infrastructure, public facilities, and environmental protection, and they offer an opportunity to plan at a scale that makes more sense when considering the broader goals of land use planning, infrastructure provision, environmental sustainability, and transportation system planning. The other, largely unexpected planning opportunity that emerged from the St. Joe case lay in the ability of DCA to pursue new regional planning strategies. DCA believes very strongly in these policy innovations and the willingness of St. Joe to work through these new planning processes has taught DCA great lessons about the OSP process. Planners, state officials, and environmentalists interviewed for this paper made clear that the opportunities for good planning, better development outcomes, and policy entrepreneurship related to a large landowner like St. Joe cannot be overstated.

While a number of opportunities related to large landowners were identified, these are counterbalanced to some degree by key planning challenges. Foremost among these was the cooptation of the planning process by a developer interested in plan making as a means to enable their development projects. There was also the issue increased scrutiny related to any St. Joe activity in the region. While public participation is a hallmark of the Florida growth management system, local governments often struggled with both the high level of public participation and the negativity towards almost any of St. Joe's development proposals. Planners noted that similar projects floated by smaller developers typically did not generate the level and intensity of public comment. The other challenge related to St. Joe's status as a major landowner lay in their access to and influence with political leaders. St. Joe has sometimes used their connections to state and local leaders to further their development agenda. While this challenge is not unique to large landowners, St. Joe's large landholdings magnify their political influence.

When all of these opportunities and challenges are taken together, however, the consensus of the interviewees was that the planning opportunities related to working with large landowners generally outweigh the planning challenges. For a state that has been plagued by scattered development, developers building housing of widely diverging quality, and an inability to coordinate new development with public investment in infrastructure and public facilities, the benefits related to working with a large landowner like St. Joe overcame local concerns with managing the planning and public participation processes. All parties stated very clearly that if they were given the choice between one St. Joe on 2,000 acres and twenty "bubba developers" each on 100 acres, they would choose St. Joe every time.

In closing, the central lesson derived from the St. Joe case study is clear. A government with large landowners within their jurisdiction should view these landowners as assets to the planning process. These large landowners offer major advantages in achieving goals that are common to local governments, including an ability to plan at a larger scale, to further environmental protection efforts, and to establish a land use pattern that makes sense for the longer-term. Whereas many public officials and planners often see a large landowner as a threat to the planning process, the case of St. Joe indicates that a large landowner should instead be viewed as an opportunity to make progress towards establishing stronger, healthier, and more livable communities.

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[1] Interviews were conducted by the author with representatives from St. Joe, 1000 Friends of Florida, and planning staff in areas affected by St. Joe's development plans, Franklin County and Bay County.

[2] For a more detailed accounting of St. Joe's transition from paper company to real estate firm, see Ziewitz and Wiaz (2004). Much of the material on the history of St. Joe comes from the detailed accounting of the company provided in this book.

[3] While most planners know of Seaside, the general public was also introduced to this community in the movie *The Truman Show*.

[4] Two books offer critical insider's views of Celebration: *The Celebration Chronicles* by Andrew Ross and *Celebration, U.S.A.* by Douglas Frantz and Catherine Collins.

[5] These insights are based in part upon information obtained by my students as part of their county-level population and economic forecasting project.

[6] DeGrove (2005, p. 52) notes that roughly half of the plans originally submitted to DCA were determined to be not in compliance.

[7] Among the long list of projects that meet the DRI designation are airports, stadiums, shopping centers, and hospitals. The state also sets specific thresholds for residential development projects (FDCA, 2006).

[8] Although termed the "St. James Island" overlay, this planning region is not actually an island. This area is all of Franklin County to the east of the Crooked River.

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