2011 RGP-86 and Ecosystem

Management Agreement Annual Report

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The St. Joe Company Ecosystem Management Agreement and SAJ-RGP-86 Annual Report 2011

SUMMARY

One authorization was sought during 2011. The Laguna Substation Project, a Gulf Power project was issued an EMA authorization in December 2011. The Corps IPA was issued January of 2012.

This report contains the project and sub-basin ledgers for all project authorizations issued through 2011 (plus Laguna). Devils Swamp Mitigation Bank Ledger and Breakfast Point Mitigation Bank Ledger are also included in this report.

2011 Projects

APPROVED PROJECTS

The Laguna Substation Project (ledger item # 22) was issued an EMA authorization (03-305975-002-EA and 03-305975-003-EA) in 2011; the Corps IPA was issued in January of 2012. This project impacted 20 acres of low quality wetlands. It required 13 credits from the Breakfast Point mitigation bank, 80 acres of offsite low quality wetlands (80/20) subject to a Conservation Easement, 8.5 acres of Conservation Unit acreage subject to a Conservation Easement. The creation of the offsite 80 acres necessitated the inclusion of just over 25 acres of high quality wetlands that were embedded in the polygon (as per Special Condition 5d of SAJ-86) and therefore the total amount covered by conservation easement for the offsite preservation is 105 acres.

2011 Project Ledger

The Overall Projects ledger (Figure 1) reflects all projects for which final authorizations have been granted, as of December 31, 2011. Through calendar year 2011, a total of 22 projects have received authorization within the SAJ-86 / EMA areas. While the majority of these projects have been completed, impacts authorized for West Bay Landings, Pier Park NW Hotel, Pier Park Northeast Commercial Project, and Pier Park Loop Road have not yet been initiated. Counting all impacts authorized through 2011, the Southwest West Bay sub-basin received 5.44% of low quality wetland impacts to date (2004 – 2011), however half of those impacts have yet to be constructed. To date, the Highway 98 sub-basin has received 2.69% of low quality wetland impacts. The Phillips Inlet sub-basin has received 2.83% of total low quality wetland impacts to date. The Direct Runoff to Bay sub-basin has received 0.21% of total low quality wetland impacts through 2011.

The developable area (totals of all sub-basins, minus conservation units) total of low quality wetlands is now 6,817.10 acres. The developable area total of high quality wetlands is now 3,751.76 acres.

2011 Project Ledger

FIGURE 1:	Overall Projects																
Number	Type	Permitting Basin	Subbasin	Project	Tot Prj Ac	HQ	HQ IMP	LQ	LQ IMP	WTL	UPL	Onsite CE	Offsite CE	CU MIT CE	CU CE	CR MIT	Status
1	GP	Breakfast Point	SWWB	SAJ-2008-04490 Pier Park Northeast	58.77	4.3	0	10 33	8	14.63	44.14	7 57	29.69	0	18 28	5.2	CU/CE Complete Others per authorization
2	GP	Breakfast Point	SWWB	SAJ-2006-9182 Pier Park Loop Road	58.25	1 55	0	14.94	10.13	16.49	47 76	6 37	35.56	0	16.9	6.58	CE Complete
3	GP	Breakfast Point	SWWB	SAJ-2007-05543 Pier Park NW Hotel	3.11	0	0	2.04	2 04	2 04	1.07	0	8.16	0	0.9	1.33	CU/CE Complete Others per authorization
4	GP	Breakfast Point	SWWB	SAJ-2004-8221 Pier Park Drive Extension	2.5	0 24	0.24	0.16	0.16	0.4	2.1	0	0 64	0	0	0.32	CE Complete
5	GP	Breakfast Point	SWWB	SAJ-2006-6276 Westbay Landings	494.83	86.64	1.17	111.02	9 85	197.66	294.34	189.15	0	0	143.57	7.48	CU/CE Complete Others per authorization
6	IP	Breakfast Point	SWWB	SAJ-2004-3965 Panama City Beach Commerce Park	219	9.9	0.2	41.7	9.4	41.9	177.1	55.4	0	0	47.1	6.28	CE Complete
7	IP	Breakfast Point	SWWB	SAJ 2004-8222 Frank Brown Park Trail	1.47	0	0	1.32	1 32	1 32	0.45	0	3.95	0	0	0.8	CE Complete
8	GP	Breakfast Point	Hwy 98	SAJ-2006-6671 Beckrich Rd. Extension	7.5	0.45	0.01	1.53	0 3	1.98	5.52	1 67	0	0	0	0.21	CE Complete
9	GP	Breakfast Point	Hwy 98	SAJ-2004-10294 Highlands West	28.2	7 68	0.7	11 89	8.99	19.57	8.63	9 77	60.59	0	0	6.48	CE Complete
10	GP	Breakfast Point	Hwy 98	SAJ-2006-6658 Breakfast Point K-8	39.94	3 29	0	6.9	1.48	10.19	29 75	8 71	0	0	0	0.96	CE Complete
11	GP	Breakfast Point	Hwy 98	SAJ-2007-1364 Panama City Beach Mixed Use PDA	59.43	1 59	0.09	3.13	0.49	4 72	54 71	4.14	0	0	0	0.4	CE Complete
12	GP	Breakfast Point	Hwy 98	SAJ-2004-8077 North Glades	71.37	18.3	0	17.8	13.2	36.1	35 27	4.6	58.3	0	0	8.6	CE Complete
13	GP	Breakfast Point	Hwy 98	SAJ-2004-7095 Waterfall	42.62	0 78	0	11 61	2 31	12.39	30 23	9.3	0	0	0	1.5	CE Complete
14	GP	Devils Swamp	Direct to Bay	SAJ-2002-697 WaterSound North	101.1	16.99	0.08	12 56	2 3	29.55	71 55	34.17	0	0	11 72	1.57	CE Complete
15	IP	Lake Powell	Phillips Inlet	SAJ-2007-1364 Panama City Beach Commerce Park	118.1	18.8	0	27.2	1.4	46	72.1	25 8	0	7.5	14.5	0	CE Complete
16	GP	Lake Powell	Phillips Inlet	SAJ-2002-697 WaterSound North	464.52	18.07	0.81	123.3	19 71	141.37	323.15	113 8	0	52.84	53 26	0	CE Complete
17	GP	Breakfast Point	Ward Creek	SAJ-2009-01975 WBFS 03-0295985-001-EA	6.98	0	0	5.42	0.99	5.42	1.55	4.43	0	0	0	0.64	CE Complete
18	EMA Only	Devils Swamp	Phillips Inlet	03-0267776-001-EA AL	25.71	0	0	0	0	0	25 71	0	0	0	9.43	0	Pending
19	EMA Only	Devils Swamp	Phillips Inlet	03-0278434-001-EA WD	59.48	0	0	0	0	0	59.48	0	0	0	21 83	0	Pending

Tot Prj Ac Total Project Acres Within Sub-basin
HQ High Quality Wetlands
HQ IMP High Quality Wetland Impacts
LQ Low Quality Wetlands

LQ IMP Low Quality Wetland Impacts
UPL Uplands
Onsite CE Onsite Conservation Easements
Offsite CE Offsite Conservation Easements

CU MIT CE Conservation Unit Mitigation Conservation Easement
CU CE Conservation Unit Conservation Easement
CR MIT Mitigation Credits
WTL Wetland

GP Regional General Permit SAJ-86
IP Individual Permit

Impacts have not occurred as of 2/15/12.

2011 Project Ledger

Number	Type	Permitting Basin	Subbasin	Project	Tot Prj Ac	HQ	HQ IMP	LQ	LQ IMP	WTL	UPL	Onsite CE	Offsite CE	CU MIT CE	CU CE	CR MIT	Status
20	EMA Only	Breakfast Point	SWWB	03-0292594-001-EA HDV	5 02	0	0	0	0	0	5 02	0	0	0	1.49	0	Pending
21	EMA Only	Devils Swamp	Phillips Inlet	03-0300332-001-EA WEF	3 35	0	0	0	0	0	3 35	0	0	0	1 23	0	Pending
22	EMA	Breakfast Point	SWWB	03-305975-002-EA Laguna Sub	25	0	0	20	20	20	5	0	105	0	8.5	13	Pending
TOTALS					**1896.25**	**188.6**	**3.3**	**422.85**	**112.07**	**601.73**	**1297.98**	**474.88**	**301.89**	**60.34**	**348.71**	**61.35**	

Tot Prj Ac Total Project Acres Within Sub-basin
HQ High Quality Wetlands
HQ IMP High Quality Wetland Impacts
LQ Low Quality Wetlands

LQ IMP Low Quality Wetland Impacts
UPL Uplands
Onsite CE Onsite Conservation Easements
Offsite CE Offsite Conservation Easements

CU MIT CE Conservation Unit Mitigation Conservation Easement
CU CE Conservation Unit Conservation Easement
CR MIT Mitigation Credits
WTL Wetland

GP Regional General Permit SAJ-86
IP Individual Permit

Impacts have not occurred as of 2/15/12.

2011 Sub-basin Ledger

FIGURE 2:

2011 Sub-basins*

Subbasin	Change?	Tot_A	Tot_LQ	Tot_HQ	Tot_LQ_IMP	%**	Tot_HQ_IMP	%**	Tot_LQ_Remain	Tot_HQ_Remain
Highway 98	N	1,850.11	1,043.18	234.78	28.09	2.69	0.81	0.42	1,015.61	233.97
Southwest Westbay	Y	3,315.62	1,094.67	738.74	59.58	5.44	1.61	0.18	1,035.09	737.13
Phillips Inlet	N	3,466.42	746.84	542.8	21.16	2.83	0.81	0.14	725.68	541.99
Direct Runoff Bay	N	2,746.60	1,084.36	576.84	2.3	0.21	0.08	0.01	1,082.06	576.76
Camp Creek	N	798.26	314.64	254.76	0	0	0	0	314.64	254.76
ICW	N	2,913.18	1,311.30	742.69	0	0	0	0	1,311.30	742.69
Intracoastal	N	338.54	74.37	119.47	0	0	0	0	74.37	119.47
Peach Creek	N	0.41	0	0.09	0	0	0	0	0	0.09
Ward Creek	N	2,202.83	1,156.81	520.78	0.99	<1	0	0	1,155.82	520.78
West Laird Drain	N	274.95	102.53	24.12	0	0	0	0	102.53	24.12
								Total	6,817.10	3751.76

* Cumulative through December 31, 2011

** From Total

2011 Conservation Easements

Conservation easements required for the Laguna Substation are in process. They will be sent to both the Corps and FDEP for their review. Within 30 days of Corps and FDEP approval they will be recorded in Bay County, Fl. Based on the EMA total possible developable acreage figure of 8,799 and total conservation unit acreage of 13,193, the ratio to maintain balance in the RGP-EMA area should be 1.5 acres of recorded conservation unit conservation easement for every 1 acre of project area. Currently, with 3,969.25 acres of recorded conservation unit conservation easement and 1,871.25 project acres, the ratio is over-balance in favor of conservation unit acreage at 2.12 : 1.

2011 Conservation Unit Ledger

		Conservation Easements	
		Recorded	In Process
Conservation Unit	**Ownership**	**Acres**	**Acres**
Cypress & Wet Pine Flats	Panama City Beach	2,912.40	0
Lake Powell Headwater	St. Joe	106.10	0
South American Swamp	St. Joe	47.48	0
Southwest West Bay	St. Joe	209.96	8.5
Ward Creek	NWFWMD	727.78	0
Total Acres		**4,003.72**	**8.5**

Mitigation & Banks

MITIGATION BANKS 2011

Required mechanical and prescribed fire operations were undertaken as directed by the mitigation banking instruments (MBI) for Breakfast Point and Devils Swamp Mitigation Banks. At Breakfast Point, canopy reduction for Phase II was completed. Phase I burn blocks 1A, 1B and 1C were burned in conjunction with burns in Phase II. Removal of feral hogs from the Breakfast Point Mitigation Bank continued during 2011. No credits were released from Breakfast Point Mitigation Bank during 2011, however it is anticipated that a release should take place in 2012 as special conditions 10, 11 & 12 (MBI III-F, III-G) have been completed for Phase 2.

At Devils Swamp Mitigation Bank, a prescribed burn was conducted during 2011 within Phase 2. No credits were released from Devils Swamp Mitigation Bank during 2011, however it is anticipated that a release may take place in 2012 for special condition 24 (MBI IV-E).

Mitigation & Banks

OTHER MITIGATION 2011

During 2011, required management activities continued within designated Conservation Units. Specifically, portions of the Southwest West Bay, South American Swamp, and Lake Powell Headwaters Conservation Units. The Lake Powell Headwaters mitigation area was burned in 2009, was slated to burn in 2011. The burn was not executed due to lack of fine fuels to adequately carry fire through the area. The area will be burned in spring 2012. The South American Swamp and Southwest West Bay mitigation areas were burned in 2009 and will be burned in early spring 2012..

Mitigation & Banks

Breakfast Point Mitigation Bank — FDEP Permit # 0227473-001 — December 31, 2011

Total Potential Credits = 1,011.28

Name	Release MOD / Impact Permit #	RGP EMA 1, 2**	Issuing Agency	Ledger Modification	CFP Credits Added	WPF Credits Added	CMF Credits Added	CFP Credits Used	WPF Credits Used	CMF Credits Used	CFP Credits Balance	WPF Credits Balance	CMF Credits Balance	Actual Total Balance	Reserved Credits	Balance w/ Reservations
Total Potential Credits											437.37	301.88	272.03	1011.28		
BPMB	Release Phase 1	N/A	FDEP	3/17/2006	11.31	7.89	7.1	0	0	0	11.31	7.89	7.10	26.30		26.30
BPMB	Release Phase 2	N/A	FDEP	3/17/2006	21.31	14.87	13.38	0	0	0	21.31	14.87	13.38	49.56		49.56
BPMB	Release Phase 1 (Burn, Harvest & Success)	N/A	FDEP	3/25/2008	50.88	35.5	31.95	0	0	0	50.88	35.50	31.95	118.33		118.33
Total Credits Released					83.50	58.26	52.43	0	0	0	83.50	58.26	52.43	194.19	0	194.19
Edgewater Bch Apts	03-0215227-001	N/A	FDEP	2005												
H Depot	03-0199808-004	N/A	FDEP	2005												
Pier Park	03-010081-001	N/A	FDEP	2005												
Alf SW	03-0201291-001	N/A	FDEP	2005												
Beckrich Office	03-0183309-001	N/A	FDEP	2005												
Mod Deductions					0	0	0	-29.36	-25.87	-32.10	54.14	32.39	20.33	106.86	0	106.86
NG	03-0233723-002-EA	1	FDEP	3/27/2006	0	0	0	-8.60	0	0	45.54	32.39	20.33	98.26	0	98.26
HW	03-0244084-002-EA	1	FDEP	3/28/2006	0	0	0	-6.48	0	0	39.06	32.39	20.33	91.78	0	91.78
PCBCP	03-0209847-005-EA	1	FDEP	3/29/2006	0	0	0	-6.28	0	0	32.78	32.39	20.33	85.50	0	85.50
FBPT	03-0201003-003-DF	1	FDEP	8/4/2008	0	0	0	0	-0.80	0	32.78	31.59	20.33	84.70	0	84.70
PPDE	03-0236383-001-DF	1	FDEP	8/4/2008	0	0	0	0	-0.30	0	32.78	31.29	20.33	84.40	0	84.40
BRE	03-0258023-003-EA	1	FDEP	1/29/2007	0	0	0	-0.21	0	0	32.57	31.29	20.33	84.19	0	84.19
PPLR	03-0236383-001-EA	1	FDEP	5/2/2007	0	0	0	-6.58	0	0	25.99	31.29	20.33	77.61	0	77.61
K-8	03-0258023-006-EA	1	FDEP	11/28/2007	0	0	0	-0.96	0	0	25.03	31.29	20.33	76.65	0	76.65
MUD	03-0258023-009-EA	1	FDEP	11/28/2007	0	0	0	-0.40	0	0	24.63	31.29	20.33	76.25	0	76.25
*WBL	03-0064847-003-DF	1	FDEP	TBD	0	0	0		0	0	24.63	31.29	20.33	76.25	-8.13	68.12
*PPNW	03-0261615-007-EA	1	FDEP	TBD	0	0	0		0	0	24.63	31.29	20.33	76.25	-1.33	74.92
*PPNE	03-0293114-001-EA	1	FDEP	TBD	0	0	0		0	0	24.63	31.29	20.33	76.25	-5.20	71.05
BOCC WB Fire	03-0295985-001-EA	1	FDEP	9/16/2009	0	0	0	0	-0.64	0	24.63	30.65	20.33	75.61	0	75.61
3ALLC	03-0296088-002-DF	N/A	FDEP	4/6/2010	0	0	0	0	-0.27	0	24.63	30.38	20.33	75.34	0	75.34
SUMM	03-0295306-001-DF	N/A	FDEP	4/6/2010	0	0	0	0	-0.18	0	24.63	30.20	20.33	75.16	0	75.16
YB	03-0301209-002-DF	N/A	FDEP	8/30/2010	0	0	0	0	-0.10	0	24.63	30.10	20.33	75.06	0	75.06
PCS Home Depot	03-0302135-001-DF	N/A	FDEP	12/8/2010	0	0	0	0	-0.20	0	24.63	29.90	20.33	74.86	0	74.86
PCS Allan	03-0303064-001-DF	N/A	FDEP	12/8/2010	0	0	0	0	-0.32	0	24.63	29.58	20.33	74.54	0	74.54
*Gulf Power/LAG	03-0305975-002-EA	1	FDEP	TBD	0	0	0	0	-13.00	0	24.63	16.58	20.33	61.54	0	61.54
Bank Balance					83.50	58.26	52.43	-58.87	-41.68	-32.10	24.63	16.58	20.33	61.54	-14.66	46.88

**EMA 2 has not yet been executed as of 1/31/12.

Mitigation & Banks

Breakfast Point Mitigation Bank U.S. Army Corps of Engineers # SAJ-2004-1865 (NW-GAH) December 31, 2011

Total Potential Credits = 998.03

Name	Release MOD / Impact Permit #	Issuing Agency	Ledger Modification	Credits Added	Credits Used	Actual Balance
BPMB	Release Phase 1	USACE	3/17/2006	16.63		16.63
BPMB	Release Phase 2	USACE	3/17/2006	59.66		76.29
NG	SAJ-2004-8077	USACE	3/27/2006		-8.60	67.69
HW	SAJ-2004-10294	USACE	3/28/2006		-6.48	61.21
PCBCP	SAJ-2004-3965	USACE	3/29/2006		-6.28	54.93
WTRFL	SAJ-2004-7095	USACE	8/4/2008		-1.50	53.43
FBPTR	SAJ-2004-8222	USACE	8/4/2008		-0.80	52.63
PPDE	SAJ-2004-8221	USACE	8/4/2008		-0.32	52.31
BRE	SAJ-2006-6671	USACE	1/29/2007		-0.21	52.10
PPLR	SAJ-2006-9182	USACE	5/2/2007		-6.58	45.52
K-8	SAJ-2006-6658	USACE	11/28/2007		-0.96	44.56
MUD	SAJ-2007-1364	USACE	11/28/2007		-0.40	44.16
BPMB	Release Phase 1 (Burn & Harvest)	USACE	3/25/2008	74.86		119.02
BOCC WB Fire	SAJ-2009-01975	USACE	9/30/2009		-0.64	118.38
3ALLC	SAJ-2009-02218	USACE	12/7/2009		-0.27	118.11
SUMM	SAJ-2009-01306	USACE	12/16/2009		-0.18	117.93
YB	SAJ-1992-0091	USACE	8/30/2010		-0.10	117.83
PCS Home Depot	SAJ-2010-02321	USACE	1/17/2011		-0.20	117.63
PCS Allan	SAJ-2010-02256	USACE	1/17/2011		-0.32	117.31
*Gulf Power	SAJ-2011-01329	USACE	1/31/2012		-13.00	104.31
					Bank Balance	104.31

Mitigation & Banks

Devil Swamp Mitigation Bank FDEP Permit #0227475-001 December 31, 2011

Total Potential Credits = 517.99***

Name	Release MOD / Impact Permit #	Issuing Agency	EMA 1.2*	Ledger Modification	Total Credits Added	Credits Used	Used By or Added By Type: WP,WF or CYS	Balance Total	Balance WP/WF	Balance CYS
DSMB	Release Phase 1 & 2 (Financials & CEs)	FDEP	n/a	7/9/2007	45.58		19.6WP/WF; 25.98CYS	45.58	19.6	25.98
WSN	0221322-019-EA	FDEP	1	11/28/2007		-1.57	1.50WP/WF; .07CYS	44.01	18.1	25.91
DSMB	Release Phase 1 & 2 (Burn & Harvest)	FDEP	n/a	3/25/2008	161.9		68.60WP/WF; 90.93CYS	205.91	86.7	116.84
**FGT	43-0293015	FDEP	n/a	1/21/2010		-8.79	8.79CYS	197.12	86.7	108.05
Alabama Elec Cooperative	66-300490-001-DF	FDEP	n/a	1/14/2011		-0.56	0.56WP/WF	196.56	86.14	108.05
WBBC	03-300713-004-DF	FDEP	2	2/1/2011		-0.43	0.43CYS	196.13	86.14	107.62
St. Rita Catholic Church	SAJ-1996-6631 (IP-DEB)	Corps Only	n/a	9/16/2011		-0.48	0.48WP/WF	195.65	85.66	107.62
388 C-Store	03-0306141-001-EI	FDEP	2*	1/30/2012		-0.09	0.09WP/WF	195.56	85.57	107.62
							Bank Balance	195.56	85.57	107.62

*As of 1/31/2012 EMA II has not been executed

**Denotes FDEP only

***Denotes change from Original FDEP WRAP Credit total of 526 to post-MOD UMAM credit total of 517.99.

Mitigation & Banks

Devil Swamp Mitigation Bank

U.S. Army Corps of Engineers Permit # SAJ-2004-1864

December 31, 2011

Total Potential Credits = 526.8*

Name	Release MOD / Impact Permit #	Issuing Agency	Ledger Modification	Credits Added	Credits Used	Actual Balance
DSMB	Release Phase 1 & 2 (Financials & CEs)	USACE	7/9/2007	46.3		46.30
WSN	SAJ-2002-679	USACE	11/28/2007	0	-1.57	44.73
DSMB	Release Phase 1 & 2 (Burn & Harvest)	USACE	3/25/2008	161.9		206.63
**FGT		USACE	3/26/2009	0	-0.07	206.56
Alabama Elec Cooperative	SAJ-2010-015051	USACE	1/14/2011	0	-0.56	206.00
St Rita	SAJ-1996-6331	USACE	TBD		-0.48	205.52
WBBC	SAJ-2010-02467	USACE	2/1/2011	0	-0.43	205.09
388 C-Store/ Express Lane	SAJ-2011-01434	USACE	1/30/2012	0	-0.09	205
Bank Balance						205.00
**Denotes ACOE only						

GIS Map