



## **FAA Issues Final Environmental Impact Statement On The Proposed Relocation Of Panama City – Bay County International Airport**

### **"The FAA Selects the West Bay Site 8,400-Foot Alternative As Its Preferred Alternative"**

#### **West Bay Site is on Land Owned by The St. Joe Company (NYSE: JOE)**

Jacksonville, Florida – (May 11, 2006) – The Panama City – Bay County International Airport and Industrial District (Airport Authority) announced today that it has received the Federal Aviation Administration's (FAA) Final Environmental Impact Statement (FEIS) regarding the potential environmental impacts resulting from the proposed relocation of the Panama City-Bay County International Airport (PFN) to a new site in Bay County, Florida. The U.S. Army Corps of Engineers is a cooperating federal agency for this FEIS.

The five-volume FEIS and a summary will be available for download from the airport web site at [www.pcairport.com](http://www.pcairport.com). In the FAA's 34-page summary under the heading, Preferred Alternatives (EIS Summary page S-12), the FAA states:

"The FAA selects the West Bay Site 8,400-foot Alternative as its preferred alternative. For the reasons presented throughout this FEIS, the FAA has selected this alternative as its preferred alternative because of its superior ability to meet the purposes and needs of the project with fewer constraints than presented by any of the Existing Site alternatives. The FAA has also selected this alternative because the West Bay Site has been deemed the operationally preferable location as compared to the Existing Site.

The FAA has also considered environmental factors in its selection of a preferred alternative. From an environmental standpoint, neither the Existing Site nor the West Bay Site can be deemed clearly superior. Each site presents a different variety and extent of environmental impact, neither of which can be considered clearly more or less severe. The Existing Site alternatives represent greater impacts to surrounding communities, through noise impacts and relocations of residences and businesses. The West Bay Site, by contrast, is currently undeveloped and would have no impacts to community members but would involve wetland and biotic community impacts, as well as new floodplain impacts. In addition to the fundamental difference in the nature of the impacts at the two sites, FAA has also considered other environmental factors. For example, the sites differ in their opportunities for environmental enhancement and preservation(1) , as well as the availability of preventative strategies to reduce or avoid impacts that are unavoidable at the competing location(2). Because the impacts at the two locations are of fundamentally different varieties and the opportunities for enhancement and/or avoidance of impacts are disparate, the FAA cannot conclude that one site is clearly superior to the other from an environmental standpoint. As a result, FAA may consider the Airport Sponsor's stated goals and objectives when identifying a preferred alternative."

The proposed airport relocation site is near West Bay on land owned by The St. Joe Company (NYSE: JOE).

In an Airport Authority press release, Executive Director Randy Curtis said, "We've got a lot of work ahead of us, but this is a significant milestone. We are extremely grateful to the FAA for the time, attention and effort it has devoted to our airport. We clearly share the same goal – to provide the people of Bay County an airport that meets all federal safety and design standards and can operate without constraints. Today, we are one step closer to achieving that goal."

"Based on a preliminary reading of the FAA's FEIS Summary, this appears to be a significant step toward relocation of the airport to the West Bay Site," said Peter S. Rummell, chairman and CEO of JOE.

The FAA has said it expects to issue its Record of Decision (ROD) in September 2006. In addition, many regulatory steps remain before a final decision is reached on the relocation of the airport. The relocation of the airport is also dependent on adequate funding.

A complete copy of the FEIS on Compact Disc may be obtained by submitting a written request to the Executive Director of the Panama City–Bay County International Airport at 3173 Airport Road, Box A, Panama City, Florida 32405.

#### **About JOE**

The St. Joe Company, a publicly held company based in Jacksonville, is one of Florida's largest real estate operating companies. It is engaged in town, resort, commercial and industrial development and land sales. JOE also has significant interests in timber.

More information about JOE can be found at our web site at <http://www.joe.com>.

1. For example, the West Bay Site presents an opportunity to protect the mitigation areas within the WBCA from development and to enhance these areas, a benefit that would not exist if an Existing Site alternative were pursued.
2. For example, there is limited water treatment available at the Existing Site to treat runoff from PFN. However, the West Bay Site alternatives provide an opportunity for expansion of airport facilities, as demand warrants, and provides sufficient area for stormwater management that is not accommodated at the Existing Site. Similarly, although there will be a significant floodplain encroachment under the West Bay Site alternatives, the Existing Site alternatives occur in an already impacted historic floodplain, as evidenced by past development in the floodplain and previous inundation of the airfield at PFN. Development of the airport at the West Bay Site presents an opportunity to plan the development to avoid inundation risks from coastal flooding during storm surge that are unavoidable at the current location.

#### **Forward-Looking Statements**

*Statements in this press release that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements involve risk and uncertainty, and there can be no assurance that the results described in such statements will be realized. Such statements are based on our current expectations and we undertake no obligation to publicly update or reissue any forward-looking statements. Risk factors that may cause the actual results to differ are described in this release and in our various documents filed with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2005.*

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