

ST JOE CO
Form S-3/A
September 05, 2003

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As Filed with the Securities and Exchange Commission on September 5, 2003

Registration No. 333-108292

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

Form S-3

**REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

The St. Joe Company

(Exact Name of Registrant as Specified in its Charter)

Florida

*(State or other jurisdiction of
incorporation or organization)*

59-0432511

*(IRS Employer
Identification Number)*

245 Riverside Avenue, Suite 500

Jacksonville, Florida 32202

(904) 301-4200

*(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)*

Christine M. Marx

General Counsel

The St. Joe Company

245 Riverside Drive, Suite 500

Jacksonville, Florida 32202

(904) 301-4200

*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Copies To:

Winthrop B. Conrad, Jr.

Davis Polk & Wardwell

450 Lexington Avenue

New York, New York 10017

(212) 450-4890

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus supplement is not complete and may be changed. The selling shareholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus supplement is not an offer to sell these securities and is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS SUPPLEMENT (Subject to Completion) Issued September 5, 2003

To Prospectus dated September , 2003

9,000,000 Shares

The St. Joe Company

COMMON STOCK

The selling shareholder named in this prospectus supplement is offering 9,000,000 shares of common stock of The St. Joe Company. We will not receive any of the proceeds from the sale of the shares of our common stock in this offering.

Our common stock is listed on the New York Stock Exchange under the symbol JOE. On September 4, 2003, the reported last sale price of our common stock on the New York Stock Exchange was \$35.00 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 2 of the accompanying prospectus.

PRICE \$ A SHARE

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Selling Shareholder
Per Share	\$	\$	\$
Total	\$	\$	\$

The selling shareholder has granted the underwriters the right to purchase up to an additional 1,350,000 shares to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

MORGAN STANLEY

*BANC OF AMERICA SECURITIES LLC
RAYMOND JAMES*

JMP SECURITIES

September , 2003

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND
THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. The selling shareholder is offering to sell, and seeking offers to buy, common stock only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this document is accurate only as of the date of this prospectus supplement and the accompanying prospectus, regardless of the time of delivery of this prospectus supplement or any sale of our common stock.

In this prospectus supplement, St. Joe, the Company, we, us and our refer to The St. Joe Company and its consolidated subsidiaries.

In this prospectus supplement, Trust refers to the Alfred I. duPont Testamentary Trust.

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PROSPECTUS SUMMARY AND RECENT DEVELOPMENTS

You should read the following summary together with the more detailed information regarding our company and the common stock being sold in this offering and our financial statements and notes thereto included in or incorporated by reference in this prospectus supplement and the accompanying prospectus.

The St. Joe Company

The St. Joe Company is one of Florida's largest real estate operating companies and the largest private landowner in the State of Florida. The majority of our land is located in Northwest Florida. We own approximately 900,000 acres, which is approximately 2.5% of the land area of the State of Florida. Our acreage includes hundreds of miles of frontage on the Gulf of Mexico, bays, rivers and waterways, with nearly 40 miles of Gulf of Mexico coastline, including 5 miles of beachfront. Approximately 387,000 acres of our land are within ten miles of the coast.

We are engaged in community and resort development, commercial and industrial land sales, and commercial real estate services. We also have significant interests in timber. We believe we are one of the few real estate operating companies to have assembled the range of real estate, financial, marketing and regulatory expertise necessary to take a large-scale approach to real estate development and services.

Our four operating segments are:

Community Residential Development

Commercial Real Estate Development and Services

Land Sales

Forestry

In order to optimize the value of our core real estate assets in Northwest Florida, our strategic plan calls for us to continue to increase the pace of development of these assets. We believe we have a number of key business strengths and competitive advantages, including one of the largest inventories of private land suitable for development in the State of Florida, a very low cost basis in our land and a strong financial condition, which allows us the financial flexibility to pursue development opportunities.

Our principal executive offices are located at 245 Riverside Avenue, Jacksonville, Florida 32202, and our telephone number is (904) 301-4200. Our internet address is www.joe.com. This internet address is provided for informational purposes only. The information at this internet address is not a part of this prospectus supplement.

Alfred I. duPont Testamentary Trust

The selling shareholder, The Alfred I. duPont Testamentary Trust, was established under the Last Will and Testament of Alfred I. duPont, a descendant of the Delaware family that founded E.I. duPont de Nemours & Company. The Trust was formed, among other reasons, to benefit the

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Nemours Foundation, a charitable foundation that provides for the care and treatment of disabled, but not incurable, children and the elderly.

The Trust and the Nemours Foundation together currently own 35,215,224 shares, or approximately 46.2%, of our outstanding common stock. Upon consummation of the offering, they will own 26,215,224 shares, or 34.4%, of our outstanding common stock. The Trust is selling shares of our common stock in order to diversify the Trust's assets.

In the future the Trust may sell additional shares of our common stock, but has agreed with the underwriters that it will not, subject to customary exceptions, effect any sales of our common stock, except to the Company, for a period of 180 days from the date of this prospectus supplement without the consent of Morgan Stanley. See "Underwriters" on page S-15 of this prospectus supplement.

Recent Developments

On August 19, 2003, we announced that we had converted from annual to quarterly dividend distributions. We declared a \$0.12 per share quarterly cash dividend for the third quarter of 2003 as compared to the annual dividend of \$0.08 per share paid in 2000, 2001 and 2002. We intend to review the dividend on a quarterly basis. See "Dividend Policy" on page S-6 of this prospectus supplement for additional information.

We also intend to continue our stock repurchase program, although the dividend increase will absorb some of the funds that would otherwise have gone toward stock repurchases. From August 1998 through August 2003, our board of directors authorized a cumulative total of \$650.0 million for the repurchase of our outstanding common stock from time to time on the open market, of which a total of \$575.3 has been expended through June 30, 2003. Since the inception of our stock repurchase program through June 30, 2003, 15,512,466 shares of our common stock were repurchased in the open market, 7,266,566 shares were purchased from the Trust, and 680,943 shares were surrendered to us by executives as payment for the strike price and taxes due on stock options that were exercised and taxes due on restricted stock that had vested. At June 30, 2003, \$74.7 million remained authorized but unspent under the repurchase program. The timing of our repurchase activity will reflect the magnitude and timing of cash flows and earnings. Since real estate operations are cyclical by nature, our cash flows and earnings may fluctuate from quarter to quarter and from year to year.

On August 19, 2003, we announced a new 90-day agreement with the Trust and the Nemours Foundation to participate in the repurchase program through November 10, 2003. The agreement calls for the Trust and the Nemours Foundation to sell to us each Monday a number of shares equal to 0.9 times the amount of shares that we purchased from the public during the previous week.

In August 2003, we entered into five-year employment agreements with Peter S. Rummell, our Chairman and Chief Executive Officer, and Kevin M. Twomey, our President, Chief Operating Officer and Chief Financial Officer.

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The Offering

Common stock offered by the selling shareholder 9,000,000 shares

Over-allotment option The selling shareholder has granted the underwriters the right to purchase up to an additional 1,350,000 shares to cover over- allotments.

Common stock outstanding after this offering (net of treasury shares) 76,165,496 shares

Use of proceeds We will not receive any of the proceeds from the sale of shares of our common stock by the selling shareholder in this offering.

Dividend policy In August 2003, we declared a \$0.12 per share quarterly cash dividend for the third quarter of 2003. The dividend is payable September 30, 2003 to shareholders of record on September 16, 2003. We had previously paid annual cash dividends of \$0.08 per share to holders of our common stock in 2000, 2001 and 2002. We cannot assure you that we will continue to declare and pay dividends in the future.

New York Stock Exchange symbol JOE

Unless otherwise specified, the information in this prospectus supplement assumes that the underwriters over-allotment option is not exercised.

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The following summary consolidated financial data are derived from our financial statements incorporated by reference in this prospectus supplement.

	Six Months Ended June 30,		Year Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
(in thousands, except per share amounts)							
Statement of Operations Data:							
Operating revenues ⁽¹⁾	\$ 330,991	\$ 267,210	\$ 646,352	\$ 591,134	\$ 623,862	\$ 540,874	\$ 312,926
Operating expenses	244,649	194,211	474,629	449,493	399,608	392,728	213,507
Corporate expense, net	14,691	13,658	27,527	18,793	25,115	16,361	6,569
Depreciation and amortization	13,752	10,250	22,780	21,326	44,620	43,874	36,706
Impairment losses	14,083			500	6,455	7,162	10,238
Operating profit	43,816	49,091	121,416	101,022	148,064	80,749	45,906
Other income (expense)	(4,246)	88,159	120,648	(5,846)	6,184	32,448	31,704
Income from continuing operations before income taxes and minority interest	39,570	137,250	242,064	95,176	154,248	113,197	77,610
Income tax expense	14,568	52,513	89,561	35,441	51,755	21,012	34,707
Income from continuing operations before minority interest	25,002	84,737	152,503	59,735	102,493	92,185	42,903
Minority interest	680	485	1,366	524	9,954	19,243	19,117
Income from continuing operations	24,322	84,252	151,137	59,211	92,539	72,942	23,786
Income from discontinued operations		2,339	2,339	10,994	7,784	10,061	5,052
Gain on sales of discontinued operations		20,756	20,887			41,354	
Net income	\$ 24,322	\$ 107,347	\$ 174,363	\$ 70,205	\$ 100,323	\$ 124,357	\$ 28,838
Per Share Data:							
<i>Basic</i>							
Income from continuing operations	\$ 0.32	\$ 1.05	\$ 1.93	\$ 0.73	\$ 1.09	\$ 0.83	\$ 0.26
Earnings from discontinued operations		0.03	0.03	0.14	0.09	0.12	0.06
Gain on the sale of discontinued operations		0.26	0.26			0.47	
Net income	\$ 0.32	\$ 1.34	\$ 2.22	\$ 0.87	\$ 1.18	\$ 1.42	\$ 0.32
<i>Diluted</i>							
Income from continuing operations	\$ 0.31	\$ 1.01	\$ 1.85	\$ 0.70	\$ 1.06	\$ 0.82	\$ 0.26

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Earnings from discontinued operations		0.03	0.03	0.13	0.09	0.12	0.05	
Gain on the sale of discontinued operations		0.25	0.26			0.46		
Net income	\$	0.31	\$ 1.29	\$ 2.14	\$ 0.83	\$ 1.15	\$ 1.40	\$ 0.31
Dividends paid	\$	0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.02	\$ 0.08
FLA spin-off ⁽²⁾						4.64		

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	June 30,		December 31,				
	2003	2002	2002	2001	2000	1999	1998
(in thousands)							
Balance Sheet Data:							
Investment in real estate	\$ 836,955	\$ 797,357	\$ 806,701	\$ 736,734	\$ 562,181	\$ 825,577	\$ 616,435
Cash and investments ⁽³⁾	49,857	145,007	74,404	205,715	203,429	330,045	305,395
Property, plant & equipment, net	39,696	44,500	42,907	49,826	59,665	386,437	360,817
Total assets	1,217,714	1,194,401	1,169,887	1,340,559	1,115,021	1,821,627	1,604,269
Total stockholders equity	476,264	500,585	480,093	518,073	569,084	940,854	883,297

- (1) Operating revenues includes real estate revenues from property sales, rental revenues, brokerage commissions and management service fees, timber sales and transportation revenues. Net operating results of the residential real estate services and sugar segments are shown separately as income from discontinued operations for all years presented.
- (2) On October 9, 2000 we distributed to our shareholders all of our equity interest in Florida East Coast Industries, Inc. (FLA). To effect the distribution, we exchanged our 19,609,216 shares of FLA common stock for an equal number of shares of a new class of FLA common stock. On October 9, 2000, the new class of stock, FLA.B, was distributed pro rata to our shareholders in a tax-free distribution. For each share of our common stock owned of record on September 18, 2000, shareholders received 0.23103369 of a share of FLA.B common stock.
- (3) Includes cash, cash equivalents, marketable securities and short-term investments.

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We will not receive any of the proceeds from the sale of shares of our common stock by the selling shareholder in this offering.

Under the terms of our registration rights agreement with the Trust, we are bearing all of the expenses of registration of this offering, except that the Trust will pay its own underwriting discounts and commissions, the fees and expenses of its legal counsel and financial advisors, and some other incidental expenses.

COMMON STOCK PRICE RANGE

Our common stock is quoted on the New York Stock Exchange under the symbol JOE. The following table sets forth, for the periods indicated, the high and low sales prices of our common stock as reported on the New York Stock Exchange Composite Tape.

	Common Stock Price	
	High	Low
Year Ended December 31, 2001		
First Quarter	\$23.53	\$21.07
Second Quarter	27.00	22.14
Third Quarter	29.55	23.12
Fourth Quarter	28.03	24.85
Year Ended December 31, 2002		
First Quarter	\$30.00	\$27.30
Second Quarter	33.65	29.34
Third Quarter	30.33	25.09
Fourth Quarter	30.10	25.60
Year Ending December 31, 2003		
First Quarter	\$30.65	\$26.33
Second Quarter	31.50	27.20
Third Quarter (through September 4, 2003)	35.00	31.01

On September 4, 2003, the last reported sale price of our common stock on the NYSE was \$35.00. As of June 30, 2003, there were approximately 30,000 beneficial owners of our common stock.

DIVIDEND POLICY

On August 19, 2003, we declared a \$0.12 per share quarterly cash dividend for the third quarter of 2003 to holders of our common stock. The dividend is payable on September 30, 2003 to shareholders of record on September 16, 2003. In 2002, 2001 and 2000 we paid annual cash dividends of \$0.08 per share. Although we expect to reinvest a substantial portion of our earnings in our business, we presently intend to continue to pay regular quarterly cash dividends. However, the declaration and payment of dividends, and the amount of any dividends, are subject to the discretion of our board of directors. The declaration, payment and amount of dividends will depend upon our: