



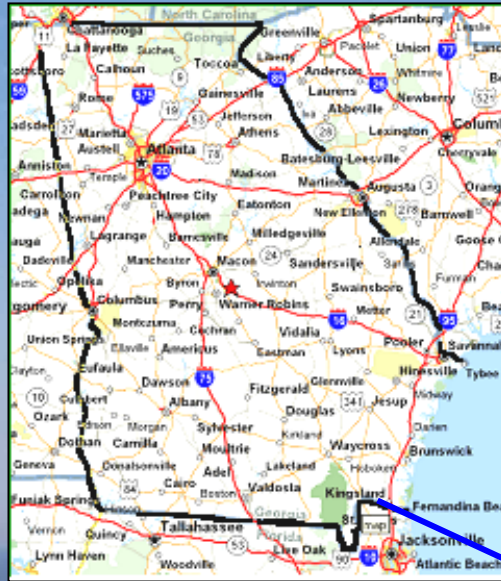
# Restoration and Redevelopment of the Former Durango Paper Mill Site



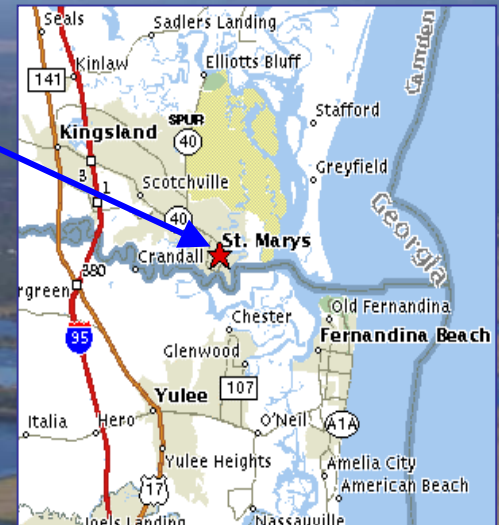


- ▶ **Durango Site Overview and History**
  - Durango-Georgia Bankruptcy**
  - LandMar Group Overview**
  - The Durango Challenge**
  - Environmental Challenges**
  - LandMar's Vision**
  - Conclusion**

# General Location



## St. Mary's, Georgia



# Aerial View of Durango Site, St. Mary's, Georgia, and Atlantic Ocean



# Historic St. Mary's



The St. Mary's Ferry Travels to  
Cumberland Island

# Durango-Georgia Paper Mill



# Formerly Known as Gilman Paper



# Background

- Produced pulp, paper, multi-wall shopping bags, bleached paperboard, and specialty packaging
- 900 employees at one time
- Capacity to produce 410,000 tons of paper products annually
- Purchased by Durango Corporation in 1999
- Ceased operations on October 2002
- Idle since that time



# Historical Photo





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- ▶ **LandMar Overview**
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- ▶ **LandMar's Vision**
- ▶ **Conclusion**

## SEARCH



Jan 25th, 1 pm CST

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## Durango Files for Bankruptcy

**Mexican Corporacion Durango SA plans to file for bankruptcy under Mexican law to compel all investors to participate in an agreement to renegotiate terms on about \$800 million of debt it defaulted on more than a year ago.**

Jun 5, 2004

Official Board Markets

The company owns a recycled... approved by 51 percent of creditors under the Mexican bankruptcy law, t

"Corporacion Durango has res... process in Mexico for the following number of votes required to co

- **Involuntary Chapter 7 bankruptcy--\$800 million debt**
- **Bridge Associates appointed as Liquidating Trustee**
- **Sale of assets, including plant site and surrounding properties**
- **Auction of property and equipment on December 6, 2005**
- **Widespread interest in property and equipment**

# Impact on St. Mary's, Georgia

- Durango was Camden County's largest private employer for 61 years
- 900 mill workers unemployed, 2000 other jobs possibly impacted

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF GEORGIA  
BRUNSWICK DIVISION

IN RE: : Chapter 11  
:  
DURANGO GEORGIA PAPER COMPANY :  
DURANGO GEORGIA CONVERTING :  
CORPORATION, and DURANGO GEORGIA :  
CONVERTING, LLC., : Case No. 02-21669  
:  
Debtors. : Judge Lamar W. Davis, Jr.

LIQUIDATING TRUSTEE OF THE :  
BANKRUPTCY ESTATE OF DURANGO :  
GEORGIA PAPER COMPANY, DURANGO :  
GEORGIA CONVERTING CORPORATION :  
and DURANGO GEORGIA CONVERTING, :  
LLC, :  
:  
Movants, : Jointly Administered

v. :  
:  
NATIONAL BOILER COMPANY; :  
ROWE DRILLING COMPANY, INC. a/k/a :  
ROWE DRILLING SERVICES, INC.; THE :  
HON. BRENDA R. WAINRIGHT, in her official :  
Capacity as TAX COMMISSIONER OF :  
CAMDEN COUNTY, GEORGIA; and THE :  
HON. DEBORAH C. HASE, in her official :  
Capacity as Mayor of THE CITY OF ST. :  
MARYS, GEORGIA, et. al., : CONTESTED MATTER

Respondents. :  
:  
ORDER GRANTING LIQUIDATING TRUSTEE'S MOTION, IN ACCORDANCE  
WITH THE BID PROCEDURES ORDER ENTERED MAY 20, 2005, TO SELL  
SUBSTANTIALLY ALL OF THE ASSETS OF THE BANKRUPTCY ESTATE OUT OF  
THE ORDINARY COURSE OF BUSINESS, FREE AND CLEAR OF LIENS, CLAIMS  
AND INTERESTS, WITH SUCH LIENS CLAIMS AND INTERESTS TO ATTACH TO  
THE PROCEEDS OF SUCH SALE AND TO ENTER INTO THE ASSET PURCHASE  
AGREEMENT PURSUANT TO 11 U.S.C. §363 AND FED.R.BANKR.P. 6005; MOTION

**FILED**  
at 2 O'clock & 23 min P.M.  
Date 12/16/05  
United States Bankruptcy Court  
Savannah, Georgia



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# LandMar Group Wins Bid



Press Release

Source: Bridge Associates, LLC

## LandMar Group Submits Winning Bid for Assets of Durango Georgia Paper Bankruptcy Estate;

Thursday December 8, 9:02 am ET

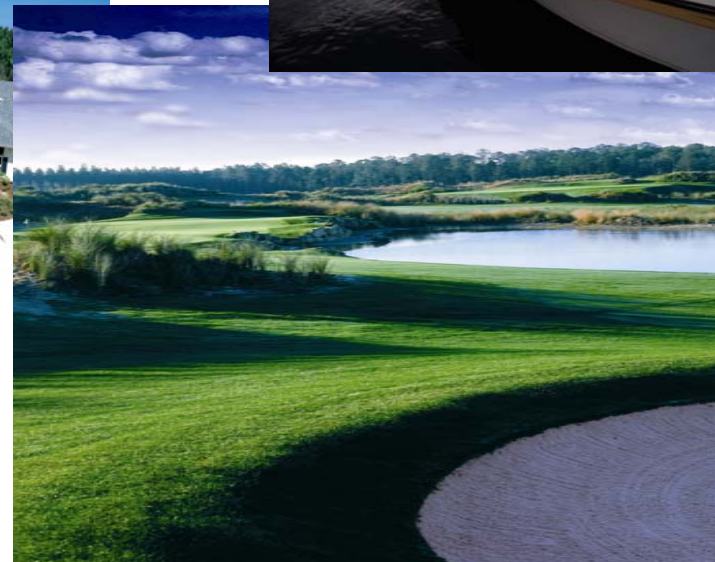
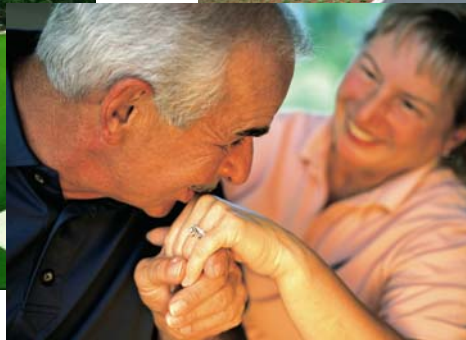
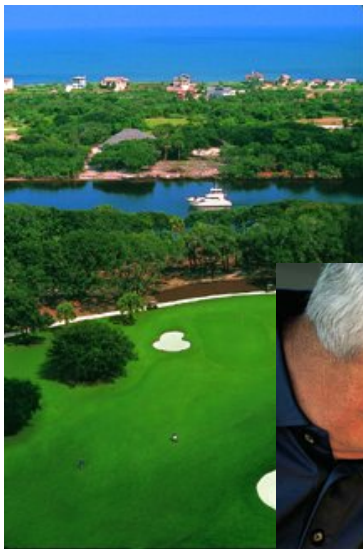
### Distressed Paper Mill Property to be Transformed into Multi-Use Real Estate Development

SAVANNAH, Ga., Dec. 8 /PRNewswire/ -- Bridge Associates, LLC, through Anthony Schnelling, a member of the firm acting as the Trustee for the Durango Georgia Paper Bankruptcy Estate, today announced that the LandMar Group, LLC, a leading developer of residential properties throughout Florida and the Southeast, has submitted a winning bid for

- LandMar offers the winning bid for 725 acre site
- \$36.5 million all-cash, payable over 3 years with 8% interest
- Court approved sale December 19, 2005

# Who is LandMar?

- Experienced developer of communities in Coastal Georgia and Florida
- Formed in 1987, and in 1999 created strategic alliance with Crescent Resources, LLC
- Recently developed Osprey Cove in St. Marys
- Currently developing dozens of other projects, including the Shipyards project in Jacksonville



# A few of our communities



[Your new home awaits](#)

[Click here to visit  
our sister communities](#)

 LandMar  
Express Address Homes

CRESCENT  COMMUNITIES





- 1230 Acres
- 972 Homes
- Mark McCumber Signature Course
- Amenity Center





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**Environmental Issues**

**Redevelopment Plans**

**Conclusion**

# The Durango Challenge



**To redevelop a former pulp & paper mill into a successful mixed-use development while preserving the unique coastal environment**

# Site Features

Wastewater  
Surface  
Impoundments

Wood Stork  
Rookery

Clarifier

Landfills

Tri-Gen Facility

Main Facility

Historical River  
Discharges

# Recent Photos of Plant



# Views of Durango Paper From River



**Durango Oil Wharf**



**Historic Outfall Into River**

# Views from the St. Mary's River

## Historical Discharge



Recent



# Equipment at Durango Paper





# Wastewater Treatment Facilities





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# Environmental Challenges

- More than 60 years of heavy industrial use
- Potential soil and groundwater impact
- On-site landfills
- Demolition of existing structures
- Protection of endangered species
- Protection of fragile coastal ecosystem

# Georgia Voluntary Brownfields Program

- **Hazardous Site Reuse and Redevelopment Act**
- **Program allows prospective purchasers performing voluntary cleanups to obtain limitation of liability**
- **Potential property tax incentives for cleanup**
- **Asset Purchase Agreement requires, by April 30, 2006:**
  - **No listing on the Hazardous Site Inventory**
  - **Approval of acceptable Corrective Action Plan for remediation of property under the Brownfields program**

# Environmental Assessment Currently Underway by LandMar Group

- Assessment of mill's ecological impact
- Extensive soil, groundwater and sediment testing
- Evaluation of technical options for site clean up
- Cooperation with state, local and federal officials



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# LandMar's Vision

**Preliminary**

This is a conceptual Master Plan only and is subject to change upon final approval.



## CONCEPTUAL MASTER PLAN

DURANGO, GEORGIA  
PAPER COMPANY SITE

PROPOSED BY:  
LANDMAR

**DURANGO**  
GEORGIA



# Old Versus the New





OSPREY COVE.  
A COASTAL CLUB COMMUNITY

## Mill will transform into pride of area

St. Marys keeps up growth, hopes

By STACY SHELTON  
sshelton@ajc.com

**Savannah** — Camden County real estate broker Debra Maner had learned to use sleight of hand when she drove clients past the rusting paper mill, unavoidable on the edge of St. Marys' historic downtown.

She would pull on her scarf, tug at her earrings or adjust the radio.

"It's ugly," Maner said of what has been the coastal

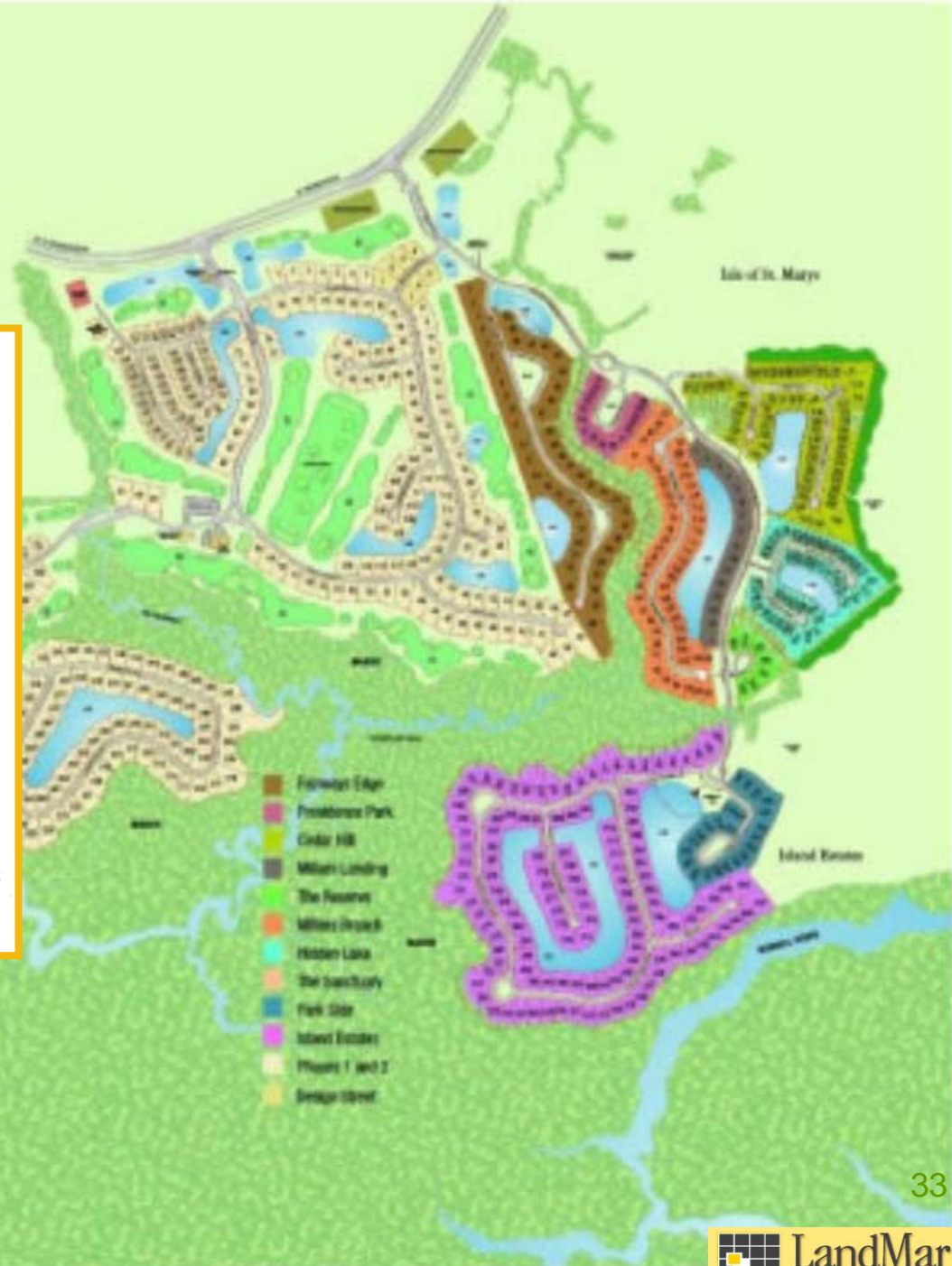
town's working-class welcome mat since 1941. "You fiddle with something to distract them."

But after this week's high-stakes auction of the bankrupt mill and its assets, Maner and every other agent in town will be highlighting the site and talking about the hotel, shops, restaurants, homes and condominiums on the way.

The LandMar Group, a Florida-based developer affiliated with Duke Energy, bid \$36.5 million for the mill on the North River, on about 750 acres. From the water's edge, there's a view across the river

► Please see **MILL, D4**

CHECK FOR BREAKING NEWS UPDATES AT AJC.COM



# LandMar's Developments



# St. Mary's Homes



# Redevelopment Benefits

- Improved air quality
- Improved water quality
- Improved soil quality
- Improved landscape
- Improved livability
- Improved economic vitality
- Protection and preservation of fragile marine ecosystem



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