

money

DRIFTING DOWNWARD

U.S. stock indexes drift mostly lower

Money & Markets, C-2

CSX Corp	48.60 +.81/+1.7%
Wells Fargo & Co	57.18 +.56/+1.0%
AT&T	41.77 +.38/+9%

LOCAL MOVERS

Asbury Automotive	65.15 -2.30/-3.4%
Stein Mart	3.76 -.10/-2.6%
Rayonier AdvMatis	16.05 -.38/-2.3%

Stein Mart fills its 2 top positions



By Roger Bull
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Three months after its last chief executive officer resigned, Stein Mart has named her successor. D. Hunt Hawkins, who had been interim CEO since September, has

had the "interim" removed from his title. And a newcomer to the company, MaryAnne Morin, has been named president, the position Hawkins had held.

Hawkins assumed his permanent role on Tuesday. Morin joins the company on Feb. 6 and will be

responsible for the company's merchandising, planning, marketing and advertising, and e-commerce. She had most recently been chief merchant, executive vice president of Lord & Taylor and Hudson's Bay. She'd also held various product development and merchandis-

ing roles at Macy's Merchandising Group, The Echo Design Group and The May Company.

Hawkins has been with Stein Mart since 1994. He'd been presi-

HIRED continues on C-2

Q&A



Mike Rosenberger, founder of Bukkets and Dick's Wings, is opening Mack's Tenders On-the-Go in Mandarin and will have another one in Bayard. (Will Dickey/Florida Times-Union)

Dick's Wings founder counts on another piece of chicken

Mack's Tenders grills, fries them, offering 30 sauces

By Roger Bull
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First, Mike Rosenberger opened Bukkets, a popular beachfront bar and grill in Jacksonville Beach. Then came Dick's Wings, getting in early on the chicken wing craze. He's sold both of those chains, but now he has another one. Mack's Tenders has one location in Mandarin and another on the way in Bayard.

He talked this week about his restaurant past, present and future.

First, give me a little background on Bukkets.

I started it in Fort Myers in 1986 and brought it to Jacksonville in 1989, franchised eight of those. We had a couple in



Mack's Tenders On-the-Go boasts more than 30 different sauces for its chicken tenders. (Will Dickey/Florida Times-Union)

Tampa, one in Gainesville, Clearwater. I sold that to a gentleman in Tampa in 1992.

And Dick's?

I took a year off after Bukkets and started a concept called Dick's Wings on San Juan Avenue in 1994. It's still there, still

operating. The idea was that I would build each one and sell it as a franchise. When I started, it was just me and Hooters selling wings.

How about Wing-It in Mandarin?

You're right. He was there

back when I had Bukkets and it's still operating.

But the whole idea with Dick's was that I would build a location, then sell it as a franchise. I did that for 10 units, as we got all our manuals together and learned what we should and shouldn't do, so we could just sell franchises.

What'd you learn that you shouldn't do?

Part of the problem I had, and it was my own fault, was that I'd build one, sell it and when I circled back, I'd find them selling salmon on cedar planks. I'd explain that we're not a seafood place and he'd say "I thought it would sell."

I'd have to explain that we made an agreement. "This is what we are, this is what we sell and this is what you signed up for." It took me about two years to stop people from selling everything from grilled cheese to salmon.

But this is why you have

MACK'S continues on C-3

The Dow at 20,000: What does it mean?

Associated Press

With the Dow Jones industrials above 20,000, it's natural to ask what's going on and what, if anything, investors should do. Here are some answers to common questions that people have about the stock market.

Can the stock market keep going higher?

The Dow has more than tripled from its low point during the recession

seven years ago. Some experts have been surprised the market has continued to rise so much in recent months, particularly since corporate profits have been mostly shrinking over the last year and a half, but that doesn't mean the market can't go any higher. The market is now in the second-longest bull run since World War II, following the rally of 1990-2002.

The election of Donald Trump in November has made investors more optimistic about growth in

the economy and the profit potential for industries like banking and energy, which are expected to benefit from his drive to roll back regulations, lower taxes and rev up economic growth.

But as financial advisers will tell you, it's best to base your investing decisions on your own needs and financial plans, not on what the market is doing any given moment. Don't load up on stocks if you're

DOW continues on C-2

A.M. BRIEFING

Oldest City B&B at top of U.S. ranking

TripAdvisor is out with its annual Top 25 list of the best B&Bs and inns around the world and a St. Augustine landmark has taken the top spot in the U.S.

The Cedar House Inn was ranked number two in the world and number one in the U.S. as a Travelers' Choice Award winner.

The inn at 79 Cedar St. is a classic Victorian home built in 1893.

"We're privileged to carry on the legacy of the previous owner's vision for the inn and proud to be part of a business community that makes the City of St. Augustine an incredibly popular place to live and visit," said Cyndi Humphrey, the current owner/operator of Cedar House, on the inn's website.

The inn, which has eight guestrooms, has also been recognized locally, winning The St. Augustine Record's "Best of St. Augustine, Bed & Breakfast."

The Times-Union

Disappointing sales report for Starbucks

NEW YORK | Starbucks reported disappointing sales growth Thursday for its fiscal first quarter, noting the challenging environment for restaurant retailers.

For the three months ended Jan. 1, the coffee chain said global sales rose 3 percent at established locations, including in the United States. Total revenue was \$5.73 billion, short of the \$5.85 billion analysts expected.

The Seattle-based company said customer visits in U.S. stores fell 2 percent at established locations. It attributed the decline to a change in its loyalty program that stopped people from splitting orders to get more rewards. After factoring in the change, Starbucks says customer visits were flat.

Starbucks shares have climbed 5.5 percent since the beginning of the year

Associated Press

Microsoft beats quarter forecasts

REDMOND, WASH. | Microsoft Corp. on Thursday reported fiscal second-quarter earnings of \$5.2 billion.

On a per-share basis, the Redmond, Wash.-based company said it had net income of 66 cents. Earnings, adjusted for non-recurring costs, came to 83 cents per share.

The results surpassed Wall Street expectations. The average estimate of 16 analysts surveyed by Zacks Investment Research was for earnings of 79 cents per share.

Microsoft shares have climbed slightly more than 3 percent since the beginning of the year.

Associated Press

Dow Chemical beats quarter forecasts

NEW YORK | A boost in revenue from consumer markets pushed Dow Chemical's fourth-quarter results beyond Wall Street expectations.

The results were helped by the chemical company's move to take full control of its Dow-Corning venture. It still faces scrutiny over a proposed merger with rival DuPont.

During the quarter, Midland, Mic.-based Dow Chemical Co. reported a loss of \$33 million, or 3 cents per share, mainly on a hefty charge. Earnings, adjusted for non-recurring costs, came to 99 cents per share.

Revenue surged 13.6 percent to \$13 billion on several factors, including volume growth and the silicone business.

Associated Press



Mack's Tenders On-the-Go offers a basic box of chicken tenders for \$6.99. That includes three tenders, fries and more. (Will Dickey/Florida Times-Union)

MACK'S

Continued from C-1

franchising, for brand recognition. I can go into a McDonald's in San Diego and it's the same as it is in Jacksonville. You have to have consistency of the product.

You don't own Dick's anymore, right?

No, I took it public in 2007, just before the worst recession in history. It took me about 18 months to get the funds together and go through the review process, which is indescribable. The stack of papers that went back and forth was literally four feet high.

Then a private equity group from Louisiana came to me in 2013 and asked me if I wanted to sell. I shouldn't have gone public in the first place. I just wasn't big enough. Another lesson learned.

But they bought the company and were unable to sustain the stock price; it's one-third what it was when I sold it. We had 28-29 locations, now they've got 24. I don't know their strategy.

And now you've started Mack's Tenders. What's the draw there?

First, it's simplistic. We sell chicken tenders. We grill them, fry them and have 30 sauces. Raising Cane's out of Dallas has 320 units selling chicken tenders. But we have a difference. We grill them, we've got the sauces and we used panko breading instead of traditional flour. It makes them crisper, doesn't seem to absorb as much oil.

It's designed so it's simple to operate, has the difference and we think it's attractive to the 18- to 45-year-old on the go.

What kind of prices?

The basic box is \$6.99 for three tenders, fries, choice of pickles or slaw, Texas toast and a drink. But the average ticket is about \$9.

I guess you opened the first one yourself because you had to show that it works.

Yes, but we're pretty confident. I've been doing this long enough to know. The tender concept is proven with Raising Cane's, Tender Town, Guthrie's, Huey McGoos that just got purchased by four gentlemen who just left Wing Stop.

And franchise owners have the option of being closed on

Sunday.

What's the cost of a franchise?

You can open one of these for \$200,000, including the \$35,000 franchise fee. We target the 1,200-1,400-square-foot vanilla shell. A conversion would be less, because you don't have to do plumbing or electric. You can do an end cap with a drive-through, but that's going to be more. You can even do a stand-alone, like a Zaxby's, but that's going to be \$800,000-\$1 million.

Is it fast casual, which seems to be the trend these days where you order at the counter and they bring it to you?

No, it's order at the counter, pick up at the counter, self-serve sodas. Ticket time is four-six minutes.

Are they precooked?

No, that's just how long it takes to cook ounce-and-a-half tenders on a 345-degree grill.

Why go to quick serve like this?

When I started Dick's Wings, you could make money on 2,000-2,500 square feet. We paid waitresses \$2.11 an hour and sold beer and wine.

But that model doesn't work anymore. Labor has gone up, chicken prices are through the roof. So people put in liquor. Every Hooters, every Dick's Wings put in liquor. So insurance goes up.

And you go to liquor, you need 150 seats, that's 3,500-4,000 square feet. Now you have to turn \$1 million or million and a half just to break even.

And you need an owner or manager with liquor-food experience, and that's going to cost you \$60-\$70,000. The metrics have really shifted.

What's really growing is the specialty stuff. Burger chains, taco chains, sub chains with a specific item that they manipulate. That's where you're seeing the lower investments. The other side is the \$3 million Miller Ale House.

The thing is, there's no money in selling chicken wings anymore. Food should be no more than 30 percent of your cost. At \$2.25 a pound, you'd have to sell 10 wings for \$12. My food cost is 18 percent.

My wing special used to be 10 cents a wing. Now you see Wednesday Wing Day at 69 cents a wing.

The opening cost seems affordable to a lot of people.

We're targeting our franchise to veterans or the first responder who's retired after 20 years, in his mid-40s, has a pension but still has 50 years.

Or it could be someone who has another franchise in town. Say you've got 30 units of Papa John's. You can't add more Papa John's because it's already saturated. You can't do a sub place because that's crowded.

Come look at me and maybe put it next door to your Papa John's.

OK, you're 65, when lots of people are retiring or trying to figure out how to. How long do you think it'll take to get going?

I'm looking at five years. We hope to have pretty aggressive growth for the next year. We've got people coming in, and we're talking to people who could be area representatives.

Raising Cane's will be in Florida in 12 months, in Jacksonville in 18 months. I'd like to get ahead of the curve.

In five years I'll be 70. I figure I'll either be done or dead.

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Workers remove about one-fifth of Iowa diesel spill

By David Pitt
Associated Press

DES MOINES, IOWA | Workers have removed about one-fifth of the 140,000 gallons of diesel that spilled from a broken pipeline onto an Iowa farm, authorities said on Thursday, and all the liquid on the ground should be cleaned up by the end of the day.

Vacuum trucks were sucking up the fuel that spilled onto an acre of grass and tilled farmland when the pipeline broke.

About 18 percent of the liquid had been removed, and no fuel entered rivers or streams, said Iowa Department of Natural Resources spokesman Jeff Vansteenburg. No farm field drain lines have been severed so fuel can't flow into waterways, he said.

Contaminated snow and diesel are being hauled to a Minneapolis, Minn., facility. Contaminated soil will be excavated and taken to a landfill near Clear Lake, Iowa, Vansteenburg said.

High wind and blowing

snow were complicating cleanup efforts, he said.

The pipeline, owned by Tulsa, Okla.-based Magellan Midstream Partners, was discovered spewing diesel fuel Wednesday morning.

More than 70 Magellan representatives, local responders, regulators and contractors were on site Thursday morning, Magellan spokesman Bruce Heine said. No injuries were reported and no evacuations needed. He said the cause of the leak is under investigation.

"Although we expect to begin pipeline repairs later today, we do not have an estimate when pipeline operations will resume on the affected segment of our system," Heine said Thursday. "We do not expect this incident to disrupt supply of gasoline, diesel and other refined petroleum products in the region."

The pipeline was built in the early 1950s, but Heine said the age of a pipeline is not a safety factor when it's adequately inspected and



Vehicles line the shoulder of a road Wednesday as crews work to clean up after a pipeline leak in Worth County, north of Hanlontown, Iowa. (Bryon Houlgrave /The Des Moines Register)

maintained.

The 127-mile stretch of pipe runs from Rosemount, Minn., to Mason City, Iowa.

The farm site is located three miles north and one mile east of Hanlontown, which is 124 miles north of Des Moines.

The incident illustrates

that petroleum pipelines are dangerous, said pipeline critic Ed Fallon, director of Bold Iowa, a coalition fighting the Dakota Access and Keystone XL oil pipeline projects.

The leak comes at a time when President Donald Trump has vowed to re-

new construction on both of those massive pipeline projects, which have been held up by government regulators after vigorous protests from environmentalists and Native American groups.

"We've been saying all along it's not a question of

if a pipeline will leak, it's a question of when and where and how bad it will be," Fallon said.

Federal government data shows Iowa had 13 serious pipeline incidents with one fatality and 16 injuries between 1996 and 2015.

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