

The Florida Times-Union

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JANUARY 8, 2016
\$2



PRO BOWL VOID OVER

Robinson Jags' first WR to go since 2001

Sports, C-1



STOCKS, OIL PRICES SLIDE AGAIN AMID CHINA'S WOES

Money, D-1



HOW MISSING HALEIGH MIGHT APPEAR AT AGE 12

Metro, B-1



JACKSONVILLE SUNS SEEK TO DOUBLE WORKFORCE

Money, D-1

Pension tab could jump \$16M

Mayor says escalating costs why changes needed for paying debt

By David Bauerlein
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Jacksonville's huge expense for its police and firefighter pension plan could jump by another \$16 million in the next fiscal year, an increase of almost 10.5 percent that would suck up a large share of any extra money the city gains from the improving economy.

The city paid about \$153 million to the Police and Fire Pension Fund in this year's budget, and that would go up to about \$169 million in the 2016-17 budget — the highest amount the city has ever paid to the pension plan.

Mayor Lenny Curry — who unveiled a plan this week that would use an extension of the Better Jacksonville Plan's half-cent sales tax to pay down the city's pension debt and ease the stress on the city's budget — said the projected pension expense for next year illustrates why change is needed.

"It's part of the escalating cost," he said Thursday. "It speaks to the dire situation that we're in."

The improving economy is bringing more tax money into city coffers. For instance, the city's general fund grew by about \$45 million for this year's budget, and after taking care of inflation-related expenses, the city had enough left over to enhance some city

PENSION continues on A-4

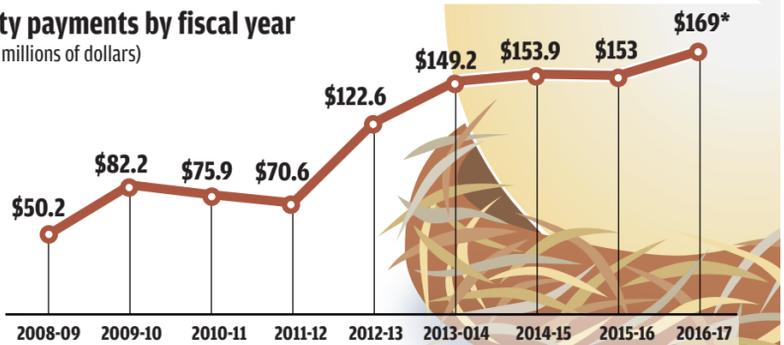
Another crack in the nest egg

The city's contribution to the Police and Fire Pension Fund will be 10.5 percent higher next fiscal year. The increase stems from a bleak year for pension plan investments combined with a contractually required increase in an extra payment to bring down the city's pension debt.

10.45% more than the 2015-16 pension contribution

City payments by fiscal year

(In millions of dollars)



* Tentative
Note: The 2015-16 payment includes a \$5 million extra payment by the city above what's required by law. The 2016-17 figure includes a \$10 million extra payment.
Source: City of Jacksonville

2016-17 pension contribution \$169 million*

\$16.3 million

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Latitude 360 shuttered its Jacksonville location



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A TV crew prepares to broadcast in front of Jacksonville's Latitude 360 location. Cable locks were on the doors Thursday morning, and signs in the window indicated that the company closed the location.

Owner settles eviction lawsuit from landlord over rent

By Roger Bull
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Jacksonville's Latitude 360 closed for good Wednesday night, facing eviction and other financial issues. The Jacksonville-based company also closed its Indianapolis location.

Brent Brown, founder and CEO of Latitude 360, said Thursday he settled with his landlord, 30 West Pershing, to release the company of all liabilities.

In the eviction lawsuit filed in September, 30 West Pershing claimed it was

owed \$5.8 million in back rent at the two locations and for a construction loan. Rent was about \$2.2 million a year on the two properties, Brown said.

Latitude 360's Pittsburgh location was not part of the lawsuit and remains open.

Brown said news reports about the eviction hurt group sales in December, normally a busy, lucrative time for the entertainment center.

"The negative press we got in the fourth quarter affected us big time," he said.

LATITUDE 360 continues on A-4

INSIDE Timeline: Latitude 360 went on wild roller-coaster ride, fraught with lawsuits, swelling debt. A-4



Associated Press

Florida's manatee population has grown to 6,000 in recent years.

Manatees in line for upgrade to threatened

Fish and Wildlife Service says mammal no longer on verge of extinction

By Jennifer Kay
Associated Press

MIAMI | The population of Florida's iconic manatees has recovered enough that the species no longer meets the definition of "endangered" under the Endangered Species Act, federal wildlife officials said Thursday.

The U.S. Fish and Wildlife Service have proposed delisting the slow-moving, speed bump-shaped marine mammals as a "threatened" species, which would not change any current protections for manatees.

"Based on the best available scientific information, we believe the manatee is no longer in danger of extinction," Michael Oetker, deputy regional director for the wildlife service, said at a news conference at the Miami Seaquarium, which has rescued, rehabilitated and released manatees back into the wild for decades.

A Florida business group and the conservative Pa-

MANATEE continues on A-4

Eleanor Haight King 1914-2016

Theater performer at 12 did so much more

Leader of civic, cultural causes even played bridge to age 101

By Sandy Strickland
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During her 101 years, Eleanor Haight King was always on the go. She danced in a tiara and tutu at the Florida Theatre. She successfully lobbied for a cafeteria at Fishweir Element-

tary School.

She helped start a youth symphony orchestra, as well as the forerunner of the Museum of Science & History. She chaired the Friday Musicales's scholarship program. She took tai chi classes in her 80s and graduated from college just shy of her 80th birthday.

She drove until she was 91 and played duplicate bridge until she was 101, stopping only because of failing eye-

sight. She still practiced tai chi and planned multiple social engagements until a day or two before she died Saturday at her Avondale home.

"She was a whirlwind. She had more energy than most normal people — type A to the max," said her daughter, Kay Conoly of Stone Mountain, Ga.

She didn't even look old until she reached her 90s, Conoly said.

Mrs. King was born in Washington, D.C., in 1914. Part of that drive to go and see and do interesting things was instilled at an early age, Conoly said. Mrs. King's mother took her and the neighborhood kids to every monument and cultural institution in the capital. She also signed her up for dance classes when she was 5, and she did the high-

KING continues on A-4



Eleanor Haight King is shown celebrating her 100th birthday on April 26, 2014, with members of the Thursday Book Club. Mrs. King was a member of the club since 1959.

Robin Patton
For the Times-Union

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Latitude 360's past full of delays, debts

By Eileen Kelley
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In 2007, it started with a concept: A massive entertainment complex with bowling alley, a theater, comedy, and television after television after television.

Essentially, it would be a playground for both adults and children.

The complex began to take shape when a Toys R Us near The Avenues mall closed.

After the concept, the money, the hammer, drills and marketing campaign, the opening of Latitude 30 — named for Jacksonville's latitude on the map — was repeatedly delayed.

First it was April 2010. Then it would open in the summer in 2010. When July and August scheduled openings didn't happen, the owners picked December.

That didn't happen. All the while, Brent Brown, Brownstone's managing partner, said the company was moving ahead with plans for expansion in four other areas over the next five years. Brown and others form a group called Latitude Global for the expansion effort.

■ **January 2011** On Jan. 6, Latitude 30 opened although the Las Vegas-style showroom for entertainment and the dine-in theater were not complete. Still, Latitude 30 drew a crowd of 900. Among those attending the fete were some Jacksonville Jaguars and the team's mascot, Jaxson de Ville. Cost of the project was more than \$11 million.

■ **June 2011** The air barely deflated from the balloons when Latitude 30's trouble started piling up. With the building just six months old, 19 liens are filed against the company, claiming the money was owed for work on the Jacksonville venue. Liens ranged from \$2,300 to \$368,216. The Florida Department of Revenue also filed a warrant against Latitude 30, claiming it was \$48,282 behind on taxes. Latitude 30 then jumped into the fray and filed suit against Cornerstone Lending and Milan Group, companies it claimed were supposed to give it \$8 million. Undeterred, the company announced in June that it would break ground on Latitude 39, 39 degrees being the latitude of Indianapolis.

■ **November 2011** The company behind Latitude 30, Latitude Global Inc., signed a merger agreement with Blink Couture, essentially a shell company, and announced it would go public in early 2012.

■ **March 2012** Latitude Global forms a partnership with Entertainment Properties, a real estate investment trust, and its affiliate, 30 West Pershing. Latitude CEO Brown says Entertainment Properties will give Latitude \$25 million in exchange for the Latitude 30 building. The company will then lease the building back and use the cash to expand parking.

■ **September 2012** Latitude 30 eyes downtown Jacksonville for expansion and signs a letter of intent to take over the old library. The idea is to have a smaller version of Latitude 30 downtown and have

corporate offices above it.

■ **December 2012** The company opens Latitude venues in Pittsburgh and Indianapolis.

■ **February 2013** The company allows the letter of intent to buy the Haydon Burns Library to expire.

■ **September 2013** Craig Phillips, the chief financial officer, resigns and lists a dozen allegations as his reasoning with the company's board of directors.

■ **February 2014** The names of all three locations are changed to Latitude 360.

■ **August 2014** The company's quarterly report shows the company is \$92 million in debt, according to a University of Florida professor, who studies public companies.

■ **September 2014** Latitude CEO Brown announces he's eyeing three Atlantic City locations for a \$20 million expansion of the company, now called Latitude 360. At the time, the company's portfolio consisted of Jacksonville, Pittsburgh and Indianapolis. The company says it plans on opening more in Albany, N.Y., Minneapolis and Massachusetts.

■ **October 2014** Craig Phillips, the chief financial officer who resigned a year earlier, files a lawsuit against the company. Phillips claims his paychecks bounced for seven months when he was employed by the company.

■ **December 2014** Latitude 360 responds with a lawsuit against Phillips. Latitude 360 faced or still faces 60 lawsuits.

■ **September 2015** Latitude 360's landlord in Jacksonville and Indianapolis files an eviction lawsuit, claiming \$5.8 million in back rent and construction loans. The company launches 360 Fantasy Live, an online fantasy sports site similar to Draft Kings and FanDuel.

■ **January 2016** Latitude 360 closes in both Jacksonville and Indianapolis.

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Photos by Bob.Self@jacksonville.com

Signs on the doors of Latitude 360, near The Avenues off Philips Highway, indicate that the business has closed after five years in Jacksonville.

LATITUDE 360

Continued from A-1

"People were concerned that we weren't going to be open by the end of the year."

The entertainment center, which includes a game room, bowling, theater, restaurant and more, opened as Latitude 30 on Philips Highway near The Avenues mall with a good bit of fanfare in 2011. Business was good enough that it added a parking garage the next year.

Two more locations opened in Pittsburgh and Indianapolis, and the company changed the names of each location to Latitude 360. More locations were planned.

Brown said 350,000 people came to the Jacksonville center last year. The other two locations drew 275,000-300,000, he said.

About 125 people worked at the Jacksonville location.

Kelly Lechner took her children there last week. While she said she was sorry to see it close, she could tell it was on the verge.

"The bowling alley had a three-hour wait to use it. So we took the kids to play games," she said. "Several of the most popular games were broken. There was a corner in the back where the kids spent the tickets they won to buy prizes. That area was completely empty. There was nothing on the shelves."

"The attendant said they were remodeling it next month, but it was obviously never going to get stocked again."

Even before expanding, the company faced hundreds of thousands of dollars in liens from contractors who worked on the Jacksonville location and said they were not paid.

The problems continued.

One week ago in Pittsburgh, it made a last-minute payment of \$46,857 toward delinquent county beverage taxes after Allegheny County officials threatened to padlock the business.

Last month, Latitude 360 shut down its Indianapolis location, according to the Indianapolis Star, after the Indiana Department of Revenue plastered the business with signs suggesting it had failed to turn over sales taxes.

Owners reopened about two weeks later. The Internal Revenue Service filed three liens last month for a total of \$493,041 against Latitude 360 and its various entities. The Florida Department of Revenue filed a lien for \$147,390 claiming unpaid sales and use taxes.

In November, a judge ordered Latitude 360 to pay \$25,668 to the American Society of Composers, Authors and Publishers, more commonly known as ASCAP, which claimed that venue had not paid its license fees to play music.

In September, the company's former chief financial officer, Craig Phillips,



A view through the window of the 360 Grille at Latitude 360. The entertainment center closed after the owner settled a landlord's eviction lawsuit.

was awarded \$115,000 after filing a lawsuit claiming the company owed him back wages. In his filing, Phillips said that paychecks regularly bounced.

Mark Rubin, Phillips' attorney, said that Latitude 360 was supposed to pay the judgment in monthly installments, but quit after two months.

"We've seen this coming for a long time," Rubin said. "He's probably never going to get paid. We're sorry that so many people have been hurt."

In 2014, the company announced plans to open in Albany, N.Y., but that was abandoned last summer with the project half-built. It soon after announced plans for Syracuse, N.Y., but Brown said he has pulled out of that, too, in order to get the company on more solid ground.

In September, the company launched 360 Fantasy Live, an online fantasy sports website similar to FanDuel and Draft Kings. Brown said that continues to operate.

Brown attributed much of the company's financial issues to a lack of funding caused by the closure of John Thomas Financial. That lender was one of three financing Latitude 360's \$40-million expansion into other cities.

When John Thomas Financial closed in 2013 amid claims of deceiving investors, it left Latitude 360 \$10 million short.

"That was right after the opening of two major units," Brown said. "We couldn't market the way we needed to market. We did pay down a lot of debt after we opened, but we couldn't get there fast enough."

He said the company still plans to expand.

"This will help us move forward as a company," he said. "It takes off a chunk of liabilities. And more importantly, the big, looming litigation is gone. Now the focus is getting healthy and getting the funding needed for the balance sheet."

"And then we'll expand the brand. The concept works."

Latitude 360 stock, which was as high as \$4 in 2013 and \$1.47 last year, closed Thursday at zero.

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MANATEE

Continued from A-1

cific Legal Foundation petitioned the government in 2012 to reclassify the manatee, citing a 2007 federal review that recommended listing the species as threatened because the population is recovering.

They argued that if the federal government followed its own rules, the reclassification should have been automatic.

"It's taken eight years and two lawsuits to get the government to follow up on its own experts' recommendation to reclassify the manatee," Christina Martin, a Pacific Legal Foundation attorney, wrote in an email. The foundation has represented a group of recreational boaters, tour operators, dive shops and hotels on the Crystal River, which is warmed by natural springs and is a favorite winter congregating spot for manatees.

An "endangered" listing means the species is in imminent risk of extinction, while "threatened" means they could become endangered in the foreseeable future — an improvement wildlife officials likened to moving manatees from intensive care into a rehabilitation facility.

The proposed reclassification reflects state, local and federal collaborations that have increased the abundance and health of manatees, said Ernie Marks, regional director for the Florida Fish and Wildlife Conservation Commission.

Florida's manatee population has grown from several hundred in 1967 to more than 6,000 counted last year in an annual statewide survey.

Wildlife and manatee advocates say the proposal to relist manatees as a threatened species ignores ongoing threats to their survival.

The biggest threats to manatees in the U.S. are boats, cold water, toxic algae blooms and discarded fishing debris.

In spite of successful conservation efforts, the manatee population suffered "catastrophic" losses from prolonged cold snaps and toxic red tide blooms from 2010 through 2013, said Save the Manatees Club Executive Director Pat Rose.

The wildlife service "should not move forward with downlisting without a proven, viable plan for further reducing boat strike mortality and for preserving vital warm water habitat," said Jaclyn Lopez, Florida director at the Center for Biological Diversity.

The public will have 90 days to comment on the proposal that will be published Friday in the federal register, and the wildlife service could take a year to adopt the proposed relisting or explain why it won't.

A public hearing on the proposal is scheduled Feb. 20 in Orlando.

KING

Continued from A-1

land fling then and showed she still had the moves on her 75th birthday.

After the family moved to Jacksonville when Mrs. King was 6, there were regular trips to the theater. Her parents were musical. Her father frequently played trombone in local bands and the piano at home.

Mrs. King made her own mark in the performing world. When the Florida Theatre opened in 1927, the 12-year-old was the opening act that preceded the movie.

She loved to perform and wanted to be a musical comedy star on stage. She did four shows a day at the Florida Theatre and performed in Atlanta and Miami as a teenager.

After her freshman year at Florida State College for Women in Tallahassee, she went to New York. But times were tough, shows were closing and she returned to school after an agent offered her a job at a speakeasy and pinched her "provocatively," said her son, Ray King of Ocala.

He said she also resumed dating Raymond King, a "good-looking" intern she met while volunteering at the old Duval County Medical Center. She left college after her sophomore year to marry King, an ear, nose and throat surgeon. In 1941, he bought her a baby grand piano, and she mastered some of the classics while he served in the Navy during World War II.

She was very persuasive when she saw a need, her son said.

While serving as PTA president of Fishweir Elementary in the 1940s, for example, she realized the school needed a cafeteria. Her request was turned down at board meetings.



Provided by Robin Patton

Irma Cary and Eleanor King are shown doing a comedy routine at the Palace, a downtown Jacksonville movie house.

When she was told about the meetings that took place after the meetings that took place, "she hit them up and pretty soon, she got what she wanted," her son said.

Mrs. King was involved with the Friday Musicals for decades, played piano duets there, served as president and founded its Junior Symphony in 1947. She was on the Jacksonville Symphony Orchestra's first board, a trustee of the Mary L'Engle orchestral fund benefiting students, president of the Duval County Medical Society Auxiliary, secretary of the Civic Music Association and on the Cultural Council of Jacksonville's organizing committee.

When she realized members of the Jacksonville Symphony Youth

Orchestra needed help with tuition, she helped the symphony guild start a scholarship fund, which was named in her honor, her children said.

There were other volunteer activities here and in Spruce Pine, N.C., where she and husband built a second home in 1962 and spent their summers.

Mrs. King stimulated her mind through the Thursday Book Club, a study group which did research-type papers on subjects of each member's choice. She joined in 1959 and participated until a month before she died, her son said.

Mrs. King's husband retired at 61, and they traveled extensively. After his death in 1987, she returned to college, taking classes here and there over a seven-year period. She graduated from the University of North Florida in 1994 with an English degree, was recognized during the ceremony and led one of the processions. The audience gave her a standing ovation, and always on stage, she responded with a bow, Ray King said.

To celebrate the occasion, she threw a party at a rented house in Atlantic Beach, invited her school friends and family, had a band from school perform and served barbecue.

"She wanted everybody to love her and she succeeded," Conoly said. "We thought she was wonderful."

In addition to her son and daughter, survivors include 10 grandchildren, 22 great-grandchildren and eight great-great grandchildren. A memorial service will be at 2 p.m. Friday, Jan. 15, at Riverside Presbyterian Church, 849 Park St., followed by a reception.

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PENSION

Continued from A-1

services by hiring police officers and restoring library hours.

The city will likely get another revenue bump for the 2016-17 budget, but rising pension expenses will put a squeeze on what the city can do.

"It's \$16 million less in services that we can provide," Chief Administrative Officer Sam Mousa said.

For the Police and Fire Pension Fund, the projected increase in the city's payments for 2016-17 stems from two factors:

■ The city's minimum contribution required by state law would rise from about \$148 million to about \$159 million, according to a draft actuarial report issued this week by the Police and Fire Pension Fund. The main reason for that \$11 million increase is the pension fund's investments took a beating in the fiscal year that ended Sept. 30, 2015.

■ The city agreed last June to pay amounts above and beyond the minimum required by law. That extra payment is \$5 million this year, and it will rise to \$10 million in the 2016-17 fiscal year.

The long-term outlook for the pension plan also worsened.

The city's debt to pay for unfunded pension pay-

ments that will be paid over the next 30 years rose to \$1.8 billion, compared to \$1.62 billion when a previous financial snapshot was done a year ago.

That pension debt had been shrinking when the fund posted double-digit investment gains, but the recent run of investment losses snapped that positive trend. The pension fund's net investment returns were negative 3.95 percent for the fiscal year ending Sept. 30, 2015.

"We're a big fund and we're invested in many sectors of the market," said Beth McCague, interim executive director of the pension fund. "When the overall market is not performing well, we're not going to perform all that well."

She said the pension fund is working with its investment advisors to fine-tune its investment strategy and "do the best we can" in light of market conditions.

The pension fund board, which is an independent agency of the city, does the actuarial report at this time each year so city officials have advance notice of the financial impact in next year's budget.

The city also has separate pension plans for general employees and corrections officers. Those pension plans also had a rough year for their investments.

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