

money

HILLARY'S TOUGH SELL

Many women prefer Bernie

Story, D-8



sunday notebook

roger bull

Another Daily's planned at San Jose-Sunbeam

Daily's is planning yet another convenience store on San Jose Boulevard. First Coast Energy, Daily's parent, paid \$4.25 million for the building housing Bailey's Gym at 9545 San Jose Blvd., at Sunbeam Road.

It's a big piece of property, right at 5 acres with frontage on both San Jose and Sunbeam. Keith Daw, counsel for the company, said the plan is to put a convenience store and gas station in front of the building. There's still plenty of room behind it and on the Sunbeam side, he said, for parking for the gym and the other tenants in the building, which used to be a Scotty's hardware store.

Daw said there's no timeline set for construction to begin. The property last sold for \$2 million in 2002.

This is the third project along San Jose and Hendricks Avenue that Daily's has confirmed in the last two weeks.

The company will build a new store and gas station between the Dunkin' Donuts and Hendricks Avenue Baptist Church. And it plans to replace its Shell gas station at San Jose and University Boulevard with a full convenience store, though there's no room to increase the number of pumps.

"We realized that the San Jose corridor has been a major underserved area for us," Daw said.

It should be noted that both the Sunbeam and Hendricks Avenue properties are across the street from Gate stores.

PRITCHARD

Pilot Travel Centers is building a travel center at the Pritchard Road/Jones Branch Boulevard intersection just west of Interstate 295 in Northwest Jacksonville.

A spokeswoman said that Pilot is a private company and does not release any information. But three building permits have been issued totaling \$4,150,000 and 12,869 square feet.

HENDRICKS

Speaking of Hendricks Avenue, if you've noticed the new house going up on Alexandria Place, just off Hendricks, it's for sale and here are the details:

It's going to be five bedrooms, six baths and 4,179 square feet. The price: \$1,279,900. The lot sold last year for \$260,000.

RIVERSIDE

Rettner Management of Yonkers, N.Y., paid \$1.3 million for the strip of storefronts at King and College streets in Riverside. The 6,840-square-foot building was built in 1933 and is anchored by the Blind Rabbit, but also has three smaller storefronts.

Mark Rubin, who bought it in 2005 for \$392,000, said it wasn't easy getting it all through the city and Riverside Avondale Preservation.

"So many times the forces of preservation are working against you," he said.

He bought property behind it, put in a parking lot, redirected the alley behind it.

"I think we went through 13 public hearings on it," he said.

AIRPORT

Two hotels near Jacksonville International Airport are getting major makeovers. Last March, American Realty Capital of Jenkintown, Pa., paid \$6,243,558 for the Courtyard by Marriott hotel at 14688 Duval Road and \$6,046,148 for the Residence Inn Jacksonville Air-

NOTES continues on D-6

Starting up? Why not Jacksonville?

City's appearance in survey of good places surprises even researchers

By Drew Dixon
drew.dixon@jacksonville.com

Jacksonville ranks among the top cities and regions in the world in fostering successful start-up businesses and that's no idle boast from local cheerleaders.

Really. It's no joke. Even researchers were scratching their heads when Jacksonville popped up as a

leading global entrepreneurial city.

According to the results of a two-year study released this month, Jacksonville is more conducive to startup business success than many cities such as Moscow, Miami, Atlanta and Tel Aviv, Israel.

The analysis conducted by the University of Southern California Marshall School of Business

looked at global startup success for 2014 and 2015 and found that the United States created 65 percent of the world's startup businesses or what the study calls "unicorn" businesses, startup companies that grew to exceed \$1 billion in valuation for any month during the study period.

The Silicon Valley region of California led the world in those companies, accounting for 39 percent of the unicorns tracked in the two-year period. New York came in second with 9 percent, followed by Beijing at 6 percent and Los

Angeles at 5 percent.

Among a slew of cities that had about 1 percent of the "unicorns" was Jacksonville. It was in a thicket that included Chicago, Singapore, London, Stockholm, Berlin, Moscow and Prague. Jacksonville ranked higher than Atlanta and Miami, which didn't even show up.

BETTER THAN SYDNEY

Gerard Tellis, the USC professor who oversaw and compiled the results of the study, said when Jacksonville appeared among the world leaders in entre-

preneurial development, he thought the study had gone awry.

"I thought it was an error. So I sent it back to my assistants," Tellis said with a laugh. "We didn't know there was a city called Jacksonville."

"Jacksonville was above Moscow, Sydney, Vancouver, Tel Aviv and so on, so I thought there must be something wrong," Tellis said. "But it was correct."

The anomaly of Jacksonville's placement on the list caused Tellis to

STARTUPS continues on D-6

Super Bowl 50



Associated Press

People walk outside Levi's Stadium in Santa Clara, Calif., where Super Bowl 50 will be played on Sunday. Phone companies are gearing up to try to make sure texts, posts and streams get through at the Super Bowl.

END ZONE

Battling for cellphone service during the big game

By Tali Arbel
Associated Press

It's the pain of crowds: Texts, photos and video streams take forever or just can't get through.

You might have run into this at a concert where everyone's trying to post selfies with the headliners at once, or at big conferences and sporting events.

Fans at Sunday's Super Bowl in Santa Clara, Calif., might see a similar cellular jam.

Here's why it happens and what phone companies are doing about it:

WHY DOESN'T MY PHONE WORK IN A CROWD?

Lots of phones are competing for the attention of a cellular network's antennas. Networks are further strained because these are times when people are apt to use data-heavy applications such as photo and video sharing.

You might see bars on your phone showing there's a signal available, yet nothing's getting

through. That happens because the phone's failing to get "associated" to the network, says Don Bowman of Sandvine, which sells networking equipment.

"Your phone knows it's there but doesn't know how to use it," he says. "You'll have the bars but it won't seem to connect."

One clue: The "LTE" letters fail to show up next to the bars.

WHAT CAN CELLPHONE COMPANIES DO?

Phones have gotten better at sending requests to the network, and networks have gotten better at managing traffic. But then again, smartphone use continues to grow, so jams are difficult to avoid.

Phone companies can mitigate congestion when they know of a big event ahead of time.

The phone companies have a mix of strategies, but collectively they have added or upgraded antennas in the stadium and cell towers nearby and installed "small cells" to improve capacity in the stadium. Small

cells typically look like boxes, says Monica Paolini, the president of wireless advisory firm Senza Fili Consulting, and, yes, are smaller than the cells you'd find on rooftops and cell towers. These small cells have a smaller range than regular cell towers, but they can supplement those towers to boost capacity in dense areas.

Many of these improvements are permanent, so coverage should improve even after the game.

Verizon, AT&T, Sprint and T-Mobile are also bringing in temporary cell sites, called "Cell on Wheels," or cows, to cover Santa Clara, where the stadium is, and events in San Francisco.

WI-FI HELPS, TOO

Newer sports venues are more likely to have Wi-Fi, which relieves stress on the cellphone network. Levi's Stadium, where the Super Bowl is taking place, got Wi-Fi when it opened in 2014. It's free for visitors.

Historically, Wi-Fi equipment has been installed high up in

ceilings or walls. At Levi's, routers are sprinkled underneath seats throughout the stadium to improve Wi-Fi performance. That helps prevent obstructions from steel and other construction materials and gets people physically closer to the routers.

Comcast Business provides the stadium's Wi-Fi network connectivity and has brought in temporary Wi-Fi systems at events elsewhere, such as golf tournaments.

WHY DOES THE SUPER BOWL REQUIRE MORE INVESTMENT AND EQUIPMENT?

People are expected to use more data than the 6.4 terabytes at last year's Super Bowl. Last year's number alone is more than double what's typical for a San Francisco 49ers football game at Levi's. A million visitors are expected in the San Francisco Bay area, which Gartner analyst Bill Menezes says has traditionally been a hard area for cell companies to

PHONES continues on D-6

STARTUPS

Continued from D-1

research further and he said the city showed up specifically because of one company: Fanatics Inc., the sports apparel and memorabilia online retailer that is now valued at over \$3 billion.

Fanatics started as a small store inside The Avenues mall in 1995 and eventually grew into an Internet behemoth. The company, headquartered in Jacksonville, takes in more revenue than Nike and has huge production and service facilities on Jacksonville's northwest side. It employs more than 6,000 people in over a half-dozen cities.

Last week, Fanatics acquired European Internet sports apparel company Kitbag based in the United Kingdom. That company alone has more than \$100 million in annual revenue.

Given the huge growth of Fanatics, Tellis said the company reflects positively on Jacksonville as a startup community, even though he acknowledged he did not know there was a startup movement in Jacksonville.

"The thing that was a breakthrough was that they [Fanatics] moved online and were able to reach an audience that was far beyond Jacksonville, the whole U.S. market and probably a global market at this point," Tellis said.

"You have small cities like Jacksonville which [technologically] are not on the map. But since they are not on the map they have nothing to protect so they are eager to move ahead. I think it's that openness to new ideas, working hard to establish a climate toward enterprise that attracts business and enables business to grow," Tellis said.

Attempts to reach Fanatics officials for comment Friday afternoon were unsuccessful.

Kate Stewart helped form the Jax Community of Entrepreneurs 1½ years ago to foster such a mentality. The organization, which now has more than 1,000 members, provides networking and support for entrepreneurs. It was developed as an offshoot of

the One Spark crowdfunding festivals that started in 2013 and were originally geared toward highlighting startup concepts and entrepreneurial pursuits.

Stewart said while Fanatics is the stellar and rare example of a startup that rocketed to wild success, it remains an icon for the Jacksonville startup community.

"I think it's hugely important," said Stewart. "It doesn't happen to very many companies. But the fact that we do have a local company that has produced over \$1 billion in valuation shows that it's possible and it's possible in Jacksonville."

Beyond Fanatics, other local companies that originated as startups are now enjoying financial success in Jacksonville. With that success, Stewart said, comes the template and path for others to follow.

"Startups that are successful, the founders and executives, are now spending time mentoring our new companies. So, we're finding ways to build the bridges and allowing those who have gone before to leverage their experience to help the younger companies," Stewart said.

Jacksonville City Councilman Aaron Bowman, who is also the vice president of the business development organization JAXUSA Partnership, said he wasn't overly surprised that Jacksonville popped up in the analysis. But it is impressive, he said.

"It's exciting. When you look at every big company, they all started off small," Bowman said.

He said the city is already starting to see tangible impact from its reputation as a startup haven.

"What I'm seeing is quality of life. The young kids want to live someplace first and worry about their jobs second," Bowman said. "They're coming because of the Beaches, the river, the sporting venues, museums and social lives."

"Why is that important? Because if you're not a young, growing city, you're a dying city. So, bringing in the youthful energy keeps us at the forefront of everything," Bowman said.

Drew Dixon: (904) 359-4098

PHONES

Continued from D-1

cover because of its hills.

YOUR PHONE ISN'T WORKING. WHAT SHOULD YOU DO?

"You hate to think of this, being the old-fashioned way," says Menezes — but holding your phone high in the air and walking around could help you find a signal. And texts will get through more readily than a phone call.

Menezes also recommends using apps put out by signal-testing companies like RootMetrics and OpenSignal. They can show you where connectivity has been working better

recently.

Paolini recommends going outside if you're indoors, trying to find a Wi-Fi hotspot and holding off on sending photos and video.

BACK TO THE SUPER BOWL — WILL CELLPHONES WORK NORMALLY?

That's the goal. But there are unknowns. For instance, mass use of newer live video-streaming apps like Twitter's Periscope could clog the networks.

"If everybody was in Periscope at one time, at the exact same time, yeah things wouldn't move as quickly," said John Guillaume, a vice president with Comcast Business.

General Contractors has the \$610,000 contract.

The two additions will bring the total of Bealls Outlets in the area to nine.

I GET QUESTIONS

Readers had several: What's going in by the **Kohl's on Fleming Island?** There's an assisted living center going in next to the Kohl's and a storage facility next to that. The Island Walk North shopping center, anchored by **Fresh Market**, is going in across the street.

What's going in front of Big Lots on **Blanding in Orange Park?** That's a **Gate** store and gas station.

The big building on **Fort Caroline Road** just east of Cesery? That's the private, not-for-profit **Arlington Community School**.

And a dental practice is being built where the former Dollar Tree and Internet cafe once stood behind the Publix on **University Boulevard West**.

PERMITS

735 College St., fencing, excavation, sidewalks, pavers and furnishings at **Riverside Dog Park**, \$206,734, Hager Construction.

5152 University Blvd., tenant build-out for **Restore 25**, \$23,030, 3,500 square feet, Building Un-

El Chapo's shirtmaker swamped

Orders pour in to L.A. company after drug lord's Rolling Stone photo

By Samantha Masunaga

Los Angeles Times

Joaquin "El Chapo" Guzman's fashion sense has catapulted a Los Angeles men's clothing company to new heights after the Mexican drug lord was photographed wearing two of the firm's shirts in an interview with *Rolling Stone* magazine.

Shortly after the article was published last month, Barabas' wholesale customers began to call the company when they recognized the brand's bright colors and bold patterns. Since then, Tatiana Kivachook and her husband, Sam Esteghball, one of the business' owners, have been working more than 12 hours a day with little time off just to keep up with the demand for the El Chapo shirts.

"This sudden madness — I cannot call it anything different," said Kivachook, vice president of the company. Esteghball, her husband, is chief executive.

In a matter of hours, the wholesale clothier with eight employees went from receiving 10 to 20 orders a day to hundreds. The phones rang endlessly and the website crashed after the volume of orders overwhelmed the server.

TV crews lined up outside the company's wholesale storefront and nearby open-to-the-public showroom to get a shot of the shirts.

"In the beginning, it was like a panic," Kivachook said.

Two weeks after the article was published, the blue shirts with floral and paisley patterns were still on back order. They sell for \$128 on Barabas' website, but can go for as much as \$500 on eBay.

The company is hiring additional workers, especially in customer

service, to handle the orders that are streaming in from around the world. The duo, buoyed by unexpected attention, are looking for a strategic partner to help open retail stores. Barabas' clothing is mostly found in boutiques and mom-and-pop shops.

Even Kivachook is unsure why the shirts have become so popular and why it has continued for so long. She said she thinks customers are interested because the shirts are brighter than the drab-colored clothes usually marketed toward men, and because of the statement of power it represents.

Angel Garcia, 41, recently made a 30-minute trip after work to Barabas' showroom in downtown L.A. to try to purchase the "El Chapo" shirts. He said he was thwarted by the back order and the computer system, which was down because of the high volume of orders.

"It's not that I approve what he does," said Garcia. "He's so popular, and I want to have that shirt, that's all. I love the design, the color."

Instead, he walked away with three other Barabas shirts — one blue, one brown and one with a pink-and-brown pattern. He said he has never shopped at Barabas before, but will be returning because he likes the feel and design of the shirts. He said he'll try again later to get the Crazy Paisley and Famous styles sported by Guzman in *Rolling Stone*.

The company hasn't shied away from its infamous customer. Images of the shirts flash across the Barabas' website, labeled "Most Wanted Shirt." At the company's wholesale location, two headless mannequins model the shirts in front of passers-by.



Barabas

Barabas' Fantasy shirt is the same style worn by Joaquin "El Chapo" Guzman in a widely distributed photo.

But Barabas makes clear that it has no ties to Guzman.

"We have never met Joaquin Guzman, aka El Chapo," the company says on its home page, attributing the drug kingpin's "boldly crafted" sartorial choice to the "comfort, quality and style that [the] Barabas shirt projects."

The garment makers have no idea how Guzman became familiar with their products, but Barabas has a bigger market in Mexico than in the U.S. Its clothing can be found in shops and at a trade show in Guadalajara. Many musicians and bands have bought the company's shirts, Kivachook said, and some of their photos paper a back wall at the garment firm's wholesale location.

The 8-year-old compa-

ny's motto — "good words, good thoughts, good deeds" — is emblazoned on an awning outside its wholesale shop.

"We're trying to bring some color into men's fashion and to bring some emotion," Kivachook said. "Clothes don't have to be clothes. They can be an artistic masterpiece that can define you and your personality."

She said the clothier plans to donate 5 percent of the profits from the El Chapo shirts to the Drug Abuse Resistance Education program that was founded by the Los Angeles Police Department in the early 1980s.

"We're trying to help educate children on drug issues," Kivachook said. "We're trying to create something good."

LinkedIn shares plunge nearly 44 percent

Associated Press

SAN FRANCISCO | Investors gave LinkedIn a poor job review Friday in the form of a dramatic sell-off that wiped out nearly \$11 billion in the professional networking site's market value.

A surprise forecast for slower growth this year sent LinkedIn shares into a stomach-turning plunge of almost 44 percent.

After the market closed Thursday, the online company reported better-than-expected earnings for the last quarter but warned that revenue would fall short of what analysts had projected for 2016. It also said it was discontinuing

a new online advertising system that hadn't worked out.

Several analysts noted that LinkedIn has a track record of issuing conservative forecasts and later beating them, but this time investors were shaken by the company's financial guidance.

The stock closed Friday at \$108.38 after its worst slide since LinkedIn went public in 2011.

LinkedIn said it expects revenue of about \$3.6 billion to \$3.65 billion for this year, while analysts surveyed by FactSet were projecting sales of \$3.9 billion.

The company's forecast implies the once fast-

growing business expects sales to increase in the low 20 percent range this year, falling into the teens in 2017, according to a report by analyst Neil Doshi of Mizuho Securities. The firm downgraded its investment rating on LinkedIn's stock to "neutral" from "buy" on Friday.

Mizuho had been expecting LinkedIn to post 30 percent sales growth for 2016 and mid-20 percent growth for 2017.

LinkedIn blamed economic uncertainty in Europe and Asia, in part, for slowing growth in its core job-recruiting business. Unlike other social networks that rely primarily on advertising sales, Linke-

dIn gets about 60 percent of its revenue from licensing fees for software that employers and recruiters use to find job candidates. The remaining revenue comes from advertising and subscription fees.

The Mountain View, Calif.-based company said it will continue investing to expand around the world. Analysts say LinkedIn should see increased revenue from online training courses and new software that commercial sales representatives can use to drum up business from their online contacts.

But the company also said it was overhauling its digital ad business.

NOTES

Continued from D-1

port at 1310 Airport Road.

Permits have now been issued for \$1,759,567 worth of work on the Residence Inn and \$1,065,375 worth on the Courtyard. Frazee Inc. has both contracts.

BEALLS

Two new Bealls Outlet stores are coming to the area.

One is going into the Westland Park shopping center, **6000 Lake Gray Blvd.**, just off Blanding Boulevard and I-295. Construction is expected to begin Feb. 15 with opening planned for mid-May. It will be 21,983 square feet, and MDS Builders have the \$331,805 contract.

At **13500 Beach Blvd.**, at the intersection with Hodges Boulevard, a Bealls Outlet store will be carved out of an existing regular Bealls department store. A company spokesman said the store is one of the larger ones in the chain. So about 22,000 square feet of it will be turned into an outlet, and it will exist next to the regular store, which will also be remodeled. Opening is planned for June. McIntyre Ellwell & Strammer

limited Roofing & Solar.

1214 Labelle St., repair exterior stairways at **Eureka Garden** apartments, \$192,947, Commercial Construction Services.

8355 Merchants Gate Drive, Pavilion Healthcare office building in Oakleaf, \$900,000, 5,532 square feet, Infinity Design Builders.

4322 Richard Denby Gatlin Road, build boardwalk at city's **Arlington Lions Club Park**, \$252,301, Hager Construction.

10207 Buckhead Branch Road, interior renovations for new **La-Z-Boy** at **St. Johns Town Center**, \$300,000, 20,400 square feet, PRO Building Systems. The group that owns La-Z-Boy stores in Jacksonville and Atlanta paid \$5,995,000 for the former CompUSA/TigerDirect building. The store is expected to open this spring.

4633 River City Drive, tenant build-out for **Francesca's Collections** boutique at **St. Johns Town Center**, \$40,000, 1,000 square feet, Caliber Construction.

11639-11649 Hickory Oak Drive, six new townhomes in **Howard Walk** off Dunn Creek Road, \$74,500 each, Maronda Homes of Florida.

1553-1561 Landau Road, five new townhomes in

Kendall Pointe off the Southside Connector, \$125,828-\$135,828 each, Dream Finders Homes.

8180 Merchants Gate Drive, interior build-out for **Navy Federal Credit Union** in **Oakleaf Town Center**, \$627,489, 4,004 square feet, Genoa Construction. The branch is expected to open midsummer. It will be the credit union's 13th branch in the area.

8049 Arlington Expressway, interior renovation to **Seacoast Christian Academy**, \$120,000, 13,312 square feet, HCMC Inc.

SALES

Jax Beach LLC paid \$2.2 million for the former **Freebird Live, 100 First St. N., Jacksonville Beach**. As we've reported, it will become Surfer the Bar, affiliated with Surfer magazine. Work is expected to take nine or 10 months.

Ullmann Financial Group of Ponte Vedra Beach paid \$1.1 million for the 4,316-square-foot office building at **1540 The Greens Way, Jacksonville Beach**, where it plans to move its office by May. It was built in 1995 and last sold for \$950,000 in 2010. The group has nine employees. ClubCorp of Dallas paid \$4.5 million for **Marsh Creek Country Club** in St.

Augustine. The club has been owned by the PARC Group since it opened 29 years ago. ClubCorp also owns Deercreek Country Club, Queens Harbour Yacht & Country Club and the University Club downtown.

Mirajh LP of Saskatoon, Saskatchewan, paid \$7,637,500 for the **Mariners Village** apartments, **2130 Mayport Road, Atlantic Beach**. The 120-unit complex was built in 1974. Mark T. Farrell and Ray Adams of Killashee Investments brokered the sale.

McVey Properties LLC of Poplar Bluff, Mo., paid \$1,902,142 for the **Dollar General** building, **12375 Yellow Bluff Road**. It was built in 2010 and last sold for \$1.95 million in 2014.

SBD Tradewinds LP of Skokie Ill., paid \$10.35 million for the **Confederate Point Apartments** at **4455 Confederate Point Road**. They were built in 1970 and last sold for \$6,788,900 in 2013.

Juno Jacksonville LLC of New Rochelle, N.Y., paid \$3.1 million for **The Learning Experience** building, **13144 Wolf Bay Drive**. The 10,080-square-foot day care center was built in 2014.

Demory Boeneke paid \$2.75 million for the

2,952-square foot-house and 1,899-square-foot garage apartment at **1249 Beach Ave.**, on the ocean in **Atlantic Beach**.

TEJ Jacksonville Hospitality LTD of Midland, Texas, paid \$1.4 million for the **America's Best Inn, 8220 Dix Ellis Trail**, off Baymeadows Road and I-95. The 100-room hotel was built in 1984 and last sold for \$750,000 in 2012.

Victoria and Daniel Murphy paid \$1.4 million for the 6,428-square-foot home at **4662 S. Swilcan Bridge Lane** in **Kernan Golf & Country Club**. It was built in 1998 and last sold for \$1,025,000 in 2012.

Stevens Village LLC paid \$1.35 million for the retirement housing at **North Main and East 59th streets**.

Amit and Megha Chokshi paid \$1,890,004 for the 6,675-square-foot home on the river at **4100 Alhambra Drive**, off San Jose Boulevard. It was built in 1996 and last sold for \$2,729,000 last year.

1600 Lansdowne Drive Apartments LLC of Port Washington, N.Y., paid \$2.7 million for the **Eagle Rock apartments** at **1600 Lansdowne Drive**, off Lone Star Road in Arlington.

roger.bull@jacksonville.com,