



BUSINESS

Thursday
Dec. 2, 2004

BUSINESS EDITOR DAVID BERMAN, dberman@floridatoday.net or 242-3654

Economy sends mixed signals

Spending, income, manufacturing increase, but consumers still leery

BY DONNA BALANCIA
FLORIDA TODAY

Shoppers spent more in October and manufacturing saw robust activity in November, according to reports released Wednesday, but analysts and consumers are not celebrating the strength of the economy.

"We're not getting any follow-through with regard to the economy," said Mike Niemira, chief economist and director of re-

search for the International Council of Shopping Centers in New York City. "We're seeing one good month followed by a flat one. The economy is not firing on all eight cylinders."

The Commerce Department reported Wednesday that consumer spending went up by 0.7 percent in October, up from a 0.8 percent rise in September. Growth in Americans' incomes jumped by 0.8 percent in October.

The Institute for Supply Management reported its main index for measuring industrial activity rose to 57.8 in November, a full point above the level of 56.8 in October. Last month's performance exceeded analysts' forecasts for a reading of 57.

Niemira said there is a lack of consistency in the various consumer spending and other related reports and the collective information shows no common trends, which is baffling.

"If you said spending was up and there is momentum and we're going, I'd say great news," he said. "But I'm just not seeing that."

The New York-based Conference Board reported Tuesday its nationwide Consumer Confidence Index fell to 90.5, down from a revised reading of 92.9 in October.

November spending numbers remain to be seen. Retailers reported flat post-Thanksgiving Day revenues, despite what many described as a strong "Black Friday."

"The people I saw in the mall all were lined up at the Sears," said Antonio Rodriguez of Cocon, who did some of her Christmas shopping at the Merritt Square Mall over the Thanksgiving weekend. "But the other-

stores didn't have as many people. Sears had good sales and I have a Sears credit card."

The use of credit cards, analysts say, has little to do with what shape the economy is in at the moment.

"Basically, people are using credit to buy what they choose to buy," Niemira said. "The question is, 'Can the consumers afford to buy?' They can, if the economy continues to show improvement. But if the consumers don't see employment and income growth, they become more stretched." ■

Contact Balancia at 242-3647 or e-mail at dbalancia@floridatoday.net



Spending spree. Shoppers sort through the holiday selections at Macy's in San Francisco. Consumers spent briskly in October, the Commerce Department said.



Strictly for seniors. An artist's rendition of One Senior Place, a "one-stop" shopping and information center planned in Viera. Construction is scheduled to begin this week on the \$4 million complex, and the facility is expected to be open in August.

Construction is scheduled to begin this week on the \$4 million complex, and the facility is expected to be open in August.

Senior complex comes to Viera

Construction set to start this week on \$4 million elder services center

BY SCOTT BLAKE
and BRIAN MONROE
FLORIDA TODAY

A local businessman plans to build a "one-stop" shopping and information center in Viera for senior citizens in need of health care and related services.

Don Kramer — a Brevard County resident, president of a local home health care company, and the project's developer — expects to start construction this week on One Senior Place on Spyglass Hill Road off Marshall Road. He expects the facilities, costing more than \$4 million, to open in August.

The project will consist of a one-floor, 13,000-square-foot building with a library and counselors offering information about elder care products and services, and guidance about entitlement programs, including Medicare and Medicaid.

About 20 to 25 businesses will rent space inside the building

around the library — selling home health care services, physical therapy, medical equipment such as wheelchairs and hospital beds, and perhaps nursing home and hospice care. The project also will include half of a second building offering similar services.

Kramer described it as a variation of "the shopping mall concept" suited for the elder care industry. In addition, the complex will be available for exercise classes, seminars, social events, and community and nonprofit functions.

Kramer said he has "verbal commitments" from several would-be tenants. He said he would not name them because no contracts have been signed.

Kramer's company, Senior Partner Care Services, will move into the complex, and he expects to begin announcing who other tenants will be as early as next week. "We're going to try to pro-



vide any kind of services that a senior would need. We're going to try to help them with all of their options, and help them make choices to make the end of their life better," Kramer said.

"There's a lot of entitlement money that goes unused because people don't know about it. Just like college scholarships that go unused because nobody knows about them," he added. "There's no shortage of services and agencies. But there's a disconnect between them and the people that need them."

At this point, Kramer said he

Project developer Don Kramer said One Senior Place will provide "any kind of services" that a senior would need.

isn't planning to offer any public transportation to and from One Senior Place.

However, he said the site is at "the demographic center of Brevard's affluent seniors." The site is off Wickham Road just east of Interstate 95, and will be close to Health First Inc.'s planned hospital and medical offices on Wickham Road on the west side of I-95.

Senior citizens in Suntree and Viera said the project could be helpful and safer if residents don't have to drive far for help.

"I think it's an interesting concept," Jerry Thomas said. The 84-year-old Suntree resident said facilities for the elderly are "scattered all over the county. This could be an assembly point." See SENIOR, 3C

Ford, GM sales fall in November

Toyota, Nissan post big gains

ASSOCIATED PRESS

DETROIT — The nation's two largest automakers said they would reduce production in the first quarter of 2005 after reporting weak November sales. Toyota Motor Corp. and Nissan Motor Co., meanwhile, posted record sales for the month.

General Motors Corp. said on Wednesday its total vehicle sales fell 13.1 percent from November 2003, with a 17.1 percent decline in cars and a 10.3 percent decline in trucks. The company said it intends to produce 1.25 million vehicles in the first quarter, down 7.1 percent from the same quarter last year.

No. 2 Ford Motor Co. said sales of the Ford, Lincoln and Mercury brands fell 4.3 percent in November from the year before, its ninth monthly decline this year. Car sales fell 12.5 per-

cent, while sales of pickups and SUVs were down 0.5 percent.

Sales at the smallest of Detroit's Big Three, DaimlerChrysler AG's Chrysler Group, rose 8.9 percent — 17.5 percent for cars and 8.8 percent for trucks. It was the eighth consecutive monthly increase, aided by the buzz from its distinctive Chrysler 300 sedan, named Car of the Year by Motor Trend magazine last month.

For Nissan, trucks drove November's increase of 31 percent. Sales of pickups and SUVs were up 58.7 percent, while cars rose 10 percent.

"A lot of our new vehicles have been trucks, and our new vehicles have kind of led the game," said Jed Connelly, senior vice president for sales and marketing at Nissan's North American division.

Toyota's American division, meanwhile, did best with cars. With the Camry holding its place as the country's best-selling passenger car and sales of the Prius hybrid continuing to

See SALES, 3C



Stock in neutral. Dennis Adams of Detroit looks at a new Ford Mustang in Wednesday at St. Clair Shores, Mich. The nation's two largest automakers reported weak November sales.

S&P index bounces fading Winn-Dixie

Grocery chain ranked last in performance

ASSOCIATED PRESS

JACKSONVILLE — Struggling supermarket giant Winn-Dixie Stores Inc. is being dropped from the Standard & Poor's 500 index at the close of trading today after recording the worst performance last year in the select stock index.

The Jacksonville-based chain also ranked last in value with a market capitalization of about \$540 million at last week's close. S&P normally requires index companies to have a stock value of more than \$4 billion.

"We are extremely disappointed in Standard & Poor's decision but understand it is based entirely on market capitalization. We are working hard as Winn-Dixie to continue to improve our business," said Kathy Lissner, a spokeswoman for Winn-Dixie.

The rating agency selected a high-tech replacement for the traditional retailer, Freescale Semiconductor Inc., which is being spun off by cell phone maker Motorola Inc., will re-

place Winn-Dixie. Capitalization is not the only factor that goes into determining the index member, said David Blitzer, managing director of S&P and chairman of the index committee. He said the committee determined there were enough other supermarket chains on the list.

"Food retailing is well represented and Winn-Dixie is no longer a leading company in that sector," Blitzer said.

Winn-Dixie shares rose 9 cents to close at \$4.00 Wednesday on the New York Stock Exchange.

Winn-Dixie, which operates 1,073 stores in 12 states and the Bahamas, is in the midst of cutting 10,000 jobs and closing or selling 156 stores.

The company lost \$100 million in fiscal 2004 and \$153 million amid a major restructuring effort as it struggles to stay competitive with Wal-Mart and Publix, Florida's leading supermarket chain. ■

Blockbuster may raise bid for rival

ASSOCIATED PRESS

DALLAS — Blockbuster Inc. locked in a bidding war for Hollywood Entertainment Corp., announced Wednesday it may sweeten its offer for the rival video renter.

Dallas-based Blockbuster, the leader in the movie rental industry, said in a statement it was willing to go above the \$11.50-per-share offer made Nov. 11 to No. 2 Hollywood Entertainment. Blockbuster did not specify how far above its initial per-share offer it would go.

The initial offer had been valued at \$700 million. But Blockbuster said Hollywood would have to deliver what it called "confirmatory information" requested from its rival. A

Blockbuster statement said Hollywood was refusing to provide the information without an agreement not to tender an offer directly to Hollywood shareholders.

Blockbuster initially had offered about \$700 million for its Wilsonville, Ore.-based rival on Nov. 11 in a bid to combine the two biggest players in the movie-rental industry.

Hollywood Entertainment is already in a deal to let its chairman and chief executive and Los Angeles buyout firm Leonard Green & Partners to take the company private. In August, the firm offered to buy Hollywood's roughly 80 million shares for \$10.25 each. The deal, however, allowed Hollywood to solicit other bids, and the CEO said he

welcomed Blockbuster's offer.

On Nov. 19, No. 3 video renter Movie Gallery Inc. said it had offered an undisclosed amount for Hollywood. And billionaire takeover specialist Carl Icahn's firm also has bought 5.1 million Hollywood shares in the last two weeks, representing an 8.4 percent stake in the video chain, according to papers filed with the Securities and Exchange Commission.

The move has fueled rumors that Icahn could be poised to enter the bidding war.

Blockbuster already has 9,000 outlets worldwide. Hollywood Video has more than 1,200 Hollywood Video stores and 600 Game Crazy specialty stores. Movie Gallery has more than 2,000 stores. ■



Sweeter deal. Blockbuster Inc. locked in a bidding war for Hollywood Entertainment Corp., announced Wednesday it was willing to go above the \$11.50 per-share offer made Nov. 11 to No. 2 Hollywood Entertainment.

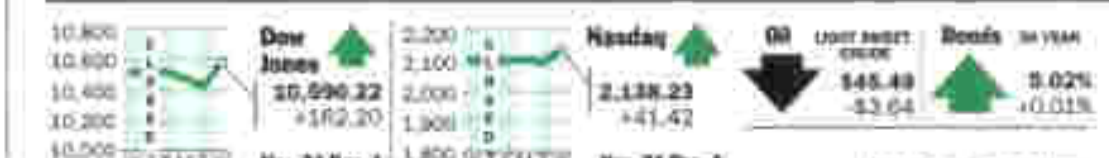
INSIDE

IRA protection

The Supreme Court considers how much retirement savings people can shield when they file for bankruptcy. 30

YOUR MONEY

Stock market report, 3-5C. Also, stock trackers and investor information at floridatoday.com



Retailers sue to keep up textile imports

A group representing 200 U.S. retailers filed a lawsuit to block any effort by the Bush administration to curb an expected flood of Chinese clothing imports. The lawsuit creates a showdown between the ravaged American apparel industry and its retailers.