

PHOENIX Business Journal

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NOVEMBER 6, 2009 \$3.95

Foes push for state to opt out of health plan

BY MIKE SUNNUCKS
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Private insurance companies and conservative Republicans could lead an effort for Arizona to opt out of a government-run health system if Congress allows states to decide whether to participate in President Barack Obama's public option plan.

But the price tag for opting out might be too high for Arizona, which could lose millions of dollars of federal funds for Medicaid, hospitals and public health care if they are tied to the public option.

"It's a lose-lose," said Paul Senseman, communications director for Arizona Gov. Jan Brewer, who opposes the public option.

He said Brewer is wary of what an opt-out could cost the state in federal funds.

Congress is considering several health care reform bills, including one that would create a government

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Valley getting second 'communiversity'

BY ANGELA GONZALES
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Maricopa Community Colleges will build its second "communiversity" in Queen Creek, following in the footsteps of a similar educa-

tional institution in Surprise.

The MCC governing board last week approved plans for the Communiversity @ Queen Creek, which call for a 15,000-square-foot facility on land MCC would lease from the town of Queen Creek for

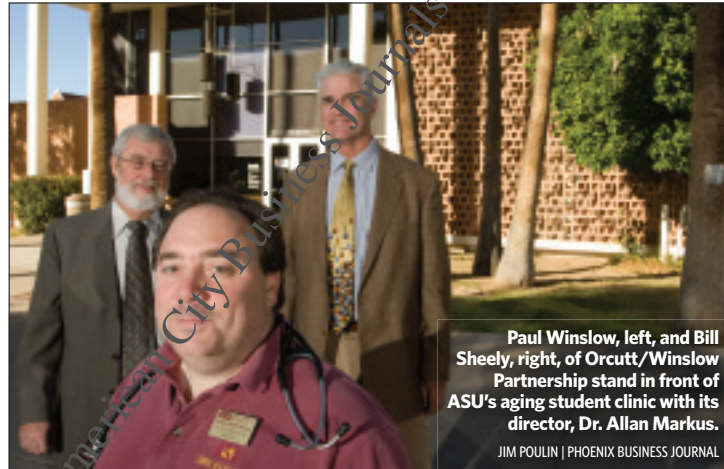
\$1 a year. It's an arrangement much like the one made for the Communiversity @ Surprise, which leases 26,000 square feet in Surprise City Hall for the same price.

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RELATED STORY: Western Maricopa Education Center opens a high school/college hybrid dental-assisting program at the Communiversity @ Surprise. **Page 36**

Firm lands ASU clinic project

BY JAN BUCHHOLZ | jbuchholz@bizjournals.com



Paul Winslow, left, and Bill Sheely, right, of Orcutt/Winslow Partnership stand in front of ASU's aging student clinic with its director, Dr. Allan Markus.

JIM POULIN | PHOENIX BUSINESS JOURNAL

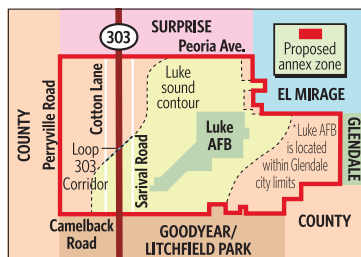
Orcutt/Winslow Partnership of Phoenix has landed the contract to design the \$6.5 million expansion of the student health clinic on Arizona State University's Tempe campus.

The project was coveted by a number of local architecture firms because of its sustainability criteria and its premier location on campus, where the pedestrian bridge crosses University Drive. It's also one of the few significant public design contracts to be awarded in the Valley since the beginning of the year.

Although the scope of the project is small compared with many of the large structures that have been built for ASU in recent years, such as the Bidesign Institute buildings and the Polytechnic Academic Complex in Mesa,

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Glendale land deal could help bring F-35 to Luke



BY MIKE SUNNUCKS
msunnucks@bizjournals.com

The city of El Mirage might ease up on its resistance to F-35 fighter jets coming to Luke Air Force Base if the city of Glendale forks over land El Mirage wants to annex near Loop 303, and if changes are made to state laws restricting development around Luke.

Such a deal could help resolve the drawn-

out legal and political battle between the two West Valley suburbs over Luke and land that Glendale either already has annexed or has the right to annex.

Relations between the two cities have been tense for a number of years. Glendale's control of land near Luke and Loop 303 essentially keeps El Mirage from expanding its borders. That, coupled with

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ECONOMYWATCH 2009

STIMULUS RESOURCE

The Phoenix Business Journal has a new resource for businesses looking to benefit from stimulus dollars. Each Friday, our Web site will be updated with the latest bid opportunities and contract awards from around the state.

For the rundown, go to phoenix.bizjournals.com and search for "Stimulus," then click on "Regional Stimulus Watch." For a sample listing, see the stimulus opportunity on Page 3.

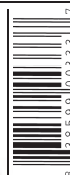
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Dr. Corinne Bell, medical director, Cigna Medical Group CareToday. **23**



THE VALLEY'S SOURCE FOR
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ECONOMY WATCH 2009

Diesel particulate filter cleaning system

CATEGORY: Cooling systems **CONTACT:** Adriana Phillips, procurement manager
OWNER: City of Phoenix **E-MAIL:** adriana.phillips@phoenix.gov
EST. VALUE: \$50,000-plus **BID #:** 10-071
DUE DATE: Nov. 13 **PHONE:** 602-495-0761

Source: Recovery.org from Onvia
 For more projects: www.onvia.com/acbj or 866-797-5986. For a complete rundown of Phoenix-area listings, go to phoenix.bizjournals.com, search for "Stimulus," then click on "Regional Stimulus Watch."

Nonprofits cashing in on record gold prices

BY LYNN DUCEY
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A group of businesses and two Valley arts organizations are partnering to capitalize on record-high gold prices through their Golden Encore campaign.

Schmitt Jewelers, ON Media, Ballet Arizona and the Arizona Theatre Co. launched the program to help people unload unwanted jewelry while raising money for the arts groups.

Through Nov. 25, members of the public can bring their broken or unwanted gold jewelry to the central Phoenix jeweler and donate the value of those items to the arts groups for a tax deduction. Proceeds from donated jewelry will be split evenly between Ballet Arizona and ATC.

Both arts groups say their financial health is sound, but each has had to trim budgets and make changes as the recession has impacted bottom lines. They don't have a specific financial goal through Golden Encore, because it's such a new concept. But with gold trading at a record-high \$1,094.40 per ounce on Nov. 4, they say every little bit will help.

"This really doesn't cost us anything to run or promote. And this might also help bring in new donors and create additional awareness for the theater company," said Clyde Kunz, chief development officer for ATC.

The theater company cut its budget from \$6.9 million for the 2008-09 season



Schmitt Jewelers Community Outreach Coordinator Shelly Sergent, right, looks over customer Ann Seacrest's unwanted gold jewelry. Proceeds from the gold will be split between Ballet Arizona and Arizona Theatre Co. as part of their "Golden Encore" campaign.

to \$6.3 million this season. Kunz said 80 percent of this year's budget will come from ticket sales and subscriptions, and 20 percent will come from fundraising efforts such as the gold exchange.

Similar actions were taken at Ballet Arizona last year: The performance schedule was cut from six productions to five, a handful of staff positions were eliminated and the budget was cut by about \$300,000 in response to the recession, Wanser said. Ticket sales were

down about \$30,000 last year. Officials have scheduled six performances for the 2009-10 season, with a budget of \$5.5 million. That was the same budget set for 2008-09 before the cuts were made.

Ticket holders and patrons of both arts groups were sent a formal letter about Golden Encore, along with a gold lame bag to collect their trinkets.

"This really allows people to make

Steel manufacturer lands \$1.3 million in stimulus work

BY PATRICK O'GRADY
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Arizona Structure Technologies Inc. is parlaying a recent surge in federal stimulus contracts into an expansion into other states.

The Phoenix-based maker of steel signs and bridges landed more than \$1.3 million in contracts last month, and more than three-quarters of that amount came via the American Recovery and Reinvestment Act.

"We've been testing our approach in the out-of-state market," said Brad Booth, chief operating officer of the 50-year-old company. "We've gotten our certifications, and we wanted to do a little more work."

The firm fabricates the metal posts that hold freeway signs and pedestrian bridges across freeways, both in the Valley and in Tucson. This year, the company started pulling in jobs from California, New Mexico and Kansas.

The work is primarily custom fabrication. No two freeway signs or bridges are exactly the same, and AZST creates each part to the designer's specifications, Booth said.

The company, which started out as an equipment rental firm before getting into the steel business, has honed its niche in government work, primarily acting as a supplier for contractors and subcontractors doing work for cities and the Arizona Department of



Booth

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SEE STEEL | 35

US Airways, Southwest take different odds on Las Vegas flights

BY MIKE SUNNUCKS
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Rivals US Airways and Southwest Airlines are making very different bets when it comes to Las Vegas and the recession.

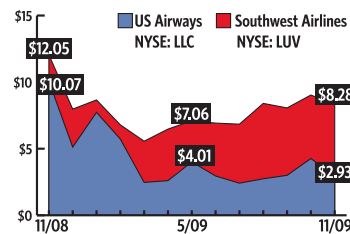
Tempe-based US Airways Group Inc. announced Oct. 28 it would cut its daily flights to McCarran International Airport in Las Vegas from 64 to 36 by February because the poor economy was biting into travel demand. Southwest Airlines Co., however, could ramp up flights to Sin City to pick up business stemming from those cuts.

US Airways spokesman Andrew Christie said the Vegas cuts will reduce his airline's market share in the gambling capital by more than one-third, but they are needed for bottom-line reasons.

"We know that with the reduction in flights comes the reduction in market

AIRLINE STOCK PRICES

How US Airways' stock has stacked up to Southwest Airlines' in the past year:



Source: Google Finance

share. However, we are more concerned with operating profitable flights than gaining or keeping market share," he said.

US Airways' economy-induced pullback widens Dallas-based Southwest's lead in Las Vegas, which has been hit hard by the recession. Southwest has 217 daily flights into and out of the city.

Martin Pritchard, a senior planner for Southwest, said in light of US Airways' reductions, Southwest might increase flights to Las Vegas. Southwest had 238 daily flights through that city in November 2008, but reduced that number by 21 this year. Pritchard would not give any more details on potential flight changes.

Southwest accounts for 45 percent of the flights at the Las Vegas airport, according to the Clark County Department of Aviation, which runs McCarran. US Airways sits second in current market share at McCarran, with 13 percent of the flights, but that share will be cut to 8 percent when the reductions are implemented.

Rosemary Janicki, a veteran agent

with Travel Destinations Inc. in Scottsdale, said more travelers from Phoenix and Southern California are driving to Las Vegas than flying — mostly because of the convenience of having a car, but also to save money. She said sometimes when one airline gains a large share of a market, it leads to higher fares; but that usually does not occur with Southwest, which touts low fares.

Like Phoenix, Las Vegas has been hit hard by the recession with collapsed home prices, soaring foreclosure rates and plummeting tourism and consumer spending.

Christie would not say whether US Airways might try to rebuild its presence in Las Vegas when the economy improves.

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Southwest Airlines: www.southwest.com
 US Airways: www.usairways.com