

# ARIZONA BUSINESS GAZETTE

PART OF THE USA TODAY NETWORK

THURSDAY, APRIL 13, 2017

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INSIDE: MORE ESSENTIAL NEWS ABOUT THE METRO PHOENIX ECONOMY

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## A SECOND WIND



Ken Goodrich, President and CEO of Goettl Air Conditioning, poses with a company van on Mar. 28. Goodrich was first exposed to the company as a kid through his dad's work in the air conditioning industry. ROB SCHUMACHER/THE REPUBLIC

### New owner helps to revamp Goettl

**GEORGAANN YARA**  
SPECIAL FOR THE REPUBLIC | AZCENTRAL.COM

Buying broken businesses and fixing them had been Ken Goodrich's specialty for years. By the time he purchased Goettl Air Conditioning in 2013, he had done that 15 times.

But his fifth, the storied air-conditioning company that has operated in Phoenix since 1939, gave the air-conditioning and HVAC industry veteran a challenge he had never faced.

The once family-run company that was founded by brothers Gust and Adam Goettl changed ownership hands several times over the years. When Goodrich purchased it from the large out-of-state company that had owned it for five years, Goodrich saw the usual signs of a business in need of a rescue: no profits, mostly losses and poor morale.

**Problem-solving new challenges**  
The former ownership had been

criticized by the attorney general for questionable business practices, Goodrich said. The legal matter was settled, but the public-perception scars remained.

"Consumer confidence and the legal issues: That was something I never experienced before in terms of fixing a broken business," Goodrich said of the new territory he was in.

Goodrich approached this new problem the old-fashioned way. He focused on building morale within the company. He did that by emphasizing the needs of customers and employ-

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## Knight, Swift combine to create Phoenix-based trucking giant

**RYAN RANDAZZO**  
THE REPUBLIC | AZCENTRAL.COM

Phoenix trucking giants Knight and Swift announced Monday they will merge to form a shipping venture worth \$5 billion in annual revenue.

The new company will be called Knight-Swift Transportation Holdings Inc. and remain based in Phoenix. It will have about 23,000 trucks, 77,000 trailers, and 28,000 employees operating under distinct brands.

The companies report the merger

will create the "largest full truckload company," although trucking company JB Hunt Transport Services Inc. of Arkansas has a market value of more than \$10 billion, compared with about \$6 billion for the combined Knight-Swift.

The all-stock deal will give people who owned shares in Swift Transportation Co. 0.72 shares of the new company for each Swift share they owned, and Knight stockholders will get a 1-1 share in the new company.

"These are very much two independent brands, two independent opera-

tions and two different management teams, so the businesses will function more as sister companies under a parent while leveraging best practices from both," said Knight President/CEO Dave Jackson, who will serve as CEO of the combined company.

He said one goal of the join-up will be increasing the efficiency of both brands.

"Mashing and mixing together can be risky and counterproductive," Jackson

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## Taser offers up free body cameras

**RYAN RANDAZZO**  
AND MEGAN CASSIDY  
SPECIAL FOR THE ABG

Taser International Inc. announced last week that it is offering a free body camera to every police officer in the country for a year, making a bold bet that law-enforcement agencies will choose the company's products if given a trial.

The Scottsdale-based company will provide the software and hardware needed to use the cameras for a year to any department not already involved in a public bidding process for body cameras. The company is encouraging its competitors to make the same offer.

Taser, which was founded in 1993, is



Taser is offering a free body camera to every police officer in the country for a year. NICK QDA/THE REPUBLIC

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## Hiring picks up at Arizona's biggest employers

**RUSS WILES**  
SPECIAL FOR THE ABG

Job fairs have replaced long lines at unemployment offices as Arizona's largest private-sector employers have picked up the hiring pace.

Led by hospitals, the state's biggest non-government employers added about 14,000 people to their payrolls over the past year and now collectively count more than 532,000 workers — a 2.8 percent annual increase, according to *The Arizona Republic's* annual tally.

The uptick coincides with other signs of economic momentum. If anything, hiring might have been even more robust, if not for the inability of some companies and non-profits to find all the qualified workers they need.

Banner Health, Arizona's private-sector employment leader, became the first company or non-profit to push above 40,000 statewide jobs. It now counts more than 43,000 workers in Arizona, extending its lead over second-place Walmart Stores. Companies ranging from Kroger, which operates Fry's supermarkets, to Tucson missile manufacturer Raytheon also have been hiring, joining State Farm and Dignity Health among entities that reported more than 1,000 net new positions over the past year.

The 532,000 jobs at Arizona's 100 top employers account for nearly one-fourth of the state's 2.3 million private-sector payroll positions overall. The big-company employment numbers mirror hiring gains across the state and nationally.

"I haven't been this encouraged by our local economy for a long time," said Benito Almanza, Bank of America's market president in Phoenix. Business decision-makers have "moved off the sidelines," he said, with more company acquisitions, investments in equipment, real estate expansion and other signs of growth. Bank of America now ranks metro Phoenix near the top of its growth markets. "There's more certainty and direction" to the economy compared to a year ago, Almanza said.

Arizona has more than recovered from the recession and is regaining its reputation as a job-growth leader. Arizona moved back into the top 10 states for job creation last year for the first time since 2013, reported Lee McPheters, a researcher in Arizona State University's W.P. Carey School of Business, analyzing numbers from the Bureau of Labor Statistics. Arizona, in ninth place nationally, saw job creation gain 2.6 percent for the year, paced by the health-care sector, which accounted for one in five new positions. That increase reflects all payroll employers, including government entities and small companies.

The state's labor market doesn't appear to show any ill effects from the minimum-wage increase to \$10 an hour, which took place in January, McPheters added. Some companies have gone further. Bank of America, for example, in February raised its minimum pay for Arizona staff to \$15 an hour, from \$13.50 an hour. That's in addition to a new benefit for employee child-care expenses, expanded parental leave for newborns and decreased insurance costs for the bank's lower-compensated staff.

While Bank of America added only about 200 net jobs over the past year in Arizona, the mix includes more higher-paying positions with heightened responsibility, including more staff who interact directly with customers, Almanza said.

### Musical chairs

With more jobs available and consumer confidence rising, workers are resigning from their current positions at the fastest pace in 16 years in search of greener pastures elsewhere. That's a national trend that reflects a thawing labor market. Arizona's jobless rate of 5.1 percent currently stands a bit above the national average of 4.5 percent, but

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Vol. 137, No. 15  
Established 1880



\$1.00

2BG Thursday, April 13, 2017 abgnews.com Arizona Business Gazette

Law and real estate

Real Estate

CATHERINE REAGOR

# No March madness upset for housing

March was a great month for metro Phoenix. The weather was wonderful. Baseball's spring training was in full swing. And people flocked here to enjoy both.

To close out the month, we also had basketball fans starting to stream into the Valley for the finals of March Madness. And some of those visitors checked out homes as well as the college championship basketball games.

The final results aren't yet in for Phoenix's housing market in March, but real-estate analysts and agents are already calling it the third-straight month of a winning streak for sales and prices. And what happens in the Valley's housing market during March is a good sign of what's to come during rest of the year.

» Metro Phoenix's median home price climbed to \$245,208 in February, up about \$1,500 from December 2016, reports real-estate expert Mike Orr's Crawford Report.

» Valley home sales were up 12.5 percent during January and February compared with last year according to the Arizona Regional Multiple Listing Service's latest market report.

» So far this year, the number of homes for sale is down 10 percent from last year.

» Phoenix-area houses are selling an average of two days faster than last year.

» And one of the area's hardest-working real-estate agents, Bobby Lieb of HomeSmart Elite, said he has sold 40 Valley houses so far this year, double from the same period in 2016.

"The market is very positive now. I am loving what I see," Lieb told me.

But he and other agents and analysts are also cautious because no one wants a repeat of the boom and bust from 2004 to 2011. Also, not every Valley neighborhood and buyer group is the same.

Price increases for more-expensive homes, particularly those above \$750,000, aren't as big as they are for

more-affordable houses.

Bidding wars were common for central Valley houses priced below \$250,000 in popular neighborhoods.

"Our entry-level buyers are coming face to face with a full-blown sellers' market," said Tom Ruff, real-estate analyst with The Information Market of ARMLS.

So much so that some buyers are purchasing Phoenix-area houses in that price range without even seeing them.

Lieb said the "blind offers" can be problematic if the buyer ties up a home for a week or more, then sees it and cancels the deal. Those full-price cancellations can "taint" the home because other buyers think something is wrong with it, and the owner is going to expect higher offers.

Some will hear about the blind-buying trend and start to have bad memories of the boom, when it last happened in force. But then, home prices were jumping 10 percent a month. During all of last year, home prices climbed about 7 percent.

Orr doesn't appear worried about a bubble and bust, and he analyzes the Valley home-sales numbers in many different ways, every day.

"Prices are moving gently upwards, and sales volumes are stronger than last year," he told me.

Ruff, who also cautiously watches for any signs of the market overheating or rapidly slowing, said the Valley's home-sales numbers are so strong now, he re-ran them four times to make sure they are accurate. They were.

As I was writing this column, Bob Beck of Glendale-based Front Door Properties sent me an email about his strong forecast for Valley housing.

"I am assuming that home appreciation may be substantially greater than the current predictions — which range between 5.9 and 7 percent," said Beck, who has been tracking the market since 1977 and regularly follows Ruff's reports.

Ruff agrees.



Millennials Billy Day and Jessica Simms bought a south Scottsdale home last year and already have equity in their house due to rising sales and prices.

"If March is truly a bellwether month (housing) year," he said about metro Phoenix's market. The table will be set for a very good

NEW IN THE NEIGHBORHOOD

## Modern Acupuncture seeks spa experience

GEORGGAN YARA  
SPECIAL TO THE AZB

Licensed chiropractor Stephen Gubernick opened the first location of Scottsdale-based franchise Modern Acupuncture on Jan. 27.

Located in the buzzing McDowell Mountain Village shopping center on the northeast corner of Frank Lloyd Boulevard and Thompson Peak Parkway, it aims to give customers a convenient spa-like retreat amidst a busy day.

**What goods or services will customers find?**

Modern Acupuncture offers an enhanced acupuncture experience that utilizes needle therapy on nodes to increase blood flow.

We offer traditional acupuncture for a variety of health issues including pain, digestive, sleep, stress, etc., and cosmetic acupuncture to promote collagen production to treat fine lines and wrinkles.

**What makes your business unique?**

This is the first franchise to deliver the natural healing and cosmetic benefits of acupuncture in a retreatlike setting. From the moment you walk through our door, you'll encounter total peace and relaxation.

Additionally, our acupuncturists use a method that does not require the removal of any clothing to access full-body health as the needles are placed on specific areas of the body but not necessarily at the site of the pain.

**Why here?**

We brought Modern Acupuncture to life after discovering that currently acupuncture is poorly understood and stigmatized.

We chose this location because we wanted to change the stigma and make acupuncture accessible, inviting, and convenient for the everyday person to receive acupuncture while picking up



Modern Acupuncture guests are treated in the Zen Den, a relaxing space outfitted with soundproof insulation, lounge-style recliners, calming sounds and cool earth tones to ensure a multi-sensory experience.

their groceries or dinner in one trip.

**What did you do professionally before opening this business?**

I have been a licensed chiropractor in the state of Arizona since January 2010 and owned and operated a private chiropractic office.

**What made you want to open your own business?**

I am inspired by the opportunity to help make people's lives better with natural, time-tested therapy and to do so by over-delivering on value. I love businesses that contribute to others and do it in a way that offers an irresistible value proposition, and Modern Acupuncture

provided me with the perfect opportunity to do that.

**Details:** 10 a.m.-7 p.m. Mondays-Fridays, 10 a.m.-3 p.m. Saturdays and Sundays, 15035 N. Thompson Peak Parkway, Suite E105, Scottsdale. 480-767-1245, modacu.com.

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The Arizona Business Gazette © is published by Phoenix Newspapers Inc., Mi-Ai Parrish, President.

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ARIZONA BUSINESS GAZETTE (ISSN 0273-6950), published weekly, every Thursday, for \$1 per copy, by Phoenix Newspapers Inc., 200 E. Van Buren St., Phoenix, AZ 85004. \$27 for 26 weeks, \$45 one year, \$70 two years. Periodicals postage paid at Phoenix, AZ. Arizona Business Gazette is a registered trademark of Media West - used under license by The Arizona Republic, a Gannett Newspaper.

**POSTMASTER:** Send address changes to: Arizona Business Gazette PO Box 194 Phoenix, AZ 85001.

**Member:** American Court and Commercial Newspapers; Arizona Newspapers Association; National Newspapers Association; Association of Area Business Publications.