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Installers pave the way for solar job growth

BY PATRICK O'GRADY
pograd@bizjournals.com

A home-grown solar company has opened its doors in Scottsdale, adding to the number of solar companies that either have launched or expanded into Arizona during the past year.

Green Choice Solar LLC opened in August in about 12,000 square feet at the Scottsdale Airpark. The company, which will focus on residential and commercial installations, is part of a growing number showing



Camacho

interest in the burgeoning Arizona solar market.

"Hopping in two or three years ago, we might have been able to say, 'Hey, we were here first,' but it wasn't feasible," said Tony Doran, president of sales and

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Downtown developer sued over Ill. project

BY JAN BUCHHOLZ
jbuchholz@bizjournals.com

Two couples from the Midwest have filed a lawsuit in Maricopa County Superior Court against a Phoenix developer alleging fraud.

Named as defendants are the three principals of Grace Communities, which built the 44 Monroe high-rise condos in downtown Phoenix.

The lawsuit specifically alleges securities and consumer fraud, breach of fiduciary duty, negligent misrepresentation and breach of contract.

The plaintiffs, Jeff and Melinda Dunnwald of Iowa and Jim Fehling and Carol Culberson of Illinois, accuse Grace Communities executives Jonathon Vento, Donald Zeleznak and Ryan Zeleznak of misrepresenting how



Vento

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Have we learned anything?

Real estate experts say Valley housing market on course to repeat its troublesome cycles

BY CHRIS CASACCHIA
ccasacchia@bizjournals.com

Inventory is declining. The housing market is stabilizing. It's a great time to buy.

Do these phrases sound familiar?

They should, because the real estate community was using the same talking points five years ago leading up to the housing boom, which proved

to be as sustainable as ice hockey in the desert. Investors and speculators have come back, consumers still can buy homes they can't afford, and housing prices fluctuate with the faintest monsoon breeze.

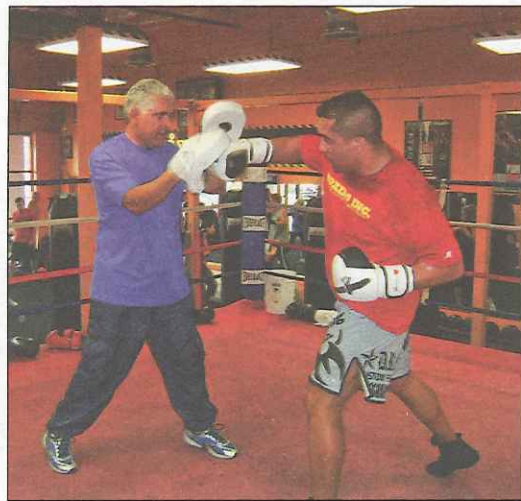
It all begs the question: Will Arizona, and particularly Phoenix, learn from their real estate mistakes and break

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JIM POULIN | PHOENIX BUSINESS JOURNAL

Mixed-martial-arts fighter George Castro, far right, spars with boxing coach Rigoberto Borrego in preparation for his upcoming fight Oct. 3 in Tucson. Phoenix-based World Fighting Federation is among a growing number of mixed-martial-arts leagues in the U.S.



PROVIDED BY WORLD FIGHTING FEDERATION

World Fighting Federation launches mixed-martial-arts league in Arizona

BY CHRIS CASACCHIA
ccasacchia@bizjournals.com

A year ago, Al Fuentes and Thom Ortiz envisioned a mixed-martial-arts organization that took care of its fighters and created opportunities for them beyond the ring.

On Oct. 3, the Phoenix performance coach and Arizona State University's former head wrestling coach hope to see their hard work and \$50,000 investment pay off when the World Fighting Federation hosts its

inaugural event at Casino Del Sol in Tucson.

The Battle for the Desert event will showcase professional and amateur MMA fighters from Phoenix and Tucson, fighting for their respective cities. A female bout also is scheduled for the event, which will feature guest appearances by Ultimate Fighting Championship stars "Darth" Bader and CB "the Doberman" Dolloway, who were All-American wrestlers under Ortiz at ASU.

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WFF: New league hopes to build on mixed-martial-arts momentum in Ariz.

FROM PAGE 1

"It started as a pipe dream," said Fuentes, also founder of Phoenix-based It's All About the Vibes, but "we really found an opportunity to do exactly what we set out to do."

Both entrepreneurs won national wrestling championships in college, and Ortiz led ASU to three Pac-10 titles in eight years. The sport helped define each of their careers and their new business, which aims to build a brand for MMA fighters through marketing and merchandising while giving back to the community.

Ten percent of the proceeds from every event will be donated to local charities. For the October event in Tucson, University of Arizona Athletics and the Tucson Wrestling Academy will benefit.

The WFF's success will rest on attendance, and MMA leagues have proved successful here. Rage in the Cage typically attracts 600 to 800 fans to events as it has built a known brand. RITC officials did not return calls to the *Phoenix Business Journal*.

"We need to have people in the seats," Fuentes said.

WORLD FIGHTING FEDERATION

WHAT: Mixed-martial-arts league
CO-FOUNDERS: Al Fuentes and Thom Ortiz
FOUNDED: October 2008
FIRST EVENT: Battle for the Desert
WHEN: Oct. 3
WHERE: Casino Del Sol, Tucson
COST: Tickets start at \$15 for lawn seats and go up to \$200 for platinum seating, which includes a meet-and-greet and autograph signing with Ultimate Fighting Championship stars and an after-fight party at Casino Del Sol.
WEB: www.wffmma.com

That will build fighting purses and the league's operational budget. The WFF does not have long-term contracts with its fighters like the UFC. Contracts are on a per-fight basis, with the purse determined by each fighter's experience, record and marketability, officials said.

The Oct. 3 event will feature about 30 fighters.

Most will never make a living from fighting, but that doesn't deter hundreds from

joining one of the fastest-growing sports in the country.

Gabe Ruetiger has been a professional fighter since 2002, battling under the banners of the Ultimate Fighting Championship, World Extreme Cagefighting and King of the Cage. His first three fights netted a total of \$1,050 for the Southern California native, who has studied martial arts since childhood.

"Even at the WEC and UFC, you're not treated as an asset," said Ruetiger, who worked with Fuentes before his most recent match, in which he forced a previously undefeated fighter to tap out. "It's a rarity that you find an organization that's going to treat you like the talent you are."

Arizona is home to some of the largest and most respected MMA gyms in the country and produces the most fighters in the sport, behind California and Florida.

The MMA Lab in Glendale, Arizona Combat Sports in Tempe, and Southwest Mixed Martial Arts all tout professional fighters on staff.

MMA Lab owner Jason Beck said the WFF can be viable here because of the sport's growing popularity and interest

from multiple demographics.

"The fighter base is here, and the fan base is here," Beck said. "What it really comes down to is the individual promoter and the guys running the league."

In April 2008, former Arizona Gov. Janet

'It started as a pipe dream. We really found an opportunity to do exactly what we set out to do.'



Al Fuentes
World Fighting Federation

Napolitano signed a law permitting mixed martial arts in the state.

Because the Battle for the Desert will take place on American Indian land, organizers did not have to go through the Arizona Boxing Commission, which regulates the sport.

GREEN: Increased demand could lead to local solar manufacturing base

FROM PAGE 1

marketing for Green Choice.

Changes in federal law have expanded tax credits for businesses and allowed homeowners to take advantage of them, creating the impetus for the growing number of solar installers in Arizona. In addition, local utilities such as Arizona Public Service Co. and Salt River Project are providing incentives.

Green Choice will be among the companies offering alternative financing methods, allowing customers to buy systems on installment plans or lease them instead of having them pay up front, Doran said.

With 40 employees already, Green Choice is among the area's larger solar providers. Doran said the company is privately financed, but wouldn't say how much or by whom.

The company has several officials with renewable energy experience in Europe, including CEO Herbert Abel, who served as CEO of Schrack Biogas AG in Schwandorf, Germany.

Green Choice sees opportunity in roof-mounted systems, especially on covered parking. The company has a business plan that calls for providing the up-front costs for a covered parking solar system and then leasing it to a business or property owner, offering two benefits in one project, Doran said.

"Arizona is the best place for (solar)," he said. "We've done our homework."

Solar installers that started in California and other states have set up shop here and seen the heavy demand blow away their predictions.

REC Solar, a solar installer based in San Luis Obispo, Calif., entered the Valley in the spring and already has seen demand in excess of 175 percent of its initial expectations, said Cary Hayes, the company's re-

SOLAR EXPANSION

Arizona has seen a handful of solar installers either locate offices here or start up operations in the past year. It's the result, local officials say, of a good climate to promote demand for solar panels. Here's a look at some of the most recent additions to the Valley:

GREEN CHOICE SOLAR

HQ: Scottsdale
CEO: Herbert Abel
FOUNDED: 2009
EMPLOYEES: 40
PHONE: 480-284-0384

REC SOLAR

HQ: San Luis Obispo, Calif.
EXPANDED INTO ARIZONA: Early 2009
CEO: Angiolo Laviziano
FOUNDED: 1997
EMPLOYEES: 30 in Arizona, more than 250 total
WEB: www.recsolar.com

SOLARCITY INC.

HQ: Foster City, Calif.
EXPANDED INTO ARIZONA: June 2008
CEO: Lyndon Rive
FOUNDED: 2006
EMPLOYEES: NA
WEB: www.solarcity.com

STANDARD RENEWABLE ENERGY

HQ: Houston
EXPANDED INTO ARIZONA: April 2009
CEO: John Berger
FOUNDED: 2006
EMPLOYEES: 50 planned by end of 2009
WEB: www.sre3.com

gional sales manager for the Southwest.

Arizona has benefited from falling panel prices as demand has slacked in other areas. The state also has good utility rebates that factor into what the company is seeing as a higher adoption rate, Hayes said.

A little more than a year ago, Arizona had mostly homegrown companies that had been in existence for years, waiting for the solar concept to catch on.

An influx of outside players started when SolarCity announced last summer it was expanding operations into Arizona from its Foster City, Calif., base. The company brought with it solar lease options, which allow homeowners and businesses to make monthly payments over 15 years for the systems.

REC and local player American Solar Electric have teamed with San Francisco-based SunRun Inc. to provide financing

for similar programs. Others, such as PerfectPower Inc. in Phoenix, have adopted the model.

Most recently, Houston-based Standard Renewable Energy, one of the country's largest solar installers, opened a Phoenix operation.

The influx of installers is a sign the solar economy is ramping up demand in the Valley, and it could portend higher-wage manufacturing jobs here, said Chris Camacho, vice president of business development for the Greater Phoenix Economic Council.

"From an integrator's perspective, they generally lead the charge," he said.

Most of the solar companies GPEC has worked with, like REC, have seen much higher sales numbers than expected. Those sales could push manufacturing here, as the panel companies increasingly are mak-

ing local demand a key point in choosing sites, Camacho said.

"It's still an ever-evolving industry, and Arizona is going to be a melting pot," he said.

Tom Alston, vice president of the Arizona Solar Energy Industries Association, said the increase in installers, including locals such as Green Choice, is a result of policies the state has put in place—from renewable energy standards to tax credits.

"The reason this company is growing in Arizona is because of the Arizona Corporation Commission's mandate that APS and (Tucson Electric Power Co.) get a portion of their energy from rooftop solar systems (distributed generation)," said Alston, who also is manager of policy and development for American Solar Electric. "This startup company really highlights the importance of this ACC program and its ability to create real jobs for Arizonans."

The influx also can have its drawbacks. In California, for example, an increase in the number of installers ended up in market consolidation when installations waned, pushing smaller players out of business, Hayes said.

"Probably 80 (percent) to 85 percent of the business ended up concentrated in the top five players in California," he said. "And it's also happened in Colorado."

Green Choice officials believe the company could be one of the top installers in the state, and they are looking at options to expand beyond Arizona by next year, Doran said.

GET CONNECTED

Greater Phoenix Economic Council: www.gpec.org
American Solar Electric: www.americanpv.com
Arizona Solar Energy Industries Association: www.arizonasolarindustry.org