

## Law and real estate

# Housing will be back as a force for growth in 2016

RONALD J. HANSEN  
ARIZONA BUSINESS GAZETTE | AZCENTRAL.COM

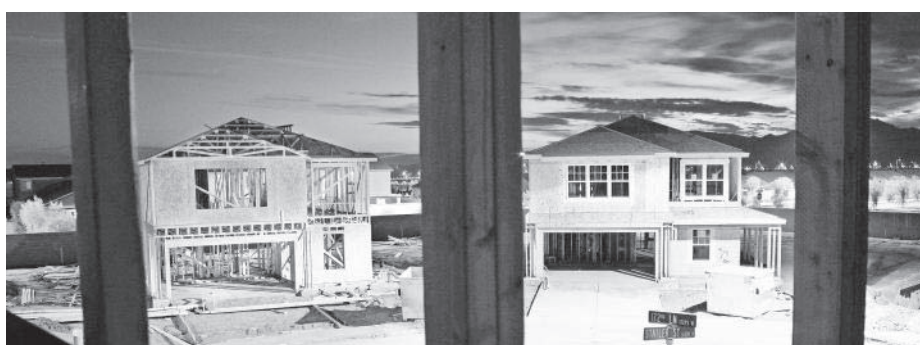
Demographic factors that for years slowed Arizona's housing industry finally seem to be turning in the state's favor, one of the reasons economic growth should keep chugging along in 2016, economists said Wednesday.

Scottsdale-based Elliott Pollack said Millennials and "boomerang buyers" are among the forces creating the best conditions for housing since the boom a decade ago.

At the same time, the state is doing a better job of attracting technology and finance jobs, offering a measure of higher incomes and greater diversity to the state's economy, said Lee McPheters, director of the JPMorgan Chase Economic Outlook Center at the W.P. Carey School of Business at Arizona State University.

The two were among a panel of economists presenting their projections at the 52nd ASU/JPMorgan Forecast Luncheon in Phoenix. They expressed confidence in a recovery that now seems less fragile, with their optimism tempered only by the usual uncertainty about national and global forces.

"The conclusion is 2016 ... will be the best year yet for the economic recovery in Arizona," McPheters said. "The take-away is there's no doom, no gloom but



Homebuilding has a boom-or-bust history in Arizona. Housing boomed in 2004, crashed in 2009 and is currently recovering as home values and sales are reaching pre-boom levels.

DAVID KADLUBOWSKI/THE ARIZONA REPUBLIC

no boom."

Over the next year, Arizona is expected to see 5.2 percent growth in personal income, 1.7 percent population growth and 2.6 percent job growth, which would translate to about 68,000 additional jobs, he said.

Employment growth will remain below the state's long-term average of 4.2 percent, but McPheters said the 2.6 percent growth likely will place Arizona among the top 10 states for job creation in 2016.

But the economy is not without its question marks. Charles Plosser, who served as president of the Philadelphia Federal Reserve Bank from 2006 until

earlier this year, noted his continuing worries about interest rates and the Fed.

"Are we sowing the seeds for another financial crisis?" said Plosser, who has warned of higher inflation for years.

Plosser said the economy is "pretty sound," a status that requires monetary policy to match. He called for the Fed to begin raising its benchmark interest rate, which has stood at nearly zero percent for seven years.

James Glassman, a senior economist for JPMorgan Chase, said financial markets are ready for the rate hike.

"The market gets the idea that rates need to go back to something more normal," he said.

## Ask the Experts

SHAYNA BALCH AND DON JOHNSEN

# Company retreat on a religious holiday

*I am an exempt employee. Our company CEO has scheduled an in-town company retreat for a Friday-Saturday-Sunday in December. I do not know all of the specifics yet as far as times, activities and attendance requirements. However, it falls over a religious holiday. What are my obligations for attending? And should there be time-off compensation for "working" over a weekend?*

Shayna Balch  
Fisher & Phillips

Assuming that you are correctly classified as an exempt employee under the Fair Labor Standards Act, your company can require you to attend a company retreat over the weekend without paying you any additional compensation. This is the tradeoff of being a salaried exempt employee — you receive a set salary each week regardless of whether you work 30 hours or 50 hours, with some limited exceptions for deductions from pay.

That the company retreat falls over a religious holiday complicates the analysis. You have not disclosed what the holiday or your religion is. Nor have you disclosed what your position is within the company and how integral of a role you would play in the retreat. But if your sincerely held religious beliefs require you to refrain from working over the holi-

day, then your employer may need to provide a reasonable accommodation so long as it does not impose an undue hardship, meaning more than a minor cost.

If there is no conflict between your religion and attending the company retreat — that is you would prefer not to attend but are not precluded from doing so — then there is no obligation for the company to excuse your attendance.

Finally, if your employer is required to provide an accommodation, the company still can require you to attend the retreat on the days that you are not precluded from working. So if your beliefs preclude you from working on Saturdays, the company still could require your attendance at the retreat on Friday and Sunday.

Don Johnsen  
Gallagher & Kennedy

If the company has 15 or more workers, the Civil Rights Act applies. That law requires that employers accommodate workers' religious observances, including excusing a worker from activities that conflict with the worker's religious obligations, unless accommodation would create an undue hardship.

In this case, if the worker's religion truly prohibits working on the holiday and the worker asks to be excused from

the retreat on that basis, the employer may have to excuse the worker. However, if excusing the worker would create a true undue hardship, the company would not have to accommodate the request.

Employers generally have the right to mandate extra hours if they wish, including weekend work such as this retreat. A worker's refusal to put in the extra hours can be considered insubordination and could result in discipline or even termination, unless the religious accommodation issue applies.

The Fair Labor Standards Act dictates that employers pay non-exempt workers at no less than the minimum wage for such extra work, plus overtime if applicable. However, this individual is an exempt employee, presumably paid on a salary basis. Under those circumstances the company would not be obligated to pay the worker anything extra for the time that he or she spends participating in the retreat.

The worker certainly can ask to be paid for the time, and employers may pay salaried exempt workers extra for additional hours worked if they choose. But the law does not require that the employer pay an exempt employee extra for such time.

Compiled by Georgann Yara.  
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# Christown Spectrum mall sold

CATHERINE REAGOR  
ARIZONA BUSINESS GAZETTE | AZCENTRAL.COM

Christown Spectrum, Arizona's oldest operating mall, has sold for \$115.2 million.

The central Phoenix shopping center was purchased by New York-based retail giant Kimco Realty, according to property records. The deal closed Nov. 30.

Located at 19th Avenue and Bethany Home, Christown is home to big retailers Costco, Walmart, Target and Pet-

Smart. A 14-screen Harkins movie theater is also part of the mall.

Christown has been renovated and expanded since opening in 1961. It was billed as the first indoor Arizona shopping center with air-conditioning.

The Midtown Phoenix area, where the mall is located, is drawing more residents who want to live closer in. The neighborhood's home values have climbed. Several infill developments have been recently built or are planned in the area. Christown has also benefited from having its own light-rail stop.

There is no word yet from the new owners on their plans. The mall is almost full. Originally called Christown, the mall's name was changed to Spectrum in the mid-1990s, when the development and neighborhood were struggling. The names were combined about a decade ago.

The 1.1 million-square-foot center was acquired in 2004 by New York-based Coventry Real Estate and Phoenix-based Developer Diversified Realty. New York-based Coventry sold the mall to Kimco.

## Negotiations

MARTY LATZ

# Be thankful for skill on other side of the table



I have been blessed over the years with many negotiation counterparts who have exhibited tremendous skills. While some sat across the table as adversaries, some at the table as potential partners, and some behind the table working through agents, the best brought to the table certain common qualities.

So, shortly after Thanksgiving, here are those qualities I am thankful to have experienced in many counterparts. Look for these in your counterparts. If you find them, you will achieve better results.

### Ethics and professionalism

I never will forget sitting in a small conference room at a large law firm while a senior partner at that firm swore at me and called me names. Talk about unprofessional and unethical. I suppose he thought he could intimidate a young lawyer into rolling over and conceding.

It didn't work. In fact, just the opposite. We dug in.

Contrast that with a current negotiation in which our counterpart has an incredible reputation for always operating with the highest ethics and professionalism. I am much more willing to concede and give him the benefit of the doubt on almost any issue.

Ethics and professionalism have a significant bottom-line value.

### Perseverance

How many late nights have you spent trying to close deals or work through difficult issues that appear impossible to resolve? And yet you and your counterparts still somehow managed to find common interests and get the deal done.

Perseverance — what a colleague calls "stick-to-itiveness" — is an undervalued trait in many successful negotiators and counterparts.

I sometimes have a hard time letting go and recognizing when a deal just won't happen. The reason? Many deals successfully close that once appeared destined to fail.

### Prepared on facts and process

My training program participants sometimes ask me "what should I do if I end up across the table from a counterpart who also attended your program?" My response: Be thankful.

It's much easier to negotiate with people who have prepared strategically for the process and done their homework than with someone winging it.

While practicing law, my most challenging counterparts often were individuals who represented themselves, without a lawyer. Why? They were unfamiliar with the legal process, the norms of that negotiation environment, and were often afraid to do or say almost anything.

### Recognition of relationship value

I continue to be amazed at the small world in which we live — and the Internet and social media that have made it even smaller.

Of course, some negotiations continue to be highly adversarial zero-sum environments, where relationships have little strategic value. But more and more business-oriented negotiations involve significant relational elements. You never know when that counterpart could recommend you to someone or return to the table with a new opportunity. Relationships matter now more than ever.

**Latz's Lesson:** Look out for counterparts with these effective negotiation qualities. Your results are dependent on your skills — and theirs.

Marty Latz is the founder of Latz Negotiation Institute, a national negotiation training and consulting company, and ExpertNegotiator Software. He can be reached at Latz@ExpertNegotiator.com.

# Insurance dispute with hospitals could squeeze consumers

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Hospital chains in Phoenix and Tucson that are owned by a Dallas-based corporation are on the verge of ending contracts with Blue Cross Blue Shield of Arizona in a dispute that could create costlier medical bills for some consumers and prompt others to switch health provid-

ers.

Abrazo Community Health Network and Carondelet Health Network said that negotiations with Blue Cross Blue Shield of Arizona are at an impasse, with contracts set to expire Dec. 31.

If no deal is reached, Blue Cross Blue Shield-insured patients would no longer pay lower, in-network rates at Abrazo's six Phoenix-area hospitals, Carondelet's

three Southern Arizona hospitals and other health clinics and facilities operated by the health organizations.

The hospitals and insurer are assigning blame to each other. The hospitals say they are reimbursed at below-market levels. Blue Cross Blue Shield contends the requested payment rates for 2016 are more than the insurer, employers and consumers should expect to pay.

If the contracts do expire, Blue Cross Blue Shield customers who continue to access health care at the affected hospitals and clinics may be charged higher rates and co-pays.

State law requires the insurers and health providers to meet continuity-of-care standards so care is not disrupted for some patients, such as women with late-stage pregnancies.

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

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