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## Surviving 2010 no easy task in valley

### CVEP's survey shows cash flow, taxes among biggest hurdles for businesses

BY DEBRA GRUSZECKI

The Desert Sun

The Coachella Valley Economic Partnership's business visitation survey has uncovered some points the recession made painfully obvious.

Besides the difficulty ventures have had turning a profit — 49 percent posted revenue decreases in the last

year — survey results from 1,655 people from roughly 12 percent of all companies in the region show running a profitable business in the "local economy" was their greatest challenge.

It topped the list with a response rate of 67 percent.

Other hurdles, noted by more than

one-third of those who filled out the questionnaire, included:

- Cash flow
- Health care costs
- State taxes
- Workers' compensation costs

Advantages were noted, as well, with these attributes topping the list:

- Quality of life
- The desert's reputation for excellence
- Area growth potential

Also getting a high mark were the

affordability factors in the valley: land and rent costs.

Clifford Daniels, chairman of the executive board of the Coachella Valley Economic Partnership, said the number of responses that were obtained was extraordinary, as was the attention to detail.

After acknowledging the hurdles, Daniels noted that many are universally shared by businesses around the nation in the present economy.

Please see SURVEY, D3

### About the survey

■ Funded by the Riverside County Economic Development Agency, in partnership with all nine cities of the Coachella Valley.

■ Represents a sampling of some 14,000 businesses with one or more employees.

■ Asked 30 core questions.

■ Measures responses from 1,655 completed questionnaires

■ Taken by 30 student interns through personal interviews or online poll.

### All ABOUT BUSINESS



debra gruszecki, k kaufmann & mike perrault

## Birthday party used as way to help others

The song "I'll Be Home for Christmas" holds special meaning for Savana Saubel and Noli Indian School.

Saubel, a tribal member of the Agua Caliente Band of Cahuilla Indians who graduated from the reservation school in 2004, turned her pickup truck into a Western-styled sleigh to deliver box-loads of presents she received from her 25th birthday party to children attending the school on the Soboba Indian Reservation near San Jacinto.

This is Saubel's way to give back and to teach Noli school children how good it feels to get involved in the community and help people in need.

"It's not just about them," she said.

"Savana is one of the most caring and thoughtful people I know," said Rose Salgado, vice chairwoman for the Soboba Band of Luiseño Indians.

"She is definitely a leader in all that she pursues. Her unselfishness for her own birthday created an opportunity for those attending her party to give presents that would be donated to charity."

### Giving Back

Other community leaders have given in large ways to the Coachella Valley this holiday season through the gift of entertainment: Camelot Theatre owners and philanthropists Ric and Rozene Supple, to name a few.

They pulled the strings to bring The Young Americans to Palm Springs Convention Center to entertain thousands of kids and adults as part of their "Magic of Christmas Show."

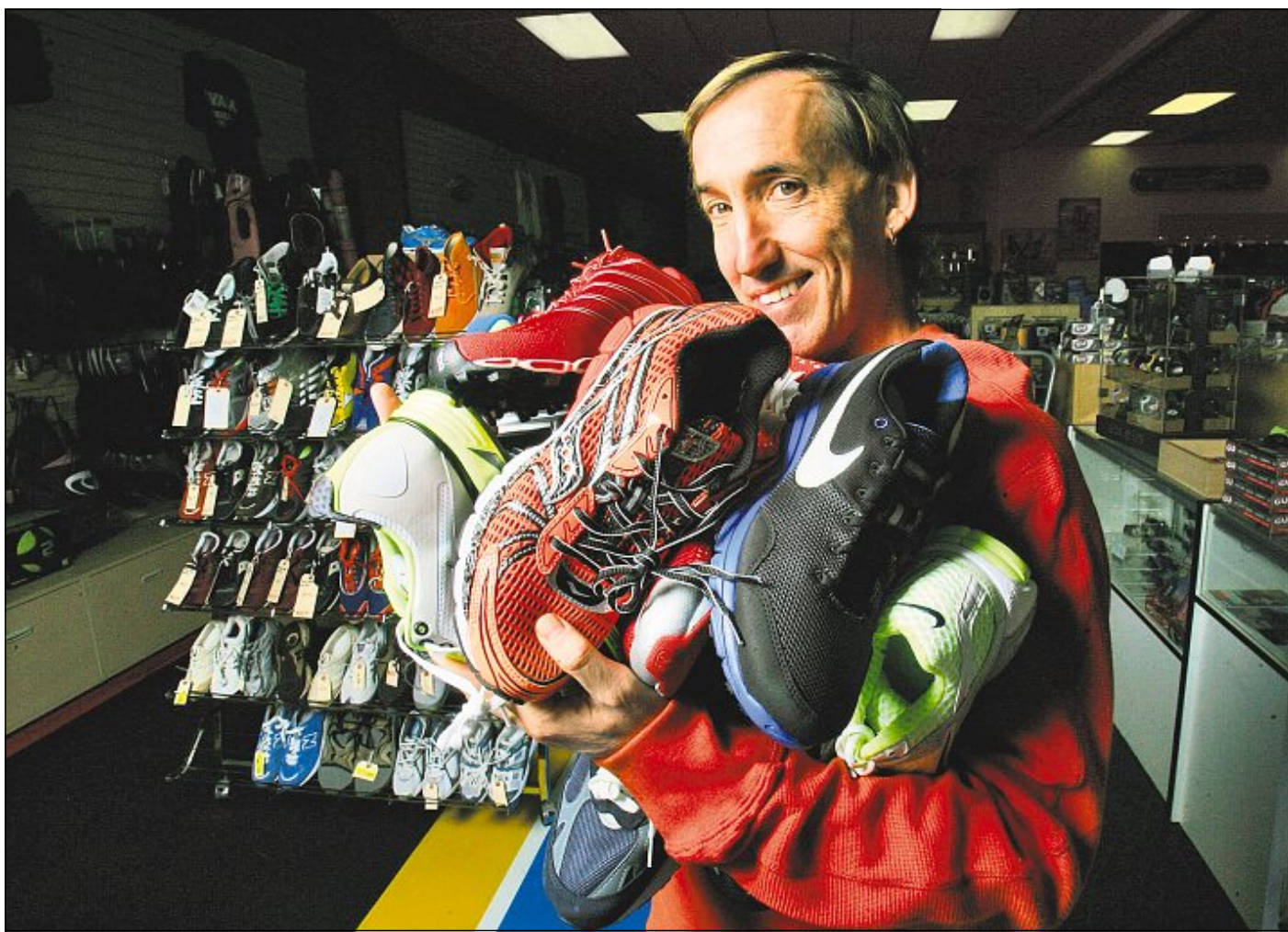
The show, costing more than six figures and running through today, was so important to the Supples that they agreed to put up all the money, if necessary, to make it happen, said their publicist, Michael Green.

"Their goal is to bring it back every year so it becomes something Palm Springs and everyone in the Coachella Valley can count on as a holiday experience."

Since the Young Americans' act was booked, many have stepped up to offset the cost to do the Broadway Show-styled

Please see ALL ABOUT, D5

### SUNDAYCEO ■ Don Kick



OMAR ORNELAS THE DESERT SUN

Don Kick, owner of Running Wild, holds options of running shoes at his store in Palm Springs. Kick helps train local talent and has himself competed in marathons.

## Kick is wild about footwear

### Store owner stocks best in shoes for avid runners, walkers

BY MIKE PERRAULT

The Desert Sun

Don Kick can run like the wind.

Yet many of his customers don't know it. He's simply the guy they rely on to fit them with the right running, walking and hiking shoes, as well as other gear.

Kick is owner and CEO of Running Wild, a running and walking specialty store that he has operated nearly eight years in downtown Palm Springs.

Customers who have frequented the store often look for Tubby, Kick's dog and a long-time personality at the 3,200-square-foot store on South Palm Canyon Drive.

Like many avid walkers and runners, Realtor Patrick Jordan has come to know Kick on a first-name basis. Jordan, a broker associate with Patrick-Stewart Properties of Palm Springs, sometimes treats himself to a pair of running shoes when he sells a house.

Sharon Meler drives from Yucca Valley to Running Wild because Kick is knowledgeable about shoes and carries a wide selection with some 2,200 pairs of shoes.

Kick stocks Running Wild with a variety of sizes that customers often can't find elsewhere. He also prides himself in thoroughly under-

standing all types of shoes.

"There's a big difference between a lightweight shoe and a barefoot shoe," Kick told one curious customer.

Kick, 49, acquired his knowledge of shoes in part because he has been running for three decades. He once ran a marathon in two hours and 28 minutes.

Kick grew up in the Ozarks and earned a degree in animal husbandry — the agricultural practice of breeding and raising livestock — at what was then Southwest Missouri State.

A four-year active duty stint in the Army helped spur his interest in running. Eventually, he made his way to the Quad Cities area and joined a 3,000-member running club and entered a local race that drew 20,000 participants.

That kind of enthusiasm prompted Kick and a few friends to start a running store.

"It's hard not to get caught up in the running scene there," Kick said.

Eventually, he moved on to work at Super Jock 'N Jill, a popular, high-volume running store in Seattle. Kick learned the fundamentals and importance of properly fitting running shoes — as well as some of the ins and outs of operating a small business.

Kick has learned to help runners, walkers and hikers choose shoes with components that will provide the best support. He steers clear of the fads.

"Three years from now, let's see what shoes are still on the wall," Kick tells one customer.

Three words — "Are you fitten?" — on Kick's business card illustrate one of his main focuses.

"It is amazing how many people have foot issues," Kick said. "It's because of the fit of the shoe."

As part of a recent store expansion, Kick installed a blue indoor stretch of rubberized running track so customers can test out the shoes. Kick also can analyze runners' gaits.

Although some big sporting goods stores advertise cheaper shoes, Kick said most are missing cushioning and other key components.

Kick dispenses advice on everything from how to wash running shoes in a dishwasher to information about bamboo-and-wool hiking socks or new edible gels designed to give runners energy during a race.

### What are the biggest challenges you've faced as a business owner?

Managing costs and inventory, marketing, the Internet and passing fads.

### Can you give me an example or two of how you've addressed a few challenges?

Avoid jumping on the miracle-goods bandwagon. The ride's too short. Stick to products we know and trust and are proven to be effective. It takes more than hype to get something in the store. We're also starting a racing team this spring to help create

Please see CEO, D3

### INSIDEBUSINESS

#### Holiday giving

'Tis the season for giving and the Coachella Valley is showing its generous nature from clothing, food, gifts and toy drives to monetary donations. D4

#### Morris Beschloss

Although privately-held businesses, especially, are celebrating the two-year tax extension/investment write-off package, income-oriented investors also have much to be thankful for in the legislation. D5

## PUC delays vote on solar energy rate structure

BY K KAUFMANN

The Desert Sun

Coachella Valley homeowners with rooftop solar panels may have to wait a bit longer to find out how much they could get paid for their excess generation under a 2009 law that goes into effect Jan. 1.

The California Public Utilities Commission was expected to vote Thursday on a rate structure that the state's major utilities would use for the payback, but pulled the item off the

agenda at the last minute over concerns the recommended rate would be too low.

The proposed rate, based on a formula from Pacific Gas & Electric, would have given solar owners 5 to 8 cents per kilowatt-hour for their excess power, either as a credit or a yearly cash payment, according to a staff report.

The rate was based on the utilities' avoided costs of generating the same amount of power with fossil fuels and would provide solar owners gen-

erating excess power annual payments of no more than \$125 a year, the report said.

But Assemblyman Jared Huffman, D-Marin, who wrote the 2009 law requiring the payments and mandating the PUC to set rates by Dec. 31, said that's too low.

"We felt if you use a different formula and different parameters for looking at the value of the electricity, you come up with a different rate that's fairer to the consumer," said

Lawrence Cooper, Huffman's legislative director.

"We would like them to look at the added value of renewable energy."

The commission is slated to revisit the issue at its Jan. 13 meeting.

"It's not so much a higher rate as the concern (over) what is the right rate," said Michael R. Peevey, president of the PUC. "Whatever we do, it won't satisfy everyone. We're trying to do this as judiciously as possible."

Please see SOLAR, D3

# CEO: Don't panic in difficult times

Continued from D1

name recognition at local races.

## What advice would you offer anyone interested in starting their own small business?

Make sure it's something you'll be happy and comfortable with even in lean times. Everyone knows it's hard to go to a job you can't stand. That can be more challenging when you're the owner and boss; it's with you all day. It's time-consuming. Although it may be hard at first, try to get to a point where you own the business instead of it owning you. It's more enjoyable in that setting. And don't panic.

## Who have you turned to for business advice?

My product reps, customers and friends. One of my best friends was a huge assist for the store expansion/remodel and lease negotiation. I have a customer/friend I'm able to bounce ideas off of several times a week and the advice is invaluable. My core running friends have given me immeasurable help over the years.

## Does it help to be in a business related to a sport you love?

Absolutely. On many levels, it helps. I've been a participant of the sport at so many levels and in many different facets, and that allows me to stay very grounded and not react impulsively to passing fads as far as training, coaching, product selection and fitting customers. It has also given me an opportunity to work with other runners to do some private coaching and mentoring. It's been very exciting to see some of the younger runners



Don Kick, owner of Running Wild, poses near a rack of shoes at his store, at 611 S. Palm Canyon Drive.

race well at a high level and to watch them grow as runners.

I've been very fortunate to mentor a few really good high school runners and am excited about their continuing development.

## Has the recession had much of an impact on your business?

Like most others, it has some. Sales of the core products have remained steady while the alternative product lines are more challenged to maintain at pre-recession levels.

This is where the inventory management lessons have helped immeasurably.

Fortunately, as an industry, running specialty has remained strong in these leaner times. It's a sport that doesn't require a lot of equipment costs or membership fees. Factor in a good pair of shoes, a few socks and cloth-

ing items, it's probably a buck-a-day sport.

## What don't people know about you?

My running PRs (2 hours, 28 minutes for the marathon). I've never had a runner's high.

## Do people joke about your name being related to running?

Yes, it comes up every once in a while. The unfortunate thing is that it wasn't always an appropriate name for me. (He ran 74 minutes for both halves of his 2:28 marathon.) It did work a few times, though.

## How do you set yourself apart from other stores that offer running and walking gear?

Sport and product knowledge; the ability to properly fit shoes (type, size, etc.); having an intimate knowl-

## Don Kick

**Owner, CEO:** Running Wild  
**Location:** 611 S. Palm Canyon Drive, Suite 10, Palm Springs  
**Website:** runningwildps.com  
**Phone:** (760) 322-9453  
**E-mail:** RUNWILDSD@aol.com

edge of our shoes and what's out there.

We specialize in footwear fitting and do gait analysis the tried-and-true way: fit the entire foot and then watch you move in the shoes.

Also, I think I can safely say we are the only running specialty retail store in the valley.

## Can you give runners a tip about buying shoes?

I never buy a shoe based on a shoe review. They can be a little one-sided sometimes. You sort of stick with the core set of shoes that really work well.

# SURVEY: Hiring plans are encouraging

Continued from D1

"For us, it was encouraging to see the number of companies that responded positively with regard to hiring," he said. "That's an encouraging sign."

For those businesses or companies not planning to add staff, roughly:

- 50 percent plan to seek out a skilled-level employee;
- 19 percent will look to hire a professional or management-level worker.

Employers also said they planned to seek semi-skilled workers — 38 percent — and unskilled or clerical staff — 17 percent.

CVEP's direction, as laid out in its five-year economic blueprint, is not just to diversify the economy with key initiatives to create job growth, Daniels said. Its two-pronged mission is to address ways to create a more educated, higher-income population to ensure a future that's sustainable.

"You can't have job growth without work force excellence," he said. "What the results verified is a strong belief in that premise."

## Who responded to the survey

- Half of the businesses or companies had been operating more than 11 years.
  - Three-fourths were owner-operated and not tied to a larger corporation.
- The survey responders hailed from:
- Retail, 26.3 percent.
  - Restaurant and food service, 12.1 percent.
  - Professional services, 10.9 percent.
  - Construction, 6.9 percent.
  - Hospitality, 5.6 percent.

## Prevailing Attitudes

Businesses and companies offered a glimpse into what makes their business tick and why they chose the Coachella Valley to do business.

- Here's a sampling:
- Half of all businesses polled started the venture while living here; 22 percent came to the valley to serve their customer base.
  - 31 percent of the businesses laid off one or more people in the past year.
  - Half expect the local business scene will improve in the coming years; 33 percent expect it will stay the same; 12 percent expect conditions will worsen.
  - 3 percent coined the business climate excellent; 34 percent said it was average-to-poor; less than 25 percent called it "good."
  - 67 percent, if given the chance to decide to locate a business here, would do it again; 17 percent weren't sure.

## Aligning strategies

CVEP, a public/private economic development organization representing businesses and governments in the Coachella Valley, already has in place a thriving Pathways to

Success and Career Pathways program.

College of the Desert President Jerry Patton also has led the charge to create an academic master plan.

Together with superintendents at the high school and

university levels, as well as the Riverside County Office of Education, school officials are working to align strategies as a group — rather than solo.

The survey says that business leaders recognize that continued emphasis on this goal will help lessen the challenge. In the near-term, though, companies will likely import the labor force as the prevailing skill level ramps up.

Tools businesses cited as recruitment tools included: Hiring from within, 45 percent; the Internet, at 39 percent; and networking and trade associations, 22 percent.

At the same time, those surveyed said youth are not always in the picture: Only 30 percent hire young people to work for them on an occasional basis. One-third of the companies surveyed said they never do.

Practically all of the people surveyed said they rely on their own work force to provide training.

Yet one-third of the businesses and companies completing the questionnaire said they would collaborate with local high schools, work force development centers, colleges and universities to develop more effective career, technical or educational training programs for students.

# SOLAR: Panel to revisit rate issue in January

Continued from D1

Under current regulations, rooftop solar owners who generate more power than they use on a yearly basis can zero out their bills — an arrangement called net metering — but are not paid for the electricity they feed back into the grid.

Some solar advocates had hoped the new law would open the door for a European-style feed-in tariff, similar to programs in Spain and Germany, that pay solar owners above market rates — about 30 cents or more per kilowatt-hour.

The programs have resulted in solar booms in both countries, although Spain cut its tariff rates 45 percent this summer following a budget crisis.

Setting a rate that provides a modest incentive, without

"Let's not set a price. Let's come up with a paradigm that gets us from being tied to fossil fuel generation and gets us into renewable energy generation that fosters investment."

## JIM FERGUSON

former Palm Desert councilman who has lobbied the PUC to use the valley as a testing ground for a feed-in tariff

raising rates for non-solar customers, is the challenge for people on both sides of the issue.

"The general philosophy in our rates design, they try to avoid cost-shifting," said Gary Barsley, manager of customer solar and self-generation for Southern California Edison.

"You could put a high num-

ber for solar customers, but that would shift costs to non-solar customers and that's not fair."

Scott Gordon, vice president for residential sales at HelioPower, a Murrieta-based solar company with offices in Palm Desert, thinks the rate should be set to reflect utilities' retail rates for homeowners.

"Higher than baseline, people

will want to go bigger," he said. "People will get solar first and do energy efficiency second. That's not what we want them to do."

Jim Ferguson, the former Palm Desert councilman who has lobbied the PUC to use the valley as a testing ground for a feed-in tariff, said the actual rate should be flexible and set by a panel of financial experts rather than utilities or solar advocates.

"Let's not set a price," he said. "Let's come up with a paradigm that gets us from being tied to fossil fuel generation and gets us into renewable energy generation that fosters investment."

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