

## 15 in 15: 15 companies to watch

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Last week we listed 15 intriguing business people worth watching in 2015. Here are 15 companies and institutions that might not be on your radar but whose decisions will help set the course for the Northwest economy this year.

#### **Wright Runstad**

The \$2.3 billion Spring District project will transform an area of Bellevue from a warehouse district to a bustling neighborhood, and the company behind it all is Wright Runstad. Some of the neighborhood's buildings will begin construction in 2015, as the area gears up for the light rail station that is scheduled to operational in 2023. And if that weren't enough of a reason to keep an eye on Wright Runstad, the company is also building the a 58-story tower to replace Rainier Square, which will become one of the largest skyscrapers in downtown Seattle.

#### **Unico**

The new owner of Seattle's iconic [Smith Tower](#) also recently bought the Pemco Insurance headquarters building for \$52 million, and spent \$70 million to acquire Brooks Sport's new headquarters building in Seattle's Fremont neighborhood. We're betting the Seattle real estate firm's buying spree isn't over as the modern-day gold rush for Seattle property continues.

#### **Alaska Air Group**

When they're not fighting off rumors that Delta could acquire Alaska Air, the two airlines are competing for passengers at Seattle-Tacoma International Airport. Delta has ramped up its roster

of flights out of the airport But Alaska is taking the competition seriously and matching Delta's increase. Meanwhile, the Alaska-as-acquisition-target story never seems to fade. Will 2015 be the year? Probably not. Alaska's was one of the best-performing Seattle-area stocks of 2014, so if someone buys the airline, it'll cost them.

### **Seattle Tunnel Partners**

Is the largest transportation project disaster in U.S. history sitting under Seattle's waterfront? That remains to be seen, but we may know in 2015. The Bertha tunnel project has hit snag after snag, and has been delayed for years as a result. First it was a bad bearing on the digging machine, then problems with the rescue pit Seattle Tunnel Partners and its subcontractors were digging to reach and repair the machine, then problems with the ground around the project sinking and causing issues with the Alaskan Way Viaduct and Pioneer Square buildings. If Seattle Tunnel Partners can get the project back on track, we may have a tunnel before the viaduct comes down. If not, it's a long road ahead.

### **Vulcan**

Yes, Vulcan was part of some of the largest real estate deals of 2014, and yes, the company owned by [Microsoft](#) co-founder [Paul Allen](#) will almost certainly be part of the major deals of 2015. But Vulcan is also a huge part of the Yesler Terrace project, having acquired three blocks from Seattle Housing Authority last fall. The company is planning a massive redevelopment there with residences for as many as 650 families, including some that are lower-priced. That's a huge boon for downtown Seattle, where apartment prices have skyrocketed.

### **Haggen Grocery**

If you spend any time in the Bellingham area, it's likely you're familiar with Haggen grocery stores. Currently, there are 18 Haggen stores, primarily in Western Washington. Soon, though, there will be 146 new Haggen stores. The company is buying many of the [Safeway](#) and Albertsons stores those companies are being forced to sell as a result of the merger deal between the two. Comvest, which has a majority interest in Haggen, is helping to finance the expansion, which will mean more than 800 percent growth for the chain.

### **Juno Therapeutics**

Barely a year after it launched, Juno Therapeutics went public, raising \$265 million in an initial offering of stock on the Nasdaq. The company, which makes an immunotherapy treatment for cancer patients, has generated considerable buzz from the investment community, much more than biotechs typically do. Juno spun out of [Fred Hutch](#) and the nonprofit cancer research center is one of Juno's largest investors. Early trials have shown Juno's immunotherapy treatment has an 85 percent success rate. The company is literally curing cancer. As a result, its stock price is seeing similarly positive results.

### **Starbucks**

Seattle's most famous company is gearing up for a big year. Our suspicions: Starbucks will acquire a mobile tech company and make a big push into the mobile payments space. Starbucks is already a big player in mobile payments, but the company has hinted at plans to make its mobile platform available for other retailers to use. With Paypal on the auction block, could Starbucks rush in and make a play? It's possible. And even if the company doesn't make a big acquisition, it will continue to build out its technology. Starbucks is Seattle's next big tech company.

## **Porch.com**

Porch.com's meteoric rise mirrors that of companies founded in the dot-com era. The company has existed for only about 16 months, has raised \$33 million, released an app, gone on a marketing binge and hired more than 200 employees. But don't discount Porch.com as just another online play. The company has a system to connect customers with contractors for home improvement work. [Lowe's](#) is a big investor in the company. Porch.com, started by Seattle entrepreneur [Matt Erlichman](#), may be headed toward an IPO. That is, if Lowe's doesn't buy it up first.

## **Seattle's newest public companies**

Last year was a relatively quiet one for IPOs. There were a few big splashes, particularly in the biotech space. But we're betting 2015 is going to be a big one. Bellevue IT finance software company Aptio will go public this year. So will Bainbridge Island tax software company Avalara. Real estate company Redfin may sneak an IPO in before the end of the year and it wouldn't surprise us if traffic data company Inrix does, as well.

## **Alibaba**

[Amazon's](#) biggest threat is opening an office next door. Alibaba Group, an online retail company based in China, made a \$25 billion IPO in 2014 and has indicated it plans to launch a U.S. store in the very near future. Right now, the joke among Seattle tech companies is that you shouldn't let your programmers walk by Amazon's South Lake Union headquarters because the company will hire them off the street. We suspect Alibaba is taking a cue from Amazon and setting up shop in Seattle to scoop up Amazon's developers who already know a thing or two about building a successful online store.

## **DB3**

A company that manufactures and sells marijuana-infused foods would not have even dreamed of going national a few years ago. But now, as state after state considers legalizing recreational marijuana, a Seattle-based marijuana edibles company called DB3 is dreaming exactly that. The company successfully maneuvered the new regulations for edibles and released its "Zoots" branded products in October. They were the first edibles allowed in Washington state. DB3 aspires to have that title in other states as well.

## **Zillow**

Online real estate leader Zillow grew fast in 2014 – both organically, hiring hundreds, and by announcing the acquisition of its largest rival, Trulia. That \$3.5 billion acquisition will be completed in 2015, and give the Seattle company a significant presence in Silicon Valley. If single-family home sales activity picks up this year, that would give Zillow another shot in the arm. Zillow is also expanding in the Russell Investments building in downtown Seattle. With its namesake set to become part of the London Stock Exchange Group, could the Russell Investments building become Zillow Tower in 2015? We think so.

## **Zulily**

Zulily had an up and down 2014. The company's stock price was incredibly volatile as Wall Street struggled to figure out if a daily deals site for moms was a good investment. Combine that with an email glitch that may have cost the company customers, and it was clear Zulily had some growing pains. But the company is growing. Zulily has expanded to a larger space and is hiring. Its big data marketing system is unique and creates a completely different experience for every customer, learning their likes and dislikes, and catering to them. If Zulily does that well, Wall Street will follow.

## **Washington State University**

Will they get a second medical school? That's what Washington State University is hoping for. But the school must convince the state Legislature it's a good idea. Meanwhile, the University of Washington has teamed up with Gonzaga University to expand its medical school. Both need funding before they can expand. They'll duke it out in 2015 and it's unlikely both will win.

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