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LED LIGHTING FIRM IS VC EFFORT'S FIRST RECRUIT

A young company that makes solid-state LED lighting to replace traditional fluorescent tubes has moved here after landing more than \$1 million from a new local venture-capital fund.

NEXT Lighting created an LED lamp with lighting controls that can be retrofitted into current fixtures and are up to 50 percent more efficient and last three times longer than standard fluorescents, said Randall Sosnick, president and CEO of NEXT.

“Lighting-system upgrades and retrofits are an excellent way to reduce electricity demand in commercial and retail buildings,” Sosnick said. “Most people don’t realize that fluorescent tubes consume 10 percent of the world’s electricity.”

Its lighting has been installed by King County Metro at all 104 RapidRide shelters serving six RapidRide lines, said Metro spokeswoman Rochelle Ogershok.

“The product easily fit the conversion to LED for the existing fixtures and had the desired lighting level we were looking for,” she said in an email.

The company was recently backed by Nitze-Stagen Capital Partners, the green-oriented venture-capital affiliate that real-estate development firms Nitze-Stagen and Daniels Real Estate formed in February.

NEXT, which is relocating its headquarters from San Francisco to Seattle, will work out of the Nitze-Stagen office in the Starbucks building, hiring nine people to work in Seattle with its current director of sales.

Although the cost of installing NEXT lights can be up to three times higher than fluorescents, Sosnick said the amount would typically be recovered in one to three years, depending on how many hours a day the lights are on and what utility incentives are available. The LED lamps last 20 years, he said.

The toughest competition for NEXT is LED retrofit lights produced overseas by industry giants Philips and GE Lighting. Sosnick says NEXT lamps eliminate some problems typically seen with those competitors, including glare and heat emission.

NEXT is already working with several Seattle companies to bring LED lighting to offices, distribution centers, data centers, parking garages and stores. PNW Lighting Services, which helps customers identify ways to reduce energy use, will be recommending NEXT Lighting for future projects.

Nitze-Stagen is known for buying and rehabilitating the former Sears NW catalog-distribution center in Sodo, now known as the Starbucks Headquarters building. Daniels also has worked to sustainably preserve and renovate historic spaces around Seattle.

Through Nitze-Stagen Capital, the group plans to invest in sustainable emerging technology used in the building industry that will enhance that environment, said Peter Nitze, president of Nitze-Stagen Capital.

“We understand what it takes to identify, build, manage and maintain properties and what makes a difference in terms of the quality of a built environment ... quality of life, productivity, comfort of a working environment,” he said. “Why not leverage all this knowledge — there are a lot of companies out there trying to break out with new systems.”

Sosnick said he is committed to keeping manufacturing in the U.S., which led him to select Woodinville-based Cashmere Molding to manufacture and distribute NEXT Lighting. Greg Herlin, president and CEO of Cashmere, said manufacturing the lights at his plant will create 15 jobs, but as the demand increases and they need to increase production, it could be upward of 200 jobs.

“We haven’t been able to supply a lot of the demand to date,” Sosnick said. “So with Cashmere coming on board, that was one of the key requirements — that they were able to scale up our production quantities.”