



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 24-088

February 07, 2024

Introduced: 1/31/2024

Current Status: Agenda Ready

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Matter Type: General Agenda Item

- a. Receive a presentation from HawkTower regarding Venture Capital activity in the County of Monterey; and
- b. Consider providing support for a funding request to the Board of Supervisors.

RECOMMENDATION:

It is recommended that the Economic Development Committee:

- a. Receive a presentation from HawkTower regarding Venture Capital activity in the County of Monterey; and
- b. Consider providing support for a funding request to the Board of Supervisors.

SUMMARY/DISCUSSION:

Founded in 2023 and based in the County of Monterey (County), HawkTower is a venture capital firm dedicated to economic and workforce development, focusing on early-stage, AI-driven startups. They aim to catalyze startup growth in the Central Coast and Valley regions. Their unique position as the only early-stage venture capital firm in the County and a robust network of industry and academic advisors makes HawkTower an essential contributor and driver to accelerator programs and the broader startup ecosystem. HawkTower's primary mission is economic and workforce development. They aim to foster startup formation, particularly in technology and innovation sectors, to drive economic growth and job creation.

An accelerator is a program designed to support the growth of startups through mentorship, funding, and networking opportunities. It typically involves a selective, time-bound period during which companies receive intensive guidance to rapidly scale their business models and solutions. Startup accelerators have become a significant force in the startup ecosystem, offering numerous benefits to early-stage companies. Programs provide education, mentorship, and financing in a fixed-period, cohort-based setting, helping startups define and build their initial products, identify customer segments, and secure resources, including capital and employees.

Accelerators (1 program in Monterey and 1 program in Salinas) will impact the region by fostering 20 new startup companies per year, contributing to job creation (2000+ high-quality jobs over 10 years), and enhancing regional entrepreneurship. It can catalyze economic development, spur workforce development, attract investment, and leverage local talents and resources.

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HawkTower will operate the Accelerator alongside key academic, industry, governmental, investment, and community partners. They may partner with an established accelerator program, like Techstars, or construct a program uniquely tailored to naval requirements with support from military innovation experts and consultants.

The return on investment for the County would include job creation, economic growth, and the development of a vibrant startup ecosystem. These outcomes would lead to increased revenue, an expanded tax base (with high-quality wages retained locally) and enhanced regional competitiveness.

HawkTower plans to use data-driven insights for program performance and stakeholder reporting. This would involve tracking and measuring the impact of the accelerator on startup formation, job creation, and economic development, and regularly reporting these results to the County.

At this time, HawkTower is requesting a total funding support of \$500K. This would cover 20% of the operation of 1 accelerator program or 10% of 2 accelerator programs (1 Salinas and 1 Monterey program).

Other Agency Involvement:

Staff consulted with County Counsel.

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Attachments:

HawkTower Presentation