In 2013, based on a survey by the SARTA CleanStart program, growth continued for the 99 companies in the region's core clean tech industry cluster, hitting a new record of more than $2.2 billion in revenue, and greater than 3,400 employees in total. The pace of this growth has slowed compared to that seen in 2012, with 5% growth in revenue and 6% growth in jobs in 2013. Nonetheless, a two-year moving average growth rate for 2011 to 2013 is a robust 47% in revenue and 54% in jobs.

Among CleanStart's goals is to see the regional clean tech industry hit 10,000 jobs. Considering that only 650 jobs were identified in 2004 and that companies have logged five-fold growth in the past ten years, the goal of another tripling is very much within reach.

AN IPO AND MAJOR ACQUISITION CONTRIBUTE TO REGION’S SUCCESS AND RECOGNITION

In August 2013, regional clean tech and ag tech company Marrone Bio Innovations, Inc. (MBII) went public on the NASDAQ, raising $56 million in the process. By year-end, the company’s stock price was up more than 40% over the open, giving the company a $325 million market value. This IPO sets a milestone for a number of reasons: for one, MBII joins a select group of only a handful of clean tech companies that have successfully gone public in recent years. IPOs in general have been challenging to accomplish in recent years, and clean tech and/or ag tech IPOs have been even fewer and further between. For another, MBII’s early funding included a number of local investors, who are now in a position to reinvest their positive returns in additional local startups, hoping to set them on the same trajectory as MBII was able to achieve.

Also in 2013, Paramount Solar was sold to Bay Area-based SolarCity for a combination of stock and cash totaling $120M. Together, the MBII and Paramount Solar transactions confirmed the success of tech companies founded and growing in the Sacramento region, which will help attract attention from additional venture capital firms as a place to invest.

RECOGNIZED NATIONALLY AS #6 MOST ACTIVE CLEAN TECH METRO AREA

The growth and success in the region is drawing national attention. Industry analyst Clean Edge annually evaluates major metro areas on the basis of clean tech leadership, and most recently identified the Sacramento region as the #6 most active clean tech metro area in the nation. Clean Edge’s index is based on 22 factors covering green buildings, advanced transportation, clean electricity and carbon management, and innovation, investment, and workforce characteristics. The recent ranking of the Sacramento region ahead of such well-known clean tech powerhouses as Boston, Austin and Chicago – but with distance to go to gain on the top three of San Francisco, San Jose, and Portland – point toward renewed interest in the sector.

In addition, in the past twelve months $20.5 billion has been invested in clean tech companies. Just this past year, the CleanTech Index QCLN registered a positive year for clean tech, with the NASDAQ CleanTech Index QCLN up 96% for the year--a healthy gain especially compared to that seen in 2012, with 5% growth in revenue and 6% growth in jobs in 2013. Nonetheless, a two-year moving average growth rate for 2011 to 2013 is a robust 47% in revenue and 54% in jobs. Among CleanStart’s goals is to see the regional clean tech industry hit 10,000 jobs. Considering that only 650 jobs were identified in 2004 and that companies have logged five-fold growth in the past ten years, the goal of another tripling is very much within reach.

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Reflecting her leadership at Marrone Bio Innovations, Dr. Pamela Marrone was honored multiple times throughout 2013. SARTA CleanStart named her the Clean Tech Innovator of the Year at the CleanStart Showcase in October, noting both her scientific and business acumen. Dr. Marrone was also named the Executive of the Year by the Sacramento Business Journal in December, and earlier in the year was awarded the Business Journal’s Green Leadership Award for Entrepreneurship. Dr. Marrone has been a tech innovator in our community for 25 years, and her leadership of three companies makes her a well-deserved recipient of these prestigious awards.

The Sacramento Business Journal recognized both SARTA and SARTA CleanStart’s co-founder Gary Simin with Green Leadership Awards in early 2013. SARTA was recognized for the CleanStart Program: “When highlighting SARTA’s contributions to the local clean-technology community, most people would point to the nonprofit’s CleanStart program. It’s a logical choice.”

In addition, CleanStart’s co-founder, Gary Simin, a member of the SARTA Board and a tireless advocate for investor in, and business executive at clean tech companies, was granted a Lifetime Achievement Award at the same ceremony. Gary, together with Mark Henwood, co-founded CleanStart as an independent non-profit in 2004. By 2009, CleanStart had merged into SARTA where it has served as the much-emulated model both for the MedStart and AgStart programs.

Gary himself has a storied career as an executive with both established and startup energy-related companies, and with public-sector regulators. In Sacramento, he has consistently championed the region’s potential as a clean tech hub, and gives generously of his time and talents to non-profits and startup companies to help achieve that vision.

CROWDFUNDING OPENS NEW DOORS

With the passage of the federal JOBS Act of 2013 and other innovations, a new pathway to funding through crowd-sourcing has been created. Crowdfunding can cover many things including selling initial units and collecting deposits, securing loans, raising grant funds, as well as the issuance of stock as provided in the JOBS Act.

More than 100 new websites offer all manner of crowdfunding options, opening the door to startups to raise money. Already companies have raised millions of dollars via these websites. Crowdfunding is an exciting, but also risky and quickly evolving, new avenue for companies.

WHAT IS CLEANSTART?

SARTA’s CleanStart Program, founded in 2004, is designed to stimulate the development and success of early stage clean technology companies and to build a regional clean tech cluster through education, collaboration, and partnering. Board Member Gary Simin is the Chair of the Program.