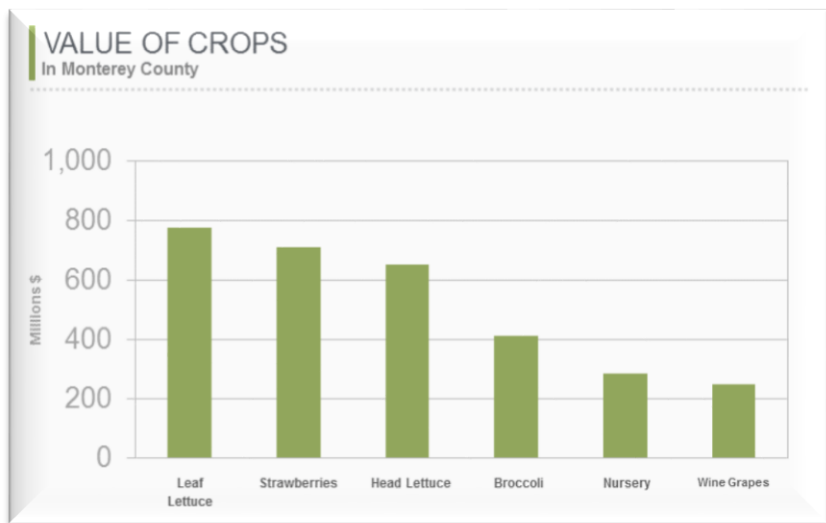# City of Salinas AgTech Ecosystem Development

About the City of Salinas

The City of Salinas has a population of approximately 150,000 persons and is located within the Salinas Valley, in Monterey County on California's Central Coast. It is also the birthplace of Nobel Prize winning Author John Steinbeck. Salinas is the largest City on the Central Coast and serves as the County seat and regional economic hub. The agricultural industry is by far the most significant contributor to the local economy, producing over $8 billion per year in economic activity, and forming Salinas' economic base.

The crops grown are primarily vegetables: the Salinas Valley produces over half of the nation's lettuce (over $1.2 billion in farm gate per year), as well as $750 million in strawberries. There is also significant production of other crops such as broccoli and wine grapes. In fact, Monterey County produces 10 crops with annual farm gate values of over $100 million and an additional 16 with farm gate values over $10 million per year.

VALUE OF CROPS In Monterey County

Despite these resources, the City of Salinas faces many challenges: 75% of the population in Salinas is Hispanic or Latino, with 68% speaking a language other than English in the home and only 60% of its population has a high school diploma, while only 12% possess a Bachelor's degree or higher. The unemployment rate often exceeds 10% in the winter. Over 30% of the population of the City of Salinas is under the age of 18. One challenge the City has worked hard on is reducing the risk of losing many of these young people to the influence of criminal gangs within the City.

In 2012, the City learned that it was losing one of its largest non-agricultural employers due to company acquisition, with the loss of 869 of the best jobs in the City, along with an unknown number of indirect losses. In response to this, the City of Salinas convened a group of local stakeholders to identify steps to mitigate the loss of these positions and identify a strategy that would promote the City's long-term economic health. From this group came the idea to leverage the City's geographic location, local industry, and other resources to develop an ecosystem for the AgTech Industry. The City has since been actively pursuing this strategy.

AgTech Ecosystem Development
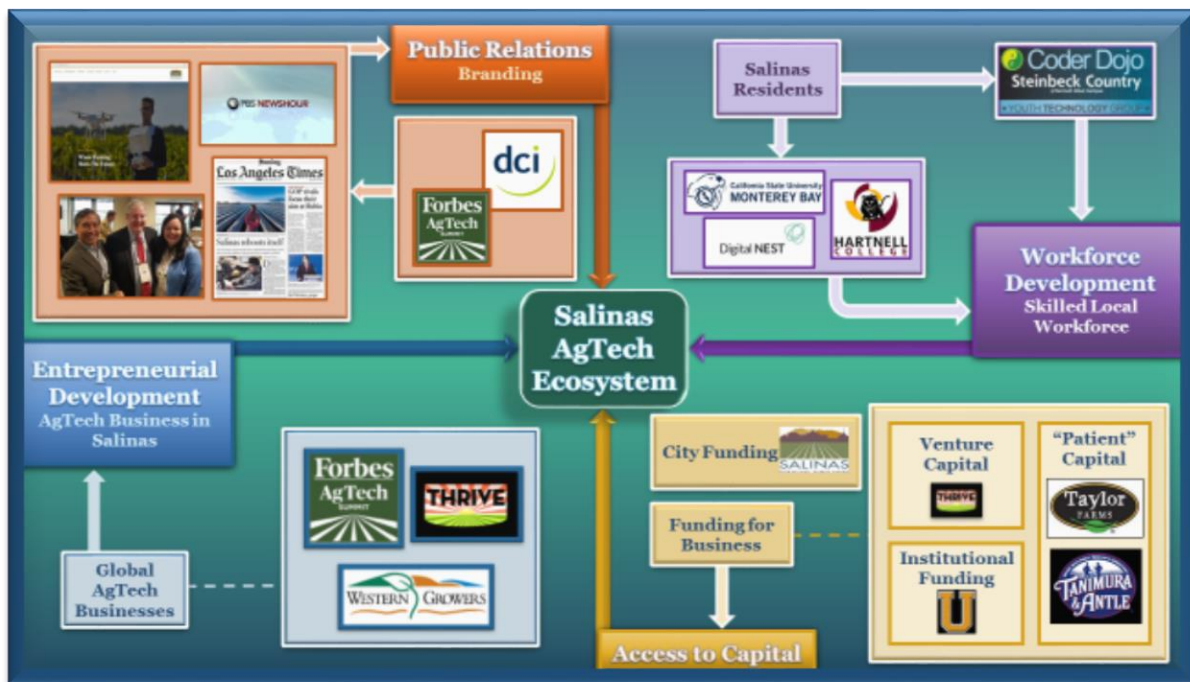
What is the AgTech Ecosystem?

The AgTech Ecosystem refers to the general business environment; much like the development of biological ecosystems, the effort here is to create an environment where AgTech businesses can survive and thrive. Rather than perform economic development on a project or neighborhood-based strategy, development of the Ecosystem involves providing carefully targeted investments to direct the economy of the Salinas Valley to become "fertile ground" that will support businesses of this type.

Why did the City Develop the AgTech Ecosystem?

The City of Salinas and its partners developed this effort to transform Salinas and the Salinas Valley into a hub for the AgTech industry. This will help support our existing agricultural industry as it experiences the disruptions created by rapid technological change, while also broadening our economic base to provide new and exciting opportunities to our residents in the tech industry.

How are we supporting this effort?

The City is serving in the convening role, bringing together many different partners, and working to coordinate efforts. This involves entrepreneurial support, workforce development, identification of sources of capital, as well as public relations and marketing efforts. In all cases, while the City does provide resources, we rely heavily on outside partners for support.

Entrepreneurial Development

THRIVE Accelerator

THRIVE AgTech aims to expand the number of startups in the Salinas Valley and attract venture capital to the region by holding an annual highly competitive, eight-week THRIVE Accelerator program. The program provides AgTech startups from across the globe with high-level mentorship from industry leaders from the Salinas Valley's largest agriculture companies. The THRIVE Accelerator receives hundreds of applicants from dozens of countries, including early stage and commercially ready companies. Program partners include Wells Fargo, Verizon, Taylor Farms, JV Smith, Panasonic, and Yamaha.

Western Grower's Center for Innovation and Technology

Located in downtown Salinas, the Western Growers Center for Innovation and Technology (WGCIT) offers workspaces and collaborative opportunities for AgTech entrepreneurs. Its goal is to bridge the gap between entrepreneurs and local growers. From startups using cloud-based platforms to automate a farmer's daily tasks, to companies producing clean energy infrastructure for the agriculture industry, over 40 AgTech innovators from across the nation call WGCIT their home.

Startup Support

The City of Salinas currently lacks a true business incubator that can support companies at the very early stages of development. The City has submitted a joint application with CSUMB to the Federal Economic Development Agency to create a virtual incubator with a physical location within City limits. If the grant is awarded, sufficient resources would be available for the next three years.

Workforce Development

Hartnell College

The cities of Salinas, Gonzales, Soledad, Greenfield, and King City have partnered with Hartnell College to increase the level of coordination between municipal and educational institutions through the development of an employment training partnership that will be jointly managed by the cities and Hartnell. The cities have provided funding to Hartnell College and have hired a full-time position that will focus on the development of workforce development programs supporting the agriculture, AgTech, and healthcare industries in the Salinas Valley.

Digital NEST

Digital NEST provides training in technology to youth aged 14-24. Located in the Cesar Chavez Library in the Alisal neighborhood of Salinas, Digital NEST operates from 2:00pm – 6:00pm, Monday through Thursday, showing youth the opportunities that can exist in technology while providing a "safe space."

Coder Dojo

Started by the City of Salinas and now operated through Hartnell College, Coder Dojo teaches youth aged 8 – 17 how to code. The program has been very successful, with each session now reaching the maximum capacity of 300 students. Hartnell is planning to expand this program into south Monterey County in the near future.

Young Innovators

Developed jointly by the City of Salinas and SVG Partners, and managed by the THRIVE Innovation Foundation, Young Innovators is an annual competition in which teams for the region compete to develop tech solutions to problems presented at the event. Mentors are provided to assist the teams. At the end of the event, a panel of judges identifies the top three teams. In addition to winning a cash prize, the winning teams are treated to a tour of the headquarters of Google and Oracle in Silicon Valley.

CS-in-3

Funded by the agricultural industry, CS-in-3 is an innovative partnership between Hartnell College and California State University Monterey Bay (CSUMB) to provide youth with opportunities to obtain their education with less time and cost. The program utilizes a "2 + 1" model: students complete 2 years at Hartnell College and one year at CSUMB in order to obtain a Bachelor's degree in computer

science. The first two cohorts have now graduated, with graduating classes being roughly 80% Latino and nearly 50% female.

The City of Salinas was featured in an article by the Los Angeles Times featuring this program. The full article can be viewed **here**.

Access to Capital

Venture Capital

The City has partnered with SVG Partners to develop a venture capital fund to allow for timely investment in companies showing promise in the AgTech sector.

"Patient" Capital

Since not all startups are ideally funded through the venture capital model, many local industry leaders, such as Taylor Farms and Tanimura & Antle, have also either directly invested in or outright purchased technologies developed elsewhere in order to further develop their potential.

Institutional Funding

The City will soon be beginning conversations to try to develop partnerships that will help facilitate access to institutional funding sources for businesses choosing to locate in Salinas.

Public Relations

Forbes Summit

The Forbes AgTech Summit has been in Salinas for the past three years and has established itself as the premiere AgTech event in the world. In addition to bringing in additional companies through the increased exposure, the Forbes Summit is helping to develop partnerships with multinational companies and larger institutions, as well as establishing the City of Salinas as a thought leader in the development of the AgTech industry.

Pictured Left to Right: Ray Corpuz, City Manager, City of Salinas; John Hartnett, CEO, SVG Partners; Steve Forbes, CEO, Forbes; Bruce Taylor, CEO, Taylor Farms; Joe Gunter, Mayor, City of Salinas

Media Outreach

The City of Salinas has contracted with Development Councellors International (DCI) to help get the word out to various media outlets. To date, stories on various components of the AgTech Ecosystem have been featured on outlets such as CNBC, LA Times, San Francisco Chronicle, Financial Time, NPR, China Daily, Canadian Broadcasting Corporation, WIRED, TechCrunch, Silicon Valley Business Journal, Forbes, Huffington Post, amongst others.

On November 30, 2016, Salinas was featured in an in-depth report on Salinas' AgTech-based economic development strategy, particularly in creating good jobs for local residents. The story, by correspondent Cat Wise, describes the work of public and private partners to create an AgTech ecosystem and Salinas' belief that the marriage of agricultural and technology will leverage the region's existing strengths and global trends in a way likely to yield growth, well-paid jobs, and a healthier environment.

Click here to view the full story.

AgTech Microsite

The City of Salinas and DCI have developed an **AgTech microsite**. The site is designed to promote Salinas to outside entities that could help support the ecosystem.