

Gormley's Take: Venture-Capital Outlook Brightens in Sunshine State



By

Brian Gormley

Oct. 26, 2016 7:30 a.m. ET

The outlook for venture-capital financing is brightening in the Sunshine State. Venture funding is dwindling in many states amid a general investment decline from last year, but Florida is an exception. Startups there raised \$1.08 billion through three quarters, compared with \$828.7 million for all of 2015, according to market tracker Dow Jones VentureSource. Investment has been on the upswing for a while in Florida, which generated \$352.5 million in venture funding for the full year 2011.

After the 2008 downturn, many billionaires moved to Florida, where there is no personal income tax. These people typically like to invest in local companies, according to Anna Maria Nekoranec, chief executive of Align Private Capital, a firm with offices in Naples, Sarasota and New York that invests on behalf or with wealthy families. Florida wasn't known for venture capital in the past, so local entrepreneurs often left. Today, more companies can find funding locally and remain in Florida, she said.

By using local investors to get their start, companies can grow to the point where they attract larger backers from other regions. Tampa-based care-coordination startup CareSync Inc. raised funds from a local family office before closing an \$18 million [Series B](#) round last year that included out-of-state investors such as Greycroft Partners.

Companies needing to build large teams can do it for less in Florida, where labor costs are relatively low. This gives such companies as CareSync a competitive advantage, according to

CEO Travis Bond. CareSync has grown to 300 employees since forming in 2011.

Several resources for entrepreneurs have sprung up in the past decade, including accelerators, investor networks and angel funds, said Kevin Burgoyne, president of the Florida Venture Forum, an organization that connects companies and investors. “Those resources,” Mr. Burgoyne said, “are really starting to kick in.”

Write to Brian Gormley at brian.gormley@wsj.com