The $2.4 billion raised in a pair of megadeals by Uber CEO Travis Kalanick last year helped make San Francisco the No. 1 city in the country for VC dollars invested. But Silicon Valley as a whole saw more deals and nearly as much money invested as in S.F., even with the Uber advantage.

Last year was the biggest year for venture capital investment since the end of the dot-com era, according to a number of reports this week.

And nowhere was it bigger than in San Francisco, according to data provided by researchers at CB Insights. The city’s startups attracted $10.9 billion in 584 deals, both No. 1 in the country by a wide margin.

But, as usual, it is a mistake to say that the city dominates the region in terms of startup funding and activity.

About $10.4 billion was invested in what is traditionally thought of as Silicon Valley. That's pretty close to the amount invested in S.F., with the balance swung to the "City by the Bay" in a pair of outlier $1.2 billion fundings of ride app startup Uber.

The Valley had 721 funding deals in 2014. That's about 24 percent more than in San Francisco.

About $877 million was invested in 57 deals in the East Bay, led by Oakland ($211 million in 22 deals) and Berkeley ($205 million in 14 deals).

Overall, California accounted for almost 60 percent of all VC funding in the country last year. The amount invested here rose by an amazing 81 percent to $26.8 billion, but the number of deals only rose by 13 percent to 1,631.

Take that as more evidence of a big jump in the size of funding deals last year.

How long can that last? Most venture investors I talk to tell me that it will continue as long as the markets keep supporting healthy exits.

It's no coincidence that investment hit its highest level in 14 years at the same time that IPOs and acquisitions hit their post-dot-com highs.

Healthy exits provide the capital and the momentum to place new bets.

But VCs also tell me that they believe we are seeing an unusual confluence of new platforms like mobile and tech breakthroughs the likes of which they haven’t seen since the 1990s.

They say that even if there is a correction, they will keep investing the same way they are now. But anybody who remembers the pullback after the banking crisis of a few years ago will probably take that with a grain of salt.
Here is CB Insights’ city-by-city breakdown of VC funding activity in San Francisco and Silicon Valley last year, ranked by the amount invested.

San Francisco: $10.9 billion in 584 deals.
Palo Alto: $2.9 billion in 203 deals.
Mountain View: $1.7 billion in 85 deals.
Redwood City: $1.3 billion in 59 deals.
San Jose: $1.1 billion in 62 deals.
Sunnyvale: $731 million in 66 deals.
Menlo Park: $603 million in 55 deals.
San Mateo: $514 million in 59 deals.
Santa Clara: $452 million in 39 deals.
South San Francisco: $250 million in 13 deals.
Los Altos: $192 million in 16 deals.
San Carlos: $151.1 million in 10 deals.
Los Gatos: $132.3 million in 13 deals.
Campbell: $113.2 million in 13 deals.
Cupertino: $111.9 million in six deals.
Burlingame: $78.3 million in eight deals.
Milpitas: $57.0 million in three deals.
Daly City: $27.3 million in four deals.
Stanford: $31 million in three deals.
Belmont: $30 million in two deals.
San Bruno: $20 million in two deals.

Cromwell Schubarth is the Senior Technology Reporter - Silicon Valley Business Journal

URL: http://www.bizjournals.com/sanjose/news/2015/01/16/where-the-silicon-valley-startup-money-went-a-city.html?ana=e_sjo_ff&s=newsletter&ed=2015-01-16&u=w6ixnn%2FDe0Q8LaQYQgH7w0b009c73&t=1421519243&page=all

See Also

- Top 20 U.S. tech fundings in 2014 raised $8.5B — mostly in the Bay Area
- 2014’s VC tally: Best since 2000 for IPOs, best since 2012 for acquisitions
- Where have all the angels gone? They’re starting funds, apparently