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Green car incubator rolls into San Jose

Silicon Valley / San Jose Business Journal - by [Lisa Sibley](#)[Print](#) [Email](#) [Reprints](#) [RSS Feeds](#) [Add to Del.icio.us](#) [Digg This](#) [Comments](#)

SAN JOSE — Magnetic air NASCARs may not be too farfetched if the vision of a handful of San Jose entrepreneurs becomes a reality.

Club Auto Sport — a specialty car condominium facility for automotive enthusiasts and companies — is launching a green incubator. The Charcot Avenue facility in San Jose has dedicated about 10,000 square feet of its 120,000 square feet to house 13 startups and a conference room for green auto and alternative fuel-related companies.

The facility was founded by commercial real estate developer Ralph Borelli of Borelli Investment Co. and mechanical contractor John Davis, founder of San Jose's Air Systems Inc. Borelli said the concept came about because of startups approaching them.

"We didn't so much go looking for them as they came looking for us," he said.

Borelli brought on Home 1st Foundation Corp. to operate the incubator after discussions with city of San Jose and Redevelopment Agency officials about the concept. The nonprofit is tasked with helping the startups access resources, grants and funding.

The first company to be housed in the incubator is Magnetic Air Cars Inc. CEO Jim Vye said the company is working on a fuel-less car and generator, which uses a magnetic motor to manufacture compressed air. The air, when converted to torque, propels the car. The company is seeking \$15 million each for its car and generator. It has received about \$500,000 in funding to date.

Vye said the company plans to build the prototype by Earth Day, April 22. It intends to license its technology to generator and auto manufacturers.

"Clean and green technologies and auto efficiencies are at the front of everyone's mind. It's in our best interest to put time, money and effort into this," Borelli said.

Home 1st is currently seeking corporate and private sponsorships for the incubator, which would normally generate \$250,000 in rent per year for Borelli. Home 1st Executive Director David Staffieri said the idea is to name one of the car condos after a sponsor like Google Inc., which would pay a year's rent for the startup.

Home 1st is run by 12 volunteers, including Staffieri and director Omar Auld. Auld said the nonprofit is dedicated to the research and development of environmentally friendly solutions, not just in automotives. The nonprofit plans to host a fundraiser on Earth Day to display its new partner innovations and incubator at Club Auto Sport.

Its potential success has Borelli planning a second incubator at his car condo club in Monterey.

The incubator has also sparked interest from the investment community.

Mike Dorsey, managing partner at The Westly Group, a clean technology venture capital firm in Menlo Park, said, "The benefit of an incubator is providing lower cost and an efficient way for entrepreneurs to work together and share information."

Dorsey said his company would consider investing in some of the incubator companies, but they're looking for extraordinary returns. Yet he believes such an incubator will continue to strengthen the region's competitive position in the clean and green economy.

"We're ideally positioned to be the leaders," he noted.

Borelli calls the site "a convergence of geeks and gearheads." The club brings together entrepreneurs and people passionate about cars. The facility includes 84 purchased car condos, ranging from 800 to 10,000 square feet, and a members-only club environment. The site is 55 percent leased or sold, which Borelli said is 15 percent ahead of schedule.

Lisa Sibley can be reached at 408.299.1841 or lsibley@bizjournals.com.



Vicki Thompson

Magnetic Air Cars Inc. is the first startup to go into Club Auto Sport's new green car incubator, which is run by Home 1st Foundation Corp. From back left, clockwise, are Home 1st Director Omar Auld and Executive Director David Staffieri, with Magnetic Air Cars board Executive Director William Bellou and CEO Jim Vye.