Startup To Build Electric Vehicles In Oregon

Tim Christie, AP Writer

EUGENE, Ore. (AP) -- Tucked away in a nondescript garage off an unpaved alley in Eugene's Whiteaker neighborhood, a group of young entrepreneurs is trying to catch the next wave of human transport by building an affordable, rechargable electric vehicle.

The company is called Arcimoto, and it will unveil a prototype of its first vehicle, the Pulse, on Wednesday at Pioneer Square in downtown Portland.

If all goes to plan, customers will be lining up to post $500 deposits on the first Pulses, which are set to roll off the production line about this time next year, said Erik Stafl, Arcimoto's 23-year-old CEO.

With the prototype in place, the company hopes to secure up to $10 million in investor funding, open the production facility somewhere in the Eugene-Springfield area, and employ 30 to 40 employees to build about 200 to 300 vehicles in the first year, Stafl said.

"We think this is a great place to be," he said.

The Pulse is a three-wheeled, two-seat, fully enclosed electric vehicle, powered by a 62-horsepower electric motor and energized by eight 12-volt lead-acid batteries. It features a complete roll cage around the passenger compartment, and the final product will feature many of the amenities of modern cars, including power locks and windows, an MP3-capable stereo system, keyless entry, optional air-conditioning and, of course, cup holders.

The vehicle should be quick off the line, handle like a sports car and be fun to drive, with a top speed of about 55 mph, Stafl said. The range for a base model will be about 50 miles between charges, and the car can get fully recharged in six to eight hours by plugging it into a household outlet, he said.

The cost of running the vehicle should be 1 to 2 cents per mile, compared to 10 cents or more per mile to run a gas car, he said. Electric vehicles require little maintenance -- no oil changes, for instance -- and emit no polluting greenhouse gases.

"A lot of people will be interested in those benefits," he said. "A lot of people are interested in green technology. They want to save a lot of money on gas and save the environment at the same time."

Arcimoto is getting into the market at a time when the electric vehicle industry is starting to take off, and the startup company will face some stiff competition as it tries to win the hearts, minds and pocketbooks of green-minded consumers.

"It's going to be the Wild West for the next five to 10 years" in the electric vehicle industry, Stafl said.

Last month, the White House announced $2.4 billion in federal stimulus funds would go to businesses nationwide to develop electric vehicle technologies.

An Arizona company, Electric Transportation Engineering Corp., is planning to use Oregon cities along the Interstate 5 corridor, including Eugene, as a testing ground for a network of charging stations for electric vehicles.

There are dozens of other electronic vehicle -- or EV -- startups. The Web site Venturebeat.com tallied no fewer that 30 last year. In addition, many of the big automobile players are developing their own offerings. General Motors, Chrysler, Nissan and Ford all plan to introduce battery-powered electric vehicles next year.

"Unlike when hybrids first came to the U.S., when we had one or two manufacturers and then others came on board, pretty much everyone is working on this now," said Jennifer Watts, spokeswoman for the Electric Drive Transportation Association, a Washington, D.C., trade group. "It's a race to the market."

Oregon is among the five markets where Nissan plans to sell its first electric vehicle, called the Leaf. Nissan has said it plans to sell the Leaf at a price competitive with the Toyota Prius, the popular gas-electric hybrid vehicle, which has a starting list price of $22,000. The new Honda Insight, another gas-electric hybrid, has a starting list price of $19,800.

Persuading consumers to buy a vehicle from an obscure startup company may be a tough sell, but Stafl said he thinks Arcimoto can carve out a niche in the EV market. For instance, the company won't try to compete with Tesla Motors, the California startup whose first model is a high-performance sports car energized by lithium-ion batteries and carries a price tag of more than $100,000.

Arcimoto hasn't yet set a price for the Pulse, but plans to list it for less than $20,000, making it an affordable option for people looking for a clean, low-maintenance commuter car, he said.

Arcimoto will market the Pulse as a vehicle for people who live in urban areas and who spend a lot of time commuting or driving around town, rather than a vehicle intended to replace the family sedan or SUV.

"It's not a vehicle you'd take on a ski trip," he said.

The Pulse also should be attractive to businesses as a delivery vehicle, Stafl said.

Arcimoto was founded in 2007 by Mark Frohnmayer, son of former University of Oregon President Dave Frohnmayer and one of the founders of GarageGames, a company that develops tools for game makers.

Last year, Frohnmayer hired Stafl, who holds degrees in electrical engineering and computer science from the Massachusetts Institute of Technology, to run the company.

Frohnmayer has invested just over $1 million to date in the company, Stafl said, and the company plans to seek $7.5 million to $10 million in financing from venture capital firms so that it can start a production line, Stafl said.

Stafl and a crew of 13, including three refugees from the RV manufacturing industry, have been working feverishly to get the prototype, a blue vehicle with a sunroof, completed in time for Wednesday's launch.

The company's current headquarters -- a garage off Blair Boulevard with offices in the back -- is a hive of activity as techs work to finish the vehicle's interior in time for the launch.

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