

# Planned Elk Grove parks fee stuns

MIKE MCCARTHY / STAFF WRITER

The city of Elk Grove has stunned the developers of the 7,767-home Laguna Ridge project by proposing a fee of nearly \$15,700 per home to build the project's parks.

That's far higher than any other municipal fee for park construction in the Sacramento region, and it's almost 390 percent more than the \$3,214 fee the builders expected for the project when Laguna Ridge was approved in 2004.

While observers in the building indus-

try complain that the city wants to build "gold-plated parks," Laguna Ridge's builders are negotiating with the city for relief and expect to settle the matter soon.

"We hope to find a number that can work for both of us," said Mike Winn, president of land planning for Reynen & Bardis, the project's land developer and one of a dozen builders facing the fee hike.

Just last year, Elk Grove approved setting its parks fee for Laguna Ridge at \$10,700. The city's recent proposal was for \$15,637. That fee, if assessed for each

house planned in the area, would give the city more than \$100 million.

**'Those fees are absolutely outrageous.'**

**Battling over parks:**

Elk Grove spokeswoman Michelle Smira said the developers knew what was in the parks plan, and that the proposed fee was the result of analyzing the cost of that plan.

**Donna Hansen**  
general manager,  
Elk Grove Community  
Services District

CURRENTS

Larry Bawden, president and CEO of Jadoo Power Systems, holds a fuel cartridge that can be used to power portable electronic equipment

DENNIS MCCOY /  
SACRAMENTO BUSINESS  
JOURNAL



## Fuel-cell maker says cheaper units will juice sales

CELIA LAMB / STAFF WRITER

The price of hydrogen power is about to get a lot lower, and Jadoo Power Systems Inc. sees that as a recipe for growth.

By the end of next month the Folsom-based company plans to start selling a new long-life fuel-cell package for powering portable electronic equipment for \$2,000. Jadoo hopes the new package will boost sales revenue 250 percent this year.

The new system offers one-third more power for about 60 percent of the

price. Jadoo sees the cheaper systems as a tool to crack open the market for fuel-cell use in office equipment, police walkie-talkies, heat sensors used by firefighters and maybe even ham radios.

Jadoo started selling fuel-cell packages for video cameras and military surveillance equipment two years ago at \$3,500 each. On Feb. 9 the company said it had licensed hydrogen battery technology from Millennium Cell Inc. (Nasdaq: MCEL) of Eatontown, N.J. Millennium's technology made it possible for Jadoo to lower the price point for

its fuel-cell systems, said Larry Bawden, Jadoo's president and chief executive officer.

Customers will be able to buy the system — a disposable hydrogen battery, hydrogen refill station and fuel cell — through Jadoo's Web site.

**More power, less weight:** Fuel cells produce electricity by combining hydrogen and oxygen to make water. They hold more energy than similar-sized batteries, can be stored for long periods

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# JADOO: New system concentrates hydrogen more densely

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without losing charge and can keep producing power as long as hydrogen is supplied.

Jadoo developed a hydrogen-storage system that used a metal compound. Each canister held enough power to run a camera for about four to six hours.

Millennium's systems pack a cheaper compound, sodium borohydride, into a cartridge about the same size as a video camera battery. When the hydrogen is gone, all that's left in the container is borax, which is an ingredient in detergents. It's kind of like the residue left in a bottle after children finish blowing soap bubbles, Bawden said. People could refill the cartridges, but it's more likely they'll throw them out like disposable batteries, he added.

The new system concentrates hydrogen more densely, producing five times more energy than Jadoo's old system

from one-eighth the weight, Bawden said; an explorer going on a safari could easily take 10 cartridges with him, and he wouldn't have to leave the bush for 10 months.

Jadoo plans to follow the Web-site launch by presenting the new technology at the National Association of Broadcasters' annual conference in Las Vegas in April.

Jadoo was wise to focus initially on video cameras and military surveillance equipment, because fuel cells are well-suited for those uses, said Jeff Shepard, president of Darnell Group, an electronics market research firm in Corona. Fuel cells might give only 15 percent more power than batteries, but "if you're making a living taking video, that 15 percent can be critical."

Although Jadoo has a good technology and launched its products sooner than its competitors, the marketing strategy has

given the company its competitive edge, Shepard said.

"They're very creative in their approach to the market," he said. "It's not the best technology, it's the best approach to the market that's going to win the game."

**The broader market:** Jadoo's closest competitor, Protonex Technology Corp. of Southborough, Mass., signed its own license with Millennium four days after Jadoo. That deal gives Protonex rights to market the hydrogen batteries for medical and industrial equipment.

Mike Lyon, owner of Lyon Real Estate, got an early sample of the new Jadoo system. He said he's sold. Lyon uses it to power video equipment during training sessions for real estate agents.

Jadoo's technology has made the electrical outlets in Bawden's office obsolete. Fuel cells run his computers and charge

his mobile phone.

Fuel cells might be great for running military computers or hospital defibrillators, but they're still too expensive for the average consumer to plug into his laptop, Shepard said. There's probably a market for tens of thousands of the fuel cells at \$2,000 each, but a bigger price break yields huge returns, he said. "It's still a fairly small universe. To get to the millions you've got to get the price down by at least another decimal point" — that is, in the neighborhood of a few hundred dollars.

Jadoo employs 32 people and expects to grow to about 50 by the end of this year. The company outsources about 80 percent of its manufacturing, keeping assembly and product testing in Folsom.

Bawden would not disclose Jadoo's annual revenue. He said the venture capital-backed company could reach profitability by 2008.