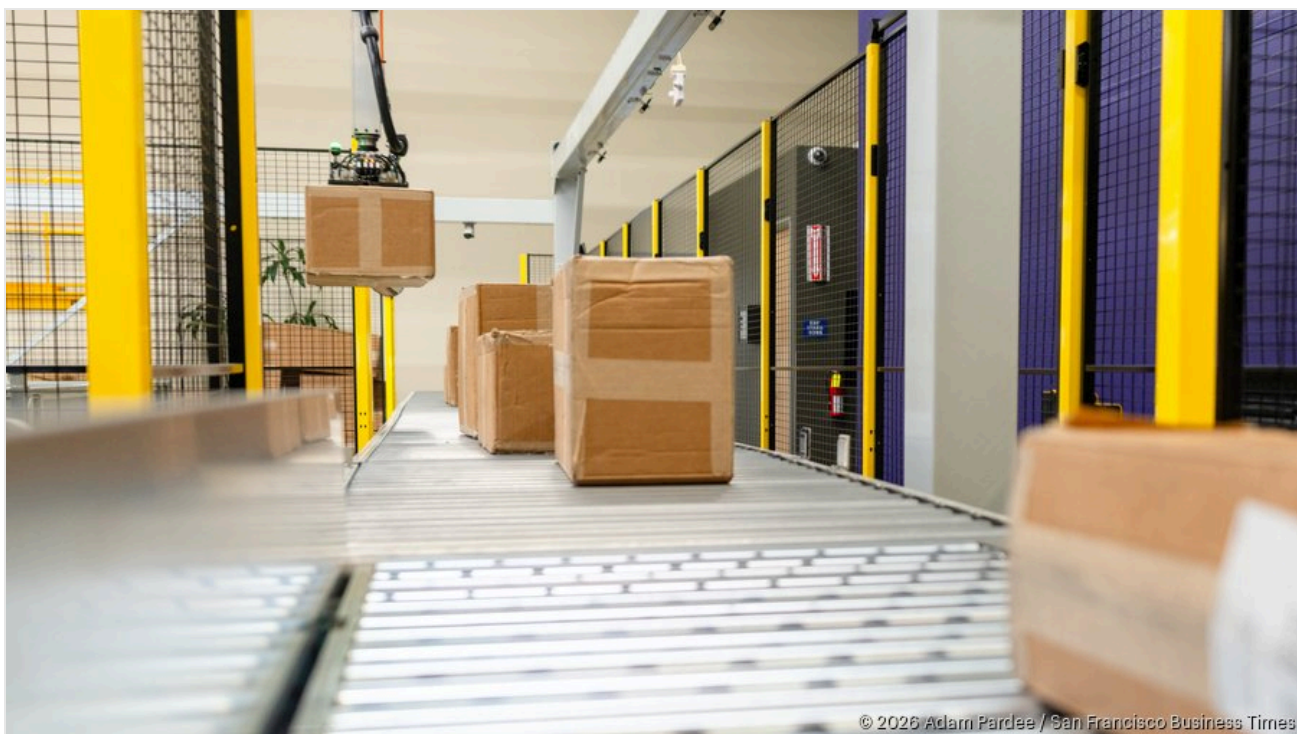

EAST BAY BUSINESS NEWS

Technology

The East Bay hunts for its own AI startup boom with plenty of space to offer



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The Ambi Robotics Stack robot is an example of "physical AI."

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See Correction/Clarification at the end of this article.

Story Highlights

- Ambi Robotics deployed 100 robotic arm systems to logistics companies like Amazon and UPS.
- Berkeley's innovation company count dropped from 400 in 2024 to around 370 in 2025.
- OpenAI leased a 202,000-square-foot space in Richmond for potential robotics manufacturing.

Less fog, more space and a seemingly endless pipeline of talent from a world-class university: Shouldn't that be enough for the I-80 corridor to tap into the AI money gusher?

The pieces are there, but in practice, cities from Emeryville to Richmond have only seen glimmers of investments from big-name players in the tech boom unfolding in San Francisco and Silicon Valley or a thriving startup ecosystem. Some believers in the inner East Bay's potential are trying to change that.

In an unassuming flex space on Fifth Street alongside a trendy West Berkeley shopping district, a small company has already found a way to make AI work in the East Bay. Ambi Robotics is betting on what it calls "physical AI" – applications of the technology for real-world purposes, combining robotics, machine-learning software and elements of the generative AI that has propelled startups in San Francisco to near-trillion-dollar valuations.

"In Berkeley, you have talent, you have geography, you have weather – you have all of these things coming together that can make for an incredible hub especially for physical AI," said Jim Liefer, Ambi's CEO. "More importantly, you have this big, ample space where you could bring in hardware, attract software talent and have it all under one roof."

Room to grow

Ambi was founded as a spinout of UC Berkeley's AutoLab run by Professor Ken Goldberg. Goldberg co-founded the company in 2018 alongside postdoc researchers Stephen McKinley, Jeff Mahler, David Gealy and Matt Matl, after they made progress developing software to allow robotic arms to better grasp objects. Liefer joined later, bringing his experience running logistics networks at Walmart and founding robotics startups.



The Ambi Robotics Sort robot places packages into bins at the Ambi Robotics offices in Berkeley, Calif. on May 26, 2026.

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The company's first product is a robotic arm system that can identify and sort packages. It's deployed 100 of them across the country to logistics concerns like Amazon and UPS. The company took over the 34,000-square-foot space it now occupies from Annie's Homegrown, which had been acquired by General Mills and moved downtown. Ambi kept the former tenant's organic vegetable garden, but remodeled the consumer packaged goods company's office space to serve the needs of manufacturing and robotics R&D. A roll-down doorway and truck access for loading and unloading machine parts were amenities that proved difficult to find in San Francisco, Liefer says.

Ambi has become a de facto ambassador for the city's budding robotics and hardware industry. McKinley, the startup's chief operating officer, recently participated in a panel at the recently built-out Berkeley Commons campus, urging the audience of investors and aspiring founders to keep innovation in Berkeley and take advantage of the city's abundant flex space.

"I am grateful that we've become a bit of a figurehead for robotics here in Berkeley, but I don't think that we should be the only ones," McKinley said.

Berkeley Commons itself has recently become part of the city's AI aspirations. The gleaming Class A office campus was constructed with the biotech industry in mind, but because of a downturn in drug development, it sat mostly empty since coming online in 2023. JLL, the broker for the site, previously told the Business Times that it is looking to market the 500,000 square foot space to AI and robotics companies, pitching its power capabilities and large floor plates as ideal for light manufacturing and R&D.



Ambi Robotics CEO Jim Liefer poses for a photo in front of their Ambi Sort robot in Berkeley, Calif. on May 26, 2026.

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Berkeley's ability to capture a piece of the massive wave of AI funding remains largely hypothetical. The number of startups in the city has remained relatively flat since 2019. The city's own count of innovation companies found their number dropping from 400 in 2024 to around 370 in 2025 after peaking in 2022 during an upturn for venture capital.

Moving up or moving out?

There's certainly ongoing activity in the city's innovation economy: Azalea Robotics recently leased 12,000 square feet in West Berkeley, adding to the pool of about 40 AI or robotics startups in the city. But the case for momentum is thin. Some promising AI players that have spun out of UC Berkeley like Arena AI have relocated to San Francisco to be closer to the heart of the action.



Image: Nicholas Lea bruno

Berkeley SkyDeck Executive Director Caroline Winnett speaks during the accelerator's Demo Day.
NICHOLAS LEA BRUNO

Available funding has also become tighter as much of the available capital is being concentrated into larger deals, said Caroline Winnett, executive director at Berkeley SkyDeck, an startup accelerator run in coordination with UC Berkeley that invests \$210,000 apiece in funding to about 40 startups a year, many of which are based in Berkeley.

"It always feels like you're riding a bucking bronco when you work in the startup industry, but now I feel like the bronco just took a giant hit of speed while doing somersaults at the same time," Winnett said. "It's like [OpenAI](#) and Anthropic are these two massive black holes that are sucking everything into it."



Elizabeth Redman Cleveland is the chief strategist for sustainable growth at the city of Berkeley.

ELIZABETH REDMAN CLEVELAND

According to Elizabeth Redman Cleveland, Berkeley's chief strategist for sustainable growth, 88 Berkeley startups raised more than 1.5 billion in 2025, higher than in 2024, but over half went into three large deals by Rigetti Computing, KoBold Metals and Terabase Energy. Smaller deals averaging \$6 million to \$7 million made up much of the remainder.

Given that, hope for a physical AI boom in the I-80 corridor involves hoping that some of those "black holes" spit some cash back out. OpenAI recently leased a 202,000-square-foot space in Richmond, the former headquarters of defunct battery startup Moxion Power. Speculation is that the AI giant plans to use it for robotics manufacturing.. Anthropic, which recently overtook OpenAI in its private-market valuation, has yet to spread outside San Francisco in the Bay Area.

A satellite campus by one of the major AI players could be just the thing to jumpstart the AI boom in Berkeley and the I-80 corridor, and the region certainly has the space for it.



Ambi Robotics CTO and co-founder Jeff Mahler and COO and co-founder Stephen McKinley are the kind of entrepreneurs Berkeley wants to keep close to home.

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"There's no reason why Berkeley wouldn't be attractive to those companies," Redman Cleveland said. "It's just about building that critical mass and making people see Berkeley as a potential destination for that industry, because they don't realize there's a lot more potential in the Bay Area than just the city of San Francisco itself."

Correction/Clarification

An earlier version of this story referred incorrectly to two Berkeley startups. They are KoBold Metals and Terabase Energy.