



**DATE:** May 5, 2020

**CATEGORY:** Consent

**DEPT.:** Community Development

**TITLE:** **Continuation of the Personal Delivery Device Pilot Program**

### **RECOMMENDATION**

Approve continuation of the Personal Delivery Device Pilot Program for a period of nine months.

### **BACKGROUND**

On February 27, 2018, the City Council discussed and approved the creation of a Personal Delivery Device Pilot Program (Pilot Program) for delivery of goods in Mountain View and use of the public right-of-way (sidewalks and crosswalks). Personal delivery devices (PDDs) are autonomous robots powered by an electric motor and designed to deliver goods to customers, typically via public rights-of-way. PDDs use several cameras and lidar sensors to navigate pedestrians and sidewalks, including crossing streets on their delivery runs and stopping at driveways and crosswalks.

This item was originally brought to Council in 2018 because the City had been approached by PDD companies to operate within the City's boundaries. Staff believed that PDDs could provide a unique opportunity to support Mountain View's existing businesses and that working with PDD start-ups could facilitate economic development and emerging technologies. However, the City did not have policies to regulate the use of PDDs on the public right-of-way at that time.

At the February 27, 2018 meeting, Council approved the Pilot Program and directed staff to work with interested PDD companies in supporting Mountain View businesses with the following provisions and as summarized in Attachment 1:

- Citywide program;
- Nine month Pilot Program;

- No more than three PDD businesses allowed to participate in the Pilot Program;
- No more than 10 units deployed throughout the City at any one time on the public right-of-way; and
- Operational and insurance requirements, as well as a City approval process, were developed to support the PDD Pilot Program.

Based on Council direction, staff went back to the interested companies to implement the Pilot Program, but, ultimately, the initial set of companies were not yet ready to participate.

In January 2019, Google expressed interest in participating in the PDD Pilot Program with slightly different parameters, partnering with the Mountain View Public Library to operate a “Book Bot” PDD. The delivery service allowed residents in the greater downtown area to return books and other Library materials to the Mountain View Public Library from their home during set hours. The service area was bounded by West Evelyn Avenue to the north, Calderon Avenue to the west, El Camino Real to the south, and Shoreline Boulevard to the east. Staff supported the partnership as an opportunity to facilitate the development of emerging technologies. Google ran the program for three months from March 2019 through June 2019, during which time there were no issues with the PDDs. Since that time, the PDD Pilot Program has been paused due to lack of interest from other PDD companies.

## ANALYSIS

On March 17, 2020, Council proclaimed a local emergency in response to the COVID-19 global pandemic. Since then, the County of Santa Clara shelter-in-place order has greatly reduced businesses’ ability to maintain regular operations, impacting revenues and staffing. Some businesses have had to temporarily close, and those that have stayed open have significantly changed their operations, leading to reduced employment and customer access.

At the same March 2020 meeting, Council directed staff to implement a multi-pronged program to support small businesses impacted by COVID-19. Staff has been exploring and implementing a variety of strategies. One item that has emerged is continuing the PDD Pilot Program to support essential businesses by expanding delivery services and enabling the public to continue to safely shelter-in-place. In April 2020, staff received interest from Starship Technology (Starship) to support essential businesses.

Starship was one of the initial start-ups in 2018 that expressed interest in the City's PDD Pilot Program. Ultimately, Starship chose to focus on a partnership with Intuit at their North Bayshore campus, which is private property without public rights-of-way. Consequently, the operation of PDDs in this location did not fall under the City's PDD Pilot Program. The partnership with Intuit has allowed Starship to further develop its PDD technology, making it more capable of navigating the public rights-of-way. Starship continues to work with Intuit but currently has capacity to redeploy its PDDs to help support Mountain View small businesses. Starship has identified and developed agreements to work with five downtown businesses (Ava's Market, Umai Sushi, Vitality Bowl, Doppio Zero, and St. Stephens Green), which are currently open as permitted through the County's shelter-in-place order. These businesses will use Starship PDDs to deliver goods to customers within the greater downtown area. Any additional downtown businesses interested in participating may be considered as long as Starship follows the Pilot Program provisions.

Starship is following the same greater downtown boundaries as used during the Google partnership (West Evelyn Avenue to the north, Calderon Avenue to the west, El Camino Real to the south, and Shoreline Boulevard to the east). To request the Starship PDD delivery service, customers within this area will use Starship's mobile application to place and receive orders from the participating businesses. Once the PDD arrives at its destination, the customer uses the mobile application to unlock the lid of the PDD and retrieves their goods. Staff will work with Starship to develop sanitary guidelines to ensure the PDDs and delivery process maintain a healthy operation.

To provide immediate support to the businesses, support residents with the shelter-in-place restrictions, and gain experience consistent with the intent of the PDD Pilot Program, staff reinstated the PDD Pilot Program and moved forward with an agreement between Starship and the City under the City Manager's authority as the Director of Emergency Services during the local declaration of emergency. At this time, staff seeks formal Council approval of the continuation of the PDD Pilot Program.

The partnership between Starship and the City aligns with Council's direction in 2018 to implement a PDD Pilot Program as well as Council's direction in March 2020 to support small businesses during the COVID-19 pandemic. Staff recommends keeping the same parameters as outlined when Council approved the program in February 2018. The Pilot Program will continue to operate for the next nine months, and continuation of the Pilot Program will be posted on the City's website and social media channels. At the conclusion of the nine-month pilot period, staff will evaluate the program and recommend to Council whether it should be continued, expanded, or terminated. Evaluation of the Pilot Program will include considerations of how to support small businesses when the shelter-in-place order is lifted.

## **FISCAL IMPACT**

There is no fiscal impact to the City except for revenue resulting from minimal fees collected through permits and business licenses. The success of this pilot program could have a positive fiscal impact on the City by increasing potential sales tax revenue from businesses that have been able to expand their delivery service through use of PDDs.

## **ALTERNATIVES**

1. Authorize continuation of the PDD Pilot Program but modify the parameters of the Pilot Program, such as PDD deployment location(s), number of PDDs deployed overall, and/or the duration of the Pilot.
2. Do not authorize continuation of the PDD Pilot Program.
3. Provide other direction.

## **PUBLIC NOTICING**

Agenda posting. A copy of the report was sent to the Bicycle/Pedestrian Advisory Committee, Downtown Committee, Central Business Association, and Chamber of Commerce.

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Attachment: 1. Personal Delivery Device Pilot Program—City Council Report, February 27, 2018