

DATE: March 27, 2025

TO:Latisha Johnson, Councilmember Detroit City Council - District 4FROM:Robert Cramer, CEO, Detroit Transportation Corporation

#### SUBJECT: Budget Questions for the Detroit Transportation Corporation

#### Greetings:

Please see the responses to questions regarding the budget for the Detroit Transportation Corporation.

- 1. Last year, the Detroit Transportation Corporation stated it was in the process of purchasing rail cars from the Toronto transit system.
  - a. What is the status of this project?

The DTC Board approved purchase of twelve (12) rail vehicles from the Toronto Transit Commission and subsequently approved an offer for four (4) additional vehicles, totaling sixteen (16) which are stored for service at a Pennsylvania facility. Two cars are being retrofitted, and following testing, DTC will move forward with additional rail car pairs until the project is completed.

b. How has this purchase increased the efficiency and quality of the People Mover?

The spare parts and specialized equipment have already aided in supporting maintenance and repairs to the system and rail cars. When the rail cars have been completed and incorporated into the system, they will provide additional years of reliable service beyond the current fleet.

- 2. Are there plans to expand the People Mover routes and include additional stops?
  - a. Have you considered performing a study to determine the efficacy and need for an expansion and would you require additional funding to do so? DTC has secured \$800,000 from MDOT to conduct a System Plan that will evaluate possible projects, and their impacts and benefits for the City, including adding/moving stops, expanding the track area, or other improvements. The Plan will not result in one single project nor a final funding approval but will provide projects and possible funding solutions. DTC Board approved AECOM through an RFP process, and the contract is awaiting final MDOT approval before a projected study start time of April 2025.

b. What economic impact would a People Mover expansion have?

The System Plan will focus on quantifying the economic impacts of the various potential projects evaluated.

# 3. The People Mover has been providing free rides since 2024 due to a sponsorship from Priority Waste. Is there a proposed end date for this free service, and if so, what is the plan to ensure that the People Mover remains affordable and accessible?

The current program has been extended by the DTC Board of Directors through at least the end of CY 2025 and will consider the future of the fare program in July 2025. Due to the fact that resuming fare collection with modern payment would require a \$5,000,000 capital investment (which would be at least a five-year break-even on fare revenue), the logistics and cost of resuming fares is much more challenging than keeping fares free. We will continue to work with Priority or other partners in the future based on interest and value for those sponsors.

# 4. Who utilizes the People Mover today? Is it used primarily by residents, downtown employees, or visitors?

Overall, riders are a mix between locals and visitors. The People Mover completed its customer satisfaction survey last summer, with 37.6 percent of participation by Detroiters, including 29 percent of city residents living outside of downtown. In addition to the data below, the document summarizing the survey results is attached.

	Percent of Respondents	
Race/Ethnicity	2018	2024
Black / African American	18%	39%
White / Caucasian	62%	36%
Hispanic / Latino	3%	8%
Asian	6%	8%
Prefer not to answer	10%	3%
Middle Eastern / North African	1%	2%
Other	2%	2%
Native American / Alaska Native	1%	2%
Native Hawaiian / Pacific Islander	0%	1%
Multiple Responses allowed totals to >100%		

Carly Code 402207         Code 402207           Number of Respondents         72         244         596           Work         44%         36%         22%           Eating Out / Restaurant         43%         32%         24%           Travel / Tourism / Sight-seeing         4%         9%         13%           Shopping         13%         9%         6%           Concert / Entertainment         14%         8%         8%           Sporting event         6%         5%         6%           Live Here / Visiting Family         4%         2%         23%	what is your primary purpose for being downtown and traveling today?				
Work         44%         36%         22%           Eating Out / Restaurant         43%         32%         24%           Travel / Tourism / Sight-seeing         4%         9%         13%           Shopping         13%         9%         6%           Concert / Entertainment         14%         8%         8%           Sporting event         8%         6%         9%           Casino         6%         5%         6%           Live Here / Visiting Family         4%         4%         2%           Convention         4%         2%         23%		Downtown Resident (Zip Code 48226)	Detroit Resident	Non-Detroit Resident	
Failing Out / Restaurant         43%         32%         24%           Travel / Tourism / Sight-seeing         4%         9%         13%           Shopping         13%         9%         6%           Concert / Entertainment         14%         8%         8%           Sporting event         8%         6%         9%           Casino         6%         5%         6%           Live Here / Visiting Family         4%         4%         2%           Convention         4%         2%         23%	Number of Respondents	72	244	596	
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Convention 4% 2% 23%	Casino	6%	5%	6%	
	Live Here / Visiting Family	4%	4%	2%	
School / Church 0% 1% 1%	Convention	4%	2%	23%	
	School / Church		1%	1%	

What is your primary purpose for being downtown and traveling today?

Engagement is a key initiative for the People Mover, and we are actively continuing to pursue avenues throughout the community and into the neighborhoods.

In 2024 we hosted several community activities, including a Deserving of Flowers Mother's Day weekend event; Raid Trains with local DJs spinning at the stations; BorderCulture art show featuring Detroit and Windsor undiscovered talents; District 6 Coffee Talk and participation in their annual celebration.

The People Mover added six new murals to its art collection – five with City Walls – and we were only one of five nationwide locations to secure a Waleed Johnson mural commissioned by NASA Lifelines, installed near the Rosa Parks Transit Center.

One important way we're connecting is supporting local non-profit, education and community organizations by offering available station spaces to highlight and feature their activities, including the Detroit Boys Mentoring Club, ACE, College of Creative Studies Black Student Union and Music Hall.

We're ready to continue these efforts and to work with and support all of the districts in FY2026.

#### 5. In 2023, the Office of the Auditor General conducted an audit on the Transportation Corporation and provided a list of recommendations. Did the Transportation Corporation implement any of these changes? Which recommendations did not get implemented and why?

Several recommendations have been implemented by DTC that were recommended by the Office of the Auditor General in 2023, including multiple forms, a fully staffed Finance department, updated accounts payable and reconciliation policies/procedures, formal and informal staff training and improved internal controls. Some policy and procedure updates continuously occur to best fit current departmental structure.

Thank you.

Cc: Douglas Ortiz, <u>douglas.ortiz@detroitmi.gov</u> Michael Woods, <u>Michael.Woods@detroitmi.gov</u> Andrea Taverna, <u>Andrea.Taverna@detroitmi.gov</u> Donnie Johnson, <u>Donnie.Johnson@detroitmi.gov</u> Mary Grate, <u>Mary.Grate@detroitmi.gov</u> Janice Butler, <u>butlerj@detroitmi.gov</u>



# DETROIT TRANSPORTATION CORPORATION 2024 PEOPLE MOVER CUSTOMER SURVEY SUMMARY

### **OVERVIEW**

To better understand who is currently riding the Detroit People Mover (DPM) and what can be done to maintain and build on recent success, the project team distributed an on-board intercept survey to customers and an online survey to riders and non-riders across Metro Detroit. In summer 2024, the team collected **840 on-board surveys** and **398 online surveys**.

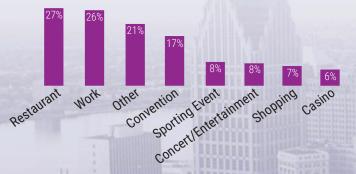
#### CUSTOMER SATISFACTION INSIGHTS

- >> Most respondents rate their overall experience with the DPM as excellent.
- >> Customer Satisfaction is up from 2018. The 71% excellent rating seen on the 2024 on-board survey is <u>18 percentage points</u> higher than the 2018 on-board survey.
- >> Most respondents said they were more likely to ride the DPM now that it is free, and 15% of on-board respondents were only riding because it is free.

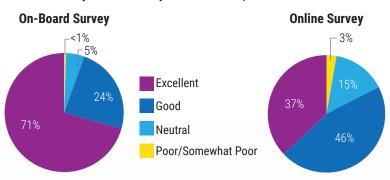
## TRIP PURPOSE

Compared with 2018, 2024 respondents were less likely to be riding for work and more likely to be riding for sporting events.

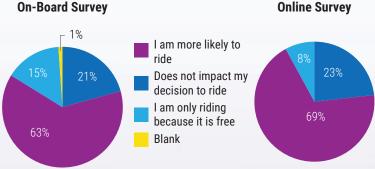
The most common reasons for being downtown were going to a restaurant or to work.



#### How would you describe your overall experience with the DPM?



# As of January 2024, the DPM is free. How does this impact your decision to ride?



>> Almost half of on-board survey respondents were riding just for fun or riding to see the city.

What is the primary purpose of this trip on the DPM?



