



## Detroit Department of Transportation

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**To:** David Whitaker, Director, Legislative Policy Division

**From:** C. Mikel Oglesby, Executive Director of Transit, Department of Transportation

**Date:** April 4, 2023

**Re:** Responses to 2023-2024 Budget Analysis

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Please find below responses to your questions sent on **March 17, 2023**, regarding the proposed Fiscal Year 2024 Proposed Budget for the **Department of Transportation**.

- 1) Please briefly explain the department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2024. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2024.**

New expense initiatives include 1) in-house paratransit support in Appropriation 27200 Rider Services, Cost Center 200310 DDOT ADA Transportation, 2) increased costs for automotive supply inflation in Appropriation 27200 Rider Services, 200290 DDOT Materials Management, 3) increased costs for insurance (Appropriation 27200 Rider Services, Cost Center 200170 DDOT Building Maintenance, and 4) safety equipment purchases (Appropriation 27200 Rider Services, Cost Center 200290 DDOT Materials Management) and safety training and compliance activities (Appropriation 29200 DDOT Administration, Cost Center 200230 DDOT Risk Management).

The only capital funding initiative in the FY 24 Proposed Budget is \$2.5 million for repairs and maintenance of buildings in Appropriation 27200 Rider Services, Cost Center 200170 DDOT Building Maintenance. Operational reforms are currently being considered in DDOT Reimagined. Savings proposals include the recalculation of Central Staff Services (Appropriation 29200 DDOT Administration, Cost Center 200090 DDOT Finance), the recalculation of the Human Resources budget now included in the Central Staff Services Cost Center 200090 (Appropriation 29200 DDOT Administration, Cost Center 200140 DDOT Human Resources), and turnover savings for Transportation Equipment Operators (TEOs) (Appropriation 27200 Rider Services, Cost Center 200300 DDOT Vehicle Operation) and General Auto Mechanics (Appropriation 27200 Rider Services, Cost Center 200280 DDOT Vehicle Maintenance).

- 2) On page B20-2, Under Goals, Strategic Priorities and Related City Outcomes, goal#1- Please describe and provide an update on the DDOT Reimagined project and (goal#6) the ARPA Replacement project. What initiatives were implemented to date and what remain outstanding for completion in FY 2024? Is there funding in the proposed budget for outstanding initiatives?**

Goal 1 – The draft plan for DDOT Reimagined was completed on February 1<sup>st</sup>, 2023, after community input meetings, pop-up events throughout our service area, and workshops with DDOT employees and advocacy groups. We are currently on track to share the draft



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plan with the public and stakeholders in the first half of 2023. Our goal is to finalize and approve the plan by quarter one of FY 2024, with implementation to begin in the second quarter of FY 2024.

Goal 6 – ARPA replacement projects have been included in the DDOT Reimagined initiative. We are currently cooperating with DPW on the initial ARPA project implementation as part of DPW SS4A and other streetscape initiatives (e.g., Connecting Corners/Hubs and Bus Shelters). Additionally, we are in the process of implementing air purification systems onboard the buses to address passenger safety and comfort concerns. To improve on-the-bus safety we are currently going through the procurement process to select a vendor to provide security camera services on our buses. As part of DDOT Reimagined we are conducting a low-income fare study. Our work at Rosa Parks will concentrate on maintaining and repairing the canopy to improve safety, as well as investing in energy efficiency options to improve climate control. Finally, our Incentives for Bus Drivers is gaining traction, with better Operator attendance resulting in higher Operator pay being a win-win situation for DDOT.

- a) **Briefly explain how DDOT restructuring of operations will improve service delivery. Why was DDOT Building Maintenance (200170), DDOT Vehicle Maintenance (200280), and DDOT Materials Management (200290) transferred in FY 2024 from appropriation (29200) DDOT Admin. to Rider Services (27200)?**

The above cost centers were reclassified to an Operational appropriation versus an Administrative Services appropriation. This reclassification was done to properly reflect critical functions that are executed to deliver Ridership services to the citizens of Detroit.

- b) **Where was the activity previously shown in the DDOT Human Resources (200140) transferred?**

In FY 2023, the Human Resources budget was shown in Appropriation 29200 DDOT Administration, Cost Center 200140 DDOT Human Resources. In FY24, the Human Resources budget is recalculated and now included in Central Staff Services Cost Center 200090.

- c) **Briefly describe the activities recorded under the DDOT Legacy Liabilities, appropriation 29203.**

The following activities are included in appropriation 29203 DDOT Legacy Liabilities:

- i. Non-Actuarial Pension \$23,400,000
- ii. Interest on Bonded Debt \$1,197,341
- iii. Interest on Other Indebtedness \$655,056
- iv. Retirement of Debt Principal \$603,951

- 3) **The FY 2024 DDOT proposed budget include 977 positions, an increase of 17 positions from the 960 budgeted in FY 2023. Please explain how the position increases in appropriation 27200 will advance the mission of the department and**



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**improve customer service. Is there turnover savings included in the FY 2024 budget; if so, which positions are impacted?**

The FY24 budget includes approximately \$6.3M in vacancy savings primarily related to Vehicle Operation – Cost Center 200300. The increase of 17 positions is primarily driven by the 32 newly created positions to bring Paratransit Operations in-house, of those 32 positions, 15 are customer service representatives. There are turnover savings of \$5.2M for the vacancy rate of Transportation Equipment Operators.

- 4) **Please provide the actual number of full-time employees as of February 28, 2023. According to the Office of the Chief Financial Officer (OCFO), as of December 31, 2022, the department had 255 vacancies. As of February 10, 2023, the department had 204 vacancies. Has the overall vacancy rate increased/decreased over the last two years?**

As of February 28, 2023, DDOT has 743 full time employees. DDOT has continued to aggressively hire full-time employees over the last two years.

**Please briefly explain the difficulties in recruiting certain positions, such as bus drivers, mechanics, executive level positions, etc.**

Recruitment has not identified specific difficulties recruiting, but more of a retention issue in the overall workforce. DDOT exit data shows that employees primarily depart based on attendance issues and increased wages with other transportation organizations.

**What is the strategy for improving recruitment and retention of essential positions?**

In 2022, Recruitment used various methods to attract employees, including social media, print advertising, billboards, job fairs and engagement with several community partners such as Focus Hope and Detroit at Work. As a result of those efforts, there was a TEO training class hosted each month. As we approach the new fiscal year, our goal is to maintain our current outreach strategy, seek new community partnerships and identify new opportunities as they arise.

- 5) **The proposed budget and the forecast years through FY 2027 continue the number of Transit Equipment Operators (bus drivers) at 510 positions. Is this the optimum level of drivers needed to provide service that the citizens are demanding? Briefly describe the compensation issue for bus drivers and the department's plans to address this issue.**

Year 1 of DDOT Reimagined (FY 2024) implementation calls for 549 budgeted TEOs (this number includes active, inactive, and trainees). Year 2 of DDOT Reimagined (FY 2025) calls for an increase to 584 budgeted TEO positions. The total positions forecasted as part of DDOT Reimagined are optional for service demands, as part of the initiative.

Labor negotiations are ongoing with ATU regarding the TEO compensation package.

- 6) **How much is budgeted for Transit Police officers?**

There is \$4.7M budgeted for Transit police officers.



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### **How often do the officers ride the buses?**

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In 2022, Transit Police conducted 18,145 bus boardings.

### **How many officers are hired specifically for service at DDOT?**

There is a total of 16 people assigned specifically to DDOT (12 officers and 4 sergeants).

### **What has been the impact of Transit Police officers riding DDOT buses?**

We have seen a reduction in all crime categories due to strategic deployment of Transit Police's current resources. Licensing of the department and significant wage increases has dramatically increased the number of applicants interested in joining Transit Police.

### **7) Please provide an update on DDOT's Safety Plan required by the Federal Transit Administration (FTA).**

DDOT's Safety Plan was updated in 2022. The finalized plan was approved by the City Council on November 22<sup>nd</sup>, 2022, for submission to the FTA.

### **Does DDOT currently have a Chief Safety Officer?**

Currently, the Executive Director of Transportation is acting as interim Chief Safety Officer, while interviews are underway.

### **8) On page B20-5, please explain the year-over-year changes for the following:**

#### **a) Salaries & wages increases by \$5.5 million in FY 2024.**

This variance is primarily related to the following items below:

- i. \$10 million for fare revenue replacement in FY23 transferred to ARPA Grant. Fare replacement for DDOT is no longer covered by ARPA in the FY 24 Proposed Budget and has been transferred to General Fund.
- ii. \$6.3 million in FY24 related to vacancy savings.
- iii. \$1.3 million transferred from Contract Services to Salary & Wages for Paratransit/ADA in-house services.

#### **b) Employee benefits increases by \$25 million in FY 2024.**

This increase is primarily due to the addition of \$23.4 million in projected legacy pension contributions that resume in FY24 per the Plan of Adjustment. This represents the DDOT portion of the General Retirement System legacy pension contribution. It is entirely supported by an additional transfer from the General Fund, budgeted in the Debt Service & Legacy Pension section of the budget (Dept 18).

#### **c) Professional & contractual services decreases by \$900,000 in FY 2024**

This decrease is a result of reallocating professional contractual services budget to salary and wages to support bringing Paratransit in-house.



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**d) Operating supplies increases by \$800,000 in FY 2024.**

This variance is due to inflationary cost increase to operating commodities (e.g., coach tires, chemicals).

**e) Operating services decreases by \$2 million in FY 2024.**

This decrease is primarily related to a reduction in Central Staff Services.

**9) On page B20-6, please explain the year-over-year changes for the following:**

**a) Please provide revenue source for “Grants, Shared Taxes, & Revenues”. Why does the amount remain the same in FY 2024 and throughout the forecast years.**

This \$13.7 million represents an FTA preventive maintenance grant that is awarded to DDOT annually. This amount represents the projected award amount over the forecasted years.

**b) Assuming “Contributions & Transfers” revenue represents mainly the City’s general fund contribution to DDOT, please explain why this revenue increases by \$33.2 million in FY 2024.**

- i. Legacy pension annual contribution - \$23.4 million
- ii. Bond interest and principal - \$2.5 million
- iii. General Fund increase - \$8.5 million

The increase in contributions & transfers is revenue DDOT receives from the City’s General Fund to pay for legacy pension payments set to resume in FY 24 per the Plan of Adjustment as well as pay for DDOT’s debt service. Additionally, DDOT’s General Fund Contribution for operations was increased because of 1) ARPA fare replacement, 2) fare loss, 3) new additions for automotive supply inflation, insurance increases and safety purchases and training, and 4) to balance the overall fund.

**10) On page B20-9, Appropriation 27200- 200310- DDOT ADA Transportation Services. Please provide the status of the rebidding of the ADA Paratransit contract.**

The Office of Contracting and procurement received multiple proposals on Friday, March 17<sup>th</sup>, 2023. A five-person evaluation committee has been formed to review and score the technical and pricing proposals. It is our hope and expectation that interviews with prospective bidders will take place during the week of April 3<sup>rd</sup>, 2023.

**There is no change in the amount included in the Proposed FY 2024 budget for this activity [ADA Transportation Services] from the current budget: please explain why. Is the proposed FY 2024 budget sufficient to provide the services that the community is demanding?**

The \$14,568,585 assumes that the purchase of an “Paratransit Bus Operator Development Program (PBODP)” takes place in FY23. The DDOT Paratransit (PT) labor costs of nearly \$3M include the wages and benefits of for four (4) FTE Trainers/Service



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Monitors. DDOT-Paratransit trainers will provide supplemental instruction for the service provider drivers in the areas of disability awareness/sensitivity passenger assistance techniques, the service requirements of the ADA, and the requirements of the *Paratransit Riders Guide*.

- 11) On page B20-9, Appropriation 29201- 200040- DDOT Mobility Innovation. Please provide a brief description of the responsibilities/activities of this cost center; what are the priorities for FY 2024 and the forecast period.**

The Office of Mobility Innovation (OMI) exists to help the City of Detroit navigate the rapidly changing transportation and mobility industries. Transportation and mobility are essential for both people and businesses. The City of Detroit's automotive heritage provides an unparalleled opportunity to work with industry to innovate and define the future of transportation and mobility. OMI will lead this effort on behalf of the City and collaborate with industry, academia, philanthropy, and local, state and federal government.

OMI's major priorities for FY 2024 include leading the City of Detroit's strategy for fleet conversion to electric vehicles, strategy and implementation of publicly accessible EV charging infrastructure, securing state, federal, and philanthropic funding to support the City of Detroit's fleet conversion and public EV charging buildout, continued execution of the federally funded Detroit Automated Driving Systems (ADS) project piloting autonomous transportation solutions for the elderly and disabled, implementation and scaling of Detroit's Transportation Innovation Zone (TIZ) and ongoing efforts to make Detroit the global leader in innovative mobility and transportation solutions.

### **How will DDOT incorporate electric vehicles and other innovative technology into its fleet in the near future?**

DDOT will continue to build off the existing four (4) EV buses currently operating in revenue service and four (4) additional EV buses on order. DDOT will continue to apply and compete for federal funding opportunities to expand its EV bus fleet and the charging infrastructure required to support those vehicles. This endeavor is key to achieving the overall targets of the nation and more particularly the City of Detroit's target to reduce 2012 GHG production by 100 percent by 2050. This project will reduce GHG emissions by implementing a clean fuel source and zero-emission buses to aid DDOT's transition to a zero-emission fleet.

### **What organizations have DDOT partnered with to advance innovative technology into its operations?**

DDOT is working with numerous stakeholders to improve the quality of its services and benefits to its riders. For example, DDOT is currently transitioning to a new mobile ticketing service, operated by Token Transit, and is working with MoGo, the city's local bikeshare nonprofit, to integrate access to the MoGo bike network into the Token Transit app. This will allow riders to seamlessly access both DDOT and MoGo services from a single application and provide an overall enhanced transportation experience in the City of Detroit. DDOT is committed to working with its partners to continuously improve rider accessibility, experience, and overall DDOT operational efficiency. We are also working with MDOT on the Michigan Avenue project for the inductive charging lanes.



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Additionally, DDOT is in the early discussion with DTE to bring the unit energy consumption cost and reduce the EV bus capital expenses. The discussion includes an upgraded Procurement plan for electric buses that includes a cost effectiveness analysis of procuring electric buses and charging stations (upgrades) compared with diesel buses. Costs and benefits considered must include all DDOT costs and savings associated with procurement and operation, including electricity on an available rate schedule and annual diesel fuel costs, charging stations, maintenance, and planned replacements of batteries during the cost-recovery period.

- 12) On page B20- (9,10) Appropriation 29201- 200110- DDOT Customer Programs & Communications, the proposed FY 2024 budget increased by one FTE and \$110,991.**

This increase is based on Salary and Benefits for one FTE. The benefits increase is slightly higher based on hospitalization charges for this Cost Center.

**Is this increase enough to address on-going service complaints and complaints regarding poor communications? What is the optimum number of customer service staff needed to ensure high quality service?**

The customer service team is comprised of customer service representatives and complaint investigators. Customer service representatives answer customer complaints related to service issues, interprets the complaint and responds based on departmental rules and regulations. Complaint investigators evaluate, investigate, monitor and answer complaints following an established complaint handling process. Together both positions work together to ensure they are providing accurate information to customers and collaborate with other divisions to adequately investigate the complaints.

Currently the number of staff is satisfactory to the hours that we provide customer service, weekdays between the hours of 6:00am and 6:00pm.

- 13) On page B20-10, Appropriation 29202, CC 200160 DDOT Claims Fund (Insurance-Premium) – The proposed budget remains at \$12 million, the same amount for over a decade, whereas litigation and damage claims have greatly increase over the past five years. Please explain why no change to the proposed FY 2024 budget and the forecast years.**

The \$12 million is DDOT's contribution to the City's risk management fund.

- 14) On page B20- (9,10), Please explain the year-over-year changes in expenditures for the following:**

- a) Appropriation 27200, 200170 Building Maintenance increased from \$9.5M to \$10.3M (8.4%) in FY 2024.**

This variance is driven by an increase in the following:

- i) Insurance premium
- ii) Utility – electricity
- iii) 100 Mack employee parking



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- b) **Appropriation 27200, 200280 Vehicle Maintenance increased from \$13.3M to \$14.1M (6%) in FY 2024.-**

This variance is driven by an increase in FTEs (3) and the economic impact of Salary, Wages, and Benefits.

- c) **Appropriation 27200, 200290 Materials Management increased from \$6.7M to \$7.6M (13.4%) in FY 2024.**

See response to question 8d above.

- d) **Appropriation 27200, 200300 Vehicle Operation has a small increase from \$35.8M to \$36.4M (1.7%) in FY 2024, was an annual inflation adjustment included in proposed FY 2024 budget and the forecast years?**

The variance is driven by the following:

- i. \$10 million in ARPA fare replacement in FY 23 Adopted that is now covered by the General Fund in the FY 24 Proposed Budget
- ii. Increase in benefits – Employer Paid Medical and Sick & Accident

- e) **Appropriation 29200, 200010, DDOT Admin increased from \$3.0M to \$4.3M in FY 2024 (43.3%).**

This variance is driven by an increase of FTEs (2) vs. the FY23 approved budget, and the economic impact of Salary, Wages, and Benefits. The increase is also a result of realignment of funding for contracted Consulting Services for transportation planning services.

- f) **Appropriation 29200, 200090, DDOT Finance decreased from \$10.7M to \$8.8M in FY 2024 (-17.8%).**

This variance is driven by a budget reduction in Purchase Services – Central Staff Services.

- g) **Appropriation 29200, 200230, Risk Management increased from \$6.7M to \$7.0M in FY 2024 (4.5%).**

This variance is driven by an increase in FTEs (2) vs. the FY23 approved budget, and the economic impact of Salary, Wages, and Benefits. The increase is also the result of slight increase in Safety Training.

- h) **Appropriation 29201, 200011, Strategic Planning Division increased from \$1.7M to \$2.0M in FY 2024 (17.6%).**

This variance is driven by an increase in FTEs (3) versus the FY23 approved budget and the economic impact of Salary, Wages, and Benefits.

15) On page B20-11, please explain the Revenue year-over-year changes. Please address the following:

- a) Please provide data on DDOT's Farebox revenues; what are the collections year-to-date?





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YTD Farebox revenue as of Feb 23, 2023 is \$5M.

### How do current ridership figures compare with last year?

Ridership in FY 2022 was 9,426,451 compared to FY 2021 ridership of 8,466,126. That is a year-over-year increase of 960,325. The average month-over-month increase has been about 3,100 boardings from January 2021 through January 2023. At that (constant linear) rate, it would take over 25 years to return to pre-pandemic ridership levels. Sustained exponential ridership growth would produce accelerated results.

Comparing the first eight months, FY 2023 ridership was an average of 143,803 riders (per month) higher than the same month of FY 2022. This is a 21% increase in ridership and can be projected over the fiscal year into a 1.7 million annual increase in ridership.

	FY 2022	FY 2023	Difference	% Difference
July	728,461	810,589	82,128	11%
August	552,507	848,514	296,007	54%
September	729,102	865,045	135,943	19%
October	755,230	885,852	130,622	17%
November	664,300	844,039	179,739	27%
December	757,836	787,971	30,135	4%
January	565,037	795,850	230,813	41%
February	677,662	742,698	65,036	10%
<b>Total Jul-Feb</b>	<b>5,430,135</b>	<b>6,580,557</b>	<b>1,150,422</b>	<b>21%</b>
<b>Average Difference July - February</b>			<b>143,803</b>	

### When will we achieve pre-pandemic levels?

DDOT is working to accelerate ridership growth by making service more dependable and increasing service levels as more operating (staff) resources become available. Implementation of the *DDOT Reimagined* network with improved passenger amenities should also help to increase the rate of ridership growth. Other factors that could potentially accelerate ridership growth are beyond the control of DDOT, such as: job growth in Detroit; return of downtown office workers to in-person work; redevelopment of surface parking lots unaccompanied by garage construction (constraining the parking supply and increasing parking prices), and redensification of neighborhoods beyond the downtown/midtown core.

### Is DDOT proposing any fare increases/decreases for the proposed budget or during the forecast period?



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No, DDOT did not propose any fare increases or decreases for the proposed budget, or during the forecast period.

- b) **Please explain the \$26 million increase in the General Fund Contribution for the proposed budget. The general fund contribution increase is due to the inclusion of following:**

- i) Contribution for DDOT Legacy Pension (GASB 68) expense - \$23.4M
- ii) Bond interest and principal - \$2.5M

- c) **Are there changes in the State formula, that may impact the FY 2024 revenue amount?**

There are no major changes noted at this time.

**Will DDOT receive any supplemental ACT 51 tax revenues during FY 2024 and the forecast years?**

As of now, no supplemental revenue is scheduled for DDOT operations in FY24 and the forecast years.

- d) **Is there any new revenue from federal infrastructure/ other grants available to DDOT in FY 2024. Are there any reserve balances remaining from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) spending?**

All CARES funding has been fully obligated by DDOT. There is approximately \$200k remaining in CRRSAA funding.

- e) **Fund 5303 Transportation Grants- the proposed budget is \$13 million, no change from past years. Is this the maximum amount that DDOT can be reimbursed for preventative maintenance?**

This is the projected required budget amount to provide preventive maintenance. And this is in our FTA grants budget. If additional funds are needed, a budget amendment may be requested from FTA (at DDOT's discretion), but at this time, \$13 M is the projected need.

- 16) **From the DDOT financial statements for FY 2022, please explain the year-over-year change in the unrestricted deficit of \$149.5 million for FY 2022. In FY 2019, pre-pandemic, the department had an unrestricted deficit of \$255.7M. Please provide an update on DDOT's plans to eliminate its deficit position.**

Detroit Department of Transportation (DDOT) has operated within the budgeted subsidy (i.e., transfer in) from the City of Detroit's General Fund and FTA Cares Act funding for fiscal 2020, 2021, and 2022. The transportation fund accumulated deficit is caused by the recording of the portion of the net pension liability that applies to DDOT in this fund. That liability will be paid down as part of the City's overall pension funding requirements to the retirement systems.

- a) **What was the reason for the decrease in the FTA grant awards from \$47.5M in FY 2021 to \$40.6M in FY 2022? What amount is expected for the current fiscal year, FY 2024, and the forecast years?**



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The reason for the decrease is that the supplemental funds from legislation made to provide relief from the COVID economic recession have been spent and are declining. We received: CARES \$64 million in 2020. There is only \$2.4 million unspent to date, however the remaining \$2.4 million has been allocated. \$20.4 million in CRRSAA funds was received in 2021. There is \$200K remaining to be spent. CARES and CRRSSA combined award amounts were \$84,718,980.

**17) Please provide a brief update on DDOT's capital improvement program; what is the status of on-going plans such as bus replacements, bus shelters, Coolidge Terminal, etc? Please provide funding received to date, funding sources and timelines, if available.**

We are at critical phases of several projects and are actively engaged in moving several long-awaited projects into motion.

The Coolidge Terminal Replacement project is nearing a significant milestone, which is the end of the yearlong NEPA (Environmental and Historical Assessment) process. The completion of the NEPA process is the last step before demolition and construction can begin on-site. The funding for this project is a combination of FTA, State and City funding, totaling \$159 million and an expected completion date of March 2025.

Bus Replacements and renewals are in progress, with electric buses and related infrastructure, 40-foot bus expansion, and existing bus overhaul being the focus for fleet renewal plans. The combined total is expected to be \$21 million, of which \$5 million is in new fleet infrastructure, and \$16.5 million is in revitalizing the existing fleet.

Bus Shelter replacement is underway, with the first 100 shelters' locations being finalized, shelters being procured, and installation occurring through collaborative work with GSD. This project is anticipated to cost \$18 million total, with the first phase of 100 shelters utilizing City funding at \$6 million to be completed by February of 2024, and the remaining 250 shelters utilizing \$12 million in anticipated FTA and State Match funds over the next three years.

Further projects that involve bus stop infrastructure include the bus stop seating project and the Mobility and Transit Hubs / Connection Hubs. These projects are anticipated to cost \$18.1 million total, with the bus stop additional seating utilizing \$500 thousand in City Funds to be completed by November of 2024. The Mobility and Transit Hubs / Connection Hubs will utilize the remaining \$18.5 million, in the form of anticipated FTA and State Match funds over the next three years, to be completed by April 2026.

The Shoemaker Facility Improvements involve safety infrastructure, lighting, Operator Training Center improvements, and will total \$1.8 million, utilizing Federal and State and City funding. The overall anticipated date of completion is June of 2024.

Other projects in progress:

- Fare Collection System Replacement, utilizing Federal and State funding with a budget of \$13 million and an anticipated completion date of June 2024



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- On Board Cameras utilizing Federal and State funding with a budget of \$1.4 million and an anticipated completion date of March 2024
- Motorola Radio Project and infrastructure improvements utilizing Federal and State and City funding of \$1.1 million and an anticipated completion date of November 2024
- Rosa Parks Facility Improvements and maintenance over the next four years using Federal, State and City Funding with a budget of \$2.9 million and completion anticipated date of November 2026.
- New Non-Revenue Support, Maintenance and Service Vehicles utilizing Federal, State and City funding and a budget of \$2.3 million over 3 years.

**a. Please provide an update on DDOT's technology upgrades. What is the status of the new fare collection system; please describe the project, the funding source and timeline? Grant funds was received for this project in 2019, why the delayed start?**

The fare collection system upgrades are in motion. We have user requirements gathered, scope of work created, and grant work underway for the project. The project entails creating a state-of-the-art fare collection system, leveraging the latest in technological and mechanical advancements. The goal of the project is to improve fare collection convenience using the latest in payment technology, while improving reliability and safety for cash payment riders. We are looking to procure new fare boxes, contactless payment options at the front and/or rear door, back-office accounting and business intelligence platforms, and project management services. We have a total of \$10.6 million in funding available and have a timeline where procurement will start in less than two months and final project completion anticipated in mid-2024. Delay can be attributed to a combination of staffing changes and the pandemic, but the project is now moving forward.

The current grants funding source is the FY 2020 Fare Collection System Replacement Grant, in the amount of \$10,618,515.00. Grant funds were not "obligated" until 2020 – so it was awarded and accepted/appropriated by City Council on April 9, 2020.

**b. The State Fair Transit Project received \$5.4 million in the current fiscal year from recently approved FY 2022 General Fund Surplus; please describe the project; what is the total project cost and what other funding sources will be utilized for this project?**

The State Fair Transit Project is an adaptive reuse of the former 1926 Dairy Cattle Building and the 1924 Coliseum on the site of the former Michigan State Fairgrounds at 8 mile and Woodward. The facility will be a fully operational Transit / Transfer Station, with an adjacent civic space that could be used for public markets, hosting events, hosting food trucks, etc.

The overall project cost is anticipated to be \$31,573,632.00 and is funded by a mix of UTGO bonds and City PAYGO capital.

Thank you,

CMO/mh