

QLINE

Every stop is a start.



M-1 RAIL REALIZES VISION

NEXT STOP: RTA



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QLINE
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A LETTER FROM M-1 RAIL PRESIDENT LISA NUSZKOWSKI



I am pleased to share M-1 RAIL's final annual report. This past year marks the realization of a goal more than 15 years in the making, as the QLINE will transition to the Regional Transit Authority of Southeast Michigan (RTA) on October 1.

This historic achievement, approved unanimously by the RTA Board of Directors on September 19, brings the QLINE under a public transit authority, as was envisioned by our board and team from the inception of this landmark project more than a decade ago.

With our vision now realized, the work of M-1 RAIL, the non-profit that led the design, construction and early operations of the QLINE, will soon come to a close. M-1 RAIL will transfer its operations and assets to the RTA.





As I reflect on my time as the QLINE's President, I want to first thank our board, partners, and staff. When I ride the QLINE up and down Woodward, I see a thriving corridor, bustling with people, activity and possibility. I see a record number of riders onboard, a service more reliable than ever, and a system poised to continue reaching even greater heights. None of that would be possible without the support, hard work, and perseverance of our M-1 RAIL team. Thank You!

During the COVID-19 service pause, M-1 RAIL made a bold decision to bring operations and management in-house and pilot fare free rides when we relaunched service in September 2021. With the continued support of our board, particularly Penske Corp, the Kresge Foundation, and Rocket, M-1 RAIL's three foundational donors, that decision set the stage for our successful return to service and all that we've achieved since relaunch.

Ridership surpassed 1 million in 2023, recovering faster and more comprehensively from the COVID-19 service pause than any of us could have imagined. This year, the QLINE is on pace to shatter our ridership records, bolstered by more regular riders, improved service, and Detroit's sensational success as the 2024 NFL Draft host. Over the three-day event, QLINE moved nearly 70,000 passengers!

I could not be more proud of our outstanding in-house operations and management team that will move over to RTA, ensuring a smooth transition and the same high-quality service for riders. Service is better than ever thanks to the tireless work of our staff, new technology, and route enhancements implemented by M-1 RAIL. Over 80% of riders report wait times of under 15 minutes.

To our board, donors, and partners: Congratulations on all M-1 RAIL has achieved! The QLINE has truly transformed the Woodward Corridor and this transition brings us one step closer to a larger, more connected regional transit system.

As a new chapter begins for the QLINE, I am excited to see the opportunities ahead for the RTA to build upon all that we've accomplished at M-1 RAIL.

Thank you,

Lisa Nuskowski
M-1 RAIL President & COO

REALIZING THE M-1 RAIL VISION

“When M-1 RAIL embarked on the streetcar project, we committed to build and operate a non-profit streetcar system ready to transfer to a regional transit authority. We envisioned the QLINE as one piece of a larger, better-connected regional transit system. This transition is a victory for all of us, from the M-1 RAIL Board, to the RTA, the City of Detroit, and all who live, work, and visit the region.

The RTA expands its footprint as a transit operator and receives a convenient and fare-free streetcar system that moves over a million people annually, connecting residents, workers, and students to world-class healthcare, jobs, and education. Riders from across the city and region benefit from greater service coordination through the RTA and the transition provides for the long-term sustainability of the QLINE at no added cost to taxpayers.

The QLINE’s impact on the Woodward corridor and the surrounding neighborhoods is undeniable. The \$180 million* construction project kicked off in 2014. Since then, we’ve helped attract \$10 billion in investment, bringing new residential options, restaurants, retail, and nightlife. Greater Downtown is thriving with live entertainment, sports, arts and culture, and events 364 days a year. And the QLINE takes you to the front door of all of it.”

Roger Penske,
M-1 RAIL Board Chairman



The concept for a streetcar on Woodward was first proposed in 2008 by the Regional Transit Coordinating Council (RTCC) – ironically, the predecessor to the RTA. The 3.3 mile streetcar system was proposed as part of a landmark regional transit plan put forward by government and unanimously adopted by the Wayne, Oakland and Macomb county executives and the mayor of the City of Detroit. Roger Penske, fresh off his successful stewardship of Super Bowl XL, was drafted to help bring the system to reality. Penske, along with Dan Gilbert of the Rocket Family of Companies, approached Matt Cullen to get involved with the project, and ultimately become its volunteer CEO.

** The \$180 million construction project was funded by a combination of philanthropic and corporate contributions, along with federal, state, and county funds.*

Soon after, the U.S. experienced a devastating financial crash, and it hit Detroit hard, with two of the Big Three automakers requiring rescue by the federal government. In 2013, the City of Detroit entered the largest municipal bankruptcy in history. Rather than abandon the project, M-1 RAIL's foundational donors, Penske, Gilbert, and Rip Rapson of The Kresge Foundation, led a group of philanthropic and business leaders to partner with the city to ensure the project moved forward despite seemingly insurmountable obstacles.

M-1 RAIL's public-private partnership was a historic first, with civic leaders working hand-in-hand with the public sector. Approximately \$180 million* was raised for construction and operation of the QLINE, led by The Kresge Foundation, Penske Corporation, and Rocket Family of Companies, with participation from nearly every major Detroit-based corporation and foundation.

Launched in May 2017, the QLINE has more than delivered on its initial promise, growing from a non-profit startup to an essential piece of the fabric of Greater Downtown. Today, we move nearly 3,200 people daily, free of charge, with reliable, safe, and convenient streetcar service. Ridership is up nearly 25% over 2023 and continuing to grow. The future of the QLINE has never been more promising and its impact on the region more clear.



“I’m most proud of the fact that we persevered and got it done. There were 100 times that we could have taken our chips and walked away. It’s a real credit to leaders like Roger Penske, Rip Rapson, Dan Gilbert, and all those associated with M-1 RAIL. It’s an example of our community coming together to get a project done that no one thought could happen and hadn’t been done elsewhere.

It’s incredible when you look out the streetcar windows and see what’s taking place. The core of downtown is fundamentally different. It used to be that there was a hub of activity and then three empty blocks and then another hub of activity and more empty blocks. Today, it’s all filling in and becoming a real pedestrian experience because there is connection all along the route.

The region will look back on this project as a major inflection point when people started to say, you know, what? Transit works.

The QLINE has become a part of people’s life and allowed them to experience the city in ways they never would have before. You see a business person, someone from the neighborhood, a family going to the doctor, and a fan going to the Tigers game, and they’re all on the QLINE together. It’s a place where people come together in a way that they don’t normally. It breaks down a lot of barriers and it will be remembered as a project that helped people understand we need a broader transportation network.”

Matt Cullen,
M-1 RAIL CEO

M-1 RAIL Timeline

2014

M-1 RAIL BREAKS GROUND

Shovels hit the ground as work on the streetcar system begins. Nearly \$50 million in construction work is awarded to Detroit based and minority-owned businesses* to rebuild the roadway and highway overpasses on Woodward, help install the track, new streetlights, traffic lights, and a new drainage system.



2017

GRAND OPENING

All Aboard! Passenger service begins on May 12, 2017. Packed streetcars, business activations, and community events throughout the corridor mark Detroit's first streetcar trip through the heart of Detroit in 61 years.



2020

PANDEMIC PAUSES SERVICE

QLINE suspends service in late March 2020 due to the COVID-19 pandemic. During the service pause, QLINE evaluates every aspect of operations, transitioning to an in-house operations and management staff, and commits to piloting fare-free service.



2021

QLINE SERVICE RELAUNCHES

The QLINE reopens in September 2021 after an 18-month service pause. Public transit ridership across the country is down, but the QLINE sees ridership increases faster and more consistently than other systems.



2024

TODAY

The QLINE is on pace to shatter ridership records with 3,185 riders daily. Service has never been more reliable. Eighty-five percent of riders report wait times of under 15 minutes. The RTA votes to accept a transfer of the QLINE, securing the long-term viability of the system and taking a critical step toward creating a larger, more connected regional transit system.

**DBE denotes the aggregate of certified Minority-owned Business Enterprises (MBE), Woman-owned Business, (WBE), Detroit-Based Business and Detroit Headquartered Business.*

A LANDMARK PRIVATE-PUBLIC PARTNERSHIP DELIVERS ON PROMISE

The M-1 RAIL project would not have been possible without the support of our public partners in local, state, and the federal government. The QLINE's transition to the RTA brings the project full circle, delivering the public good envisioned by project leaders and the elected officials and agencies that provided essential collaboration and contributions to the project.

A WIN-WIN FOR FEDERAL INVESTMENT IN DETROIT AND REGIONAL TRANSIT

Former U.S. Transportation Secretary Ray LaHood, who approved a \$25 million federal TIGER grant in early 2013 that enabled QLINE construction to commence, hailed the project as a remarkable, unique achievement prior to the streetcar's launch in 2017. The announcement of federal investment came weeks after the M-1 RAIL board successfully worked with state government to create the RTA, setting the stage for progress on regional transit.

“There was no other place like this where the stars really aligned to have the business community, the foundations, the charitable community, the political community all come together – and particularly after the fact that Detroit had fallen on such hard times. It was just an incredible opportunity for the Obama administration to say, hey, Detroit is a great place to invest federal money matched with private dollars, matched with foundation dollars.”

- Ray Lahood, Former USDOT Secretary

The federal government, with support from U.S. Senators Carl Levin and Debbie Stabenow would later contribute an additional \$12.2 million in funding toward construction.



LOCAL DEVELOPMENT AGENCY MAKES EARLY INVESTMENT

Recognizing the transformational potential of a streetcar line down Woodward Ave., the Detroit Downtown Development Authority invested \$9 million in the early stages of the project thanks to support from the Detroit Economic Growth Corporation.

COUNTY LEADERSHIP ON REGIONAL TRANSIT

Wayne County contributed an additional \$3 million to build the system, ensuring local support and keeping the project on track to meet its fundraising goals to the federal government during construction.

STATE OF MICHIGAN SECURES THE QLINE'S FISCAL FUTURE

In 2022, Governor Whitmer and the state legislature worked together to approve \$5 million in annual funding for the QLINE to keep the system free to riders and ensure the system's long-term financial sustainability.

As announced in March, the Michigan Economic Development Corporation agreed to forgive M-1 RAIL's remaining loan balance of \$3.5 million in exchange for the rights to wrap QLINE streetcars and run Pure Michigan promotions on the streetcar's 20 station monitors through 2028.



“More than fifteen years ago, a group of dreamers envisioned what a rail line along Detroit’s Woodward Avenue could do to jumpstart economic development and restart the conversation around regional transit. Today, our urban core has been transformed with billions of dollars in development. Well over one million people ride the QLINE each year, from all walks of life. We finally have an RTA, and it operates a series of popular services. For every donor, partner, and



team member that made this unprecedented project possible, this is a moment to be proud. But our work as a community will not be done until we join every other major region in offering the kind of regional transit we need to keep our college graduates here and attract more talent to the region.”

- Dan Gilbert, Chairman & Founder, Rocket Family of Companies

The QLINE: A Bold Vision for Transit



RECORD RIDERSHIP

RIDERSHIP IS UP 25%

year over year from 2023 and 87% from 2022, the first full year returning from the COVID-19 pandemic. Ridership continues to increase annually, as regular riders and visitors enjoy fare-free service that is more reliable and consistent than ever.




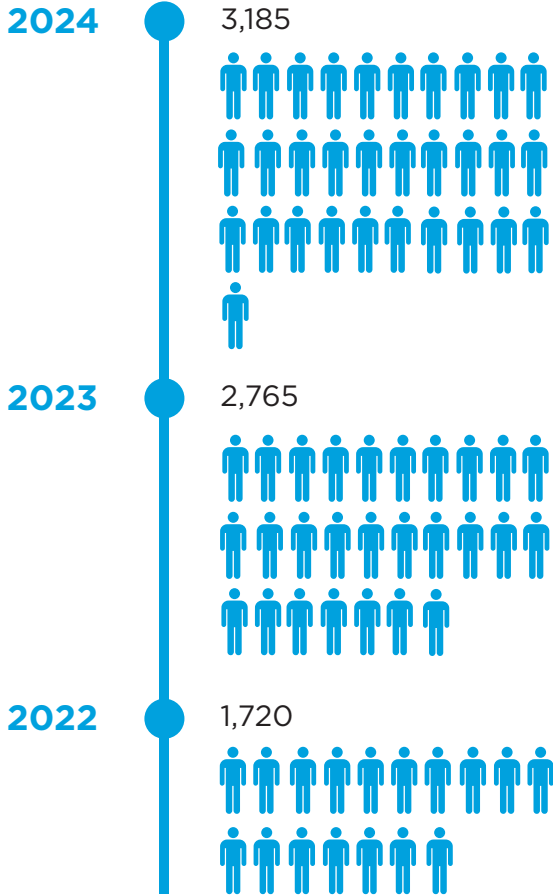
ANNUAL RIDERSHIP

2023
1,003,975 riders

2022
624,497 riders

DAILY AVERAGE RIDERSHIP

 = 100 RIDERS



PERFORMANCE

QLINE conducted an online survey of nearly 700 riders this spring to learn more about their experiences and how they use the service.

WAIT TIME



85%

WAITED LESS THAN 15 MIN



42%

WAITED LESS THAN 10 MIN

CUSTOMER SATISFACTION

78% of QLINE riders report being **satisfied with the trip.**



CONVENIENCE

IS THE #1 WORD ASSOCIATED WITH THE QLINE

CLEANLINESS

80%

of QLINE riders report being “very satisfied” or “satisfied” with the cleanliness of the stations and streetcars

ARRIVAL TIME



NEARLY **70%**

of QLINE riders report being satisfied with the accuracy of the streetcar arrival information at stations



TOP RIDER FEEDBACK:
Extend dedicated lane

OUR RIDERS

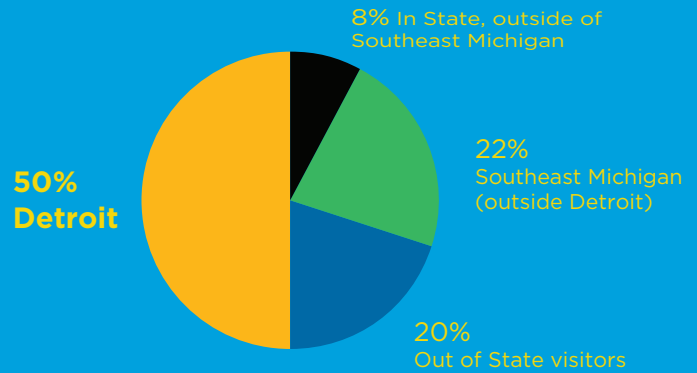
RACE / ETHNICITY



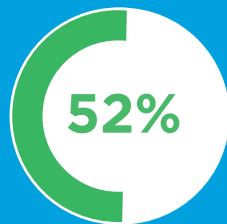
75%

identify as people of color

RESIDENCY

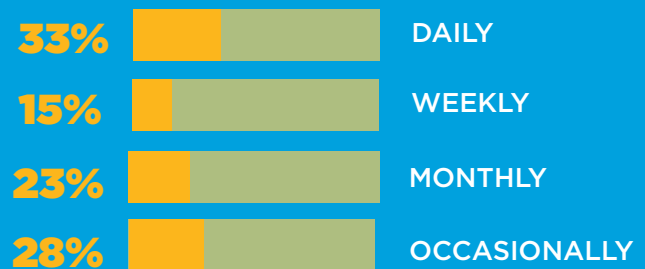


HOUSEHOLD INCOME

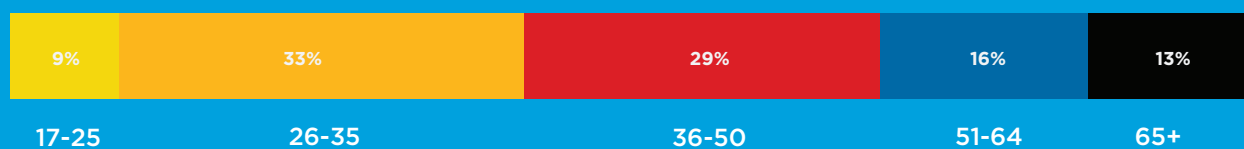


live in households that earn **less than \$60K annually***

FREQUENCY



AGE



MODES OF TRANSIT

87%

of riders report using other modes of transit



RTA



DDOT



SMART



Detroit People Mover



MoGo Bike share

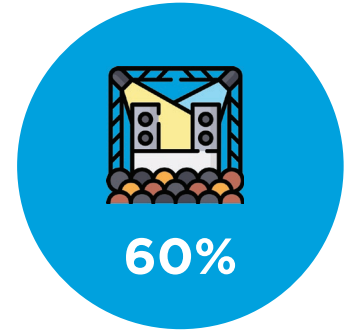


Scooter share

*according to 2022 census data the median income in MI was \$64k

WHY I RIDE

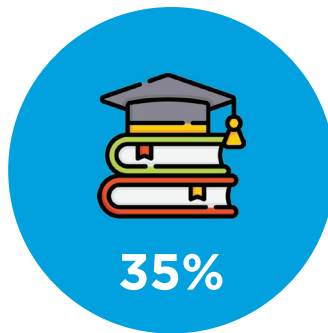
Every stop is a start. From Downtown to New Center, and Midtown to the North End, the QLINE connects to premier restaurants and retail, employers and education, attractions and recreation. Our riders use the QLINE to experience all the Woodward Corridor has to offer.



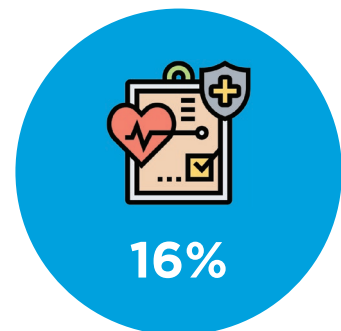
ENTERTAINMENT



DINING / DRINKS / COFFEE



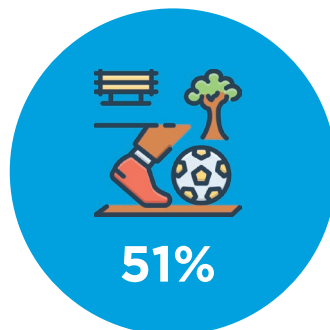
EDUCATION



MEDICAL / DENTAL



WORK COMMUTE



RECREATION / SOCIAL



RETAIL

NFL DRAFT

With Detroit on the big stage, the QLINE delivered.

The QLINE went all in for Detroit's NFL Draft festivities. Streetcars adorned with four unique custom wraps promoting Detroit's three-day NFL Draft extravaganza traveled up and down Woodward in advance of the big event. M-1 RAIL expanded its park and ride program for the Draft April 25-27 to include Bedrock parking facilities near the QLINE's Grand Blvd., Baltimore St., and Amsterdam stations, along with its regular partnership with Wayne State University Parking.

With increased frequency of service, the QLINE moved 68,377 people over the course of 72 hours during the NFL Draft. Nearly 9% of Detroit's record-breaking 775,000 attendees used the QLINE from April 25-27, shattering all previous records for daily ridership. The QLINE's ridership during the draft was more than 10% higher than the Kansas City Streetcar, which moved 60,000 people during the 2023 draft.

The QLINE's single day ridership record of 9,095 (2017) was shattered by 272% on the first day of the draft with a whopping 24,693 passengers.



PARTNERSHIPS & PROGRAMMING

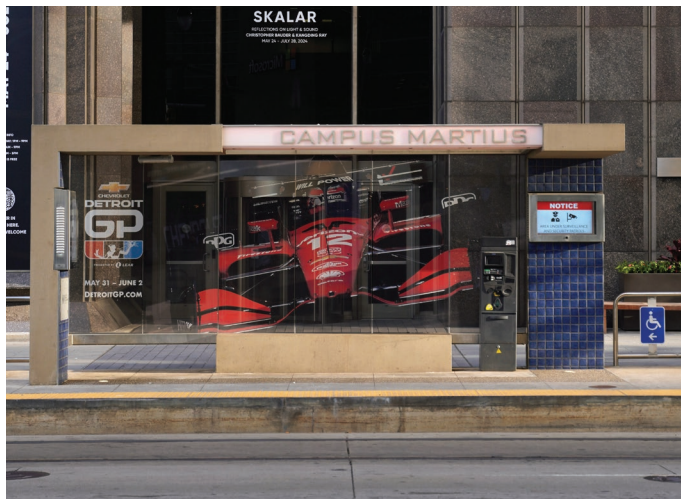


PARK & RIDE

The QLINE’s “Park and Ride” partnership with Wayne State University, launched in 2023, continues to grow. Highlighted by a sold-out three day promotion for Detroit’s NFL Draft events, the program alleviates Downtown road congestion and provides affordable parking for \$5 at Wayne State’s Lot 12, next to the QLINE’s Amsterdam station.

ROCKET COMMUNITY FUND

The Rocket Community Fund supports activations and events that bring your ride to life. The QLINE doesn’t just take you to your destination, it is the destination for family fun and entertainment. With holiday promotions from Santa on the Q, to live performances supporting the Detroit Jazz Festival, there’s always something to see, hear, or experience on the QLINE.



STREETCAR AND STATION WRAPS

In May, M-1 RAIL partnered with the Chevrolet Detroit Grand Prix to wrap Downtown QLINE stations to promote the race and help visitors catch a ride to all the action. The Kresge Foundation wrapped QLINE streetcars in June to help celebrate its 100th anniversary and encourage riders to visit their exhibit at the Detroit Historical Museum, steps from the QLINE’s Ferry St. station.

LOOKING AHEAD

M-1 RAIL's in-house team will move under RTA's management, with a new labor agreement approved in August. The transition will be seamless for our staff and riders. Once operated by RTA, the QLINE will be automatically eligible for sustainable funding, including state transit operating assistance through the Comprehensive Transportation Fund, MDOT capital match funding, and the QLINE's share of federal funding the system generates for the region, funding that was previously unavailable due to M-1 RAIL's status as a non-profit. These sources of funding along with the state allocation of Convention Facility funds ensure a balanced budget.

For the RTA, adding the QLINE is an important step forward. It moves the RTA closer to its goals of improving public transit options to increase equity, integrate the mobility needs of Southeast Michigan communities, and promote livable, healthy, and sustainable growth. It provides new opportunities to invest in our transit future and help unlock the region's full potential.

The unparalleled leadership and support of our region's philanthropic, corporate, and civic sectors helped M-1 RAIL arrive at its final stop. Now at RTA, the QLINE begins a new journey.



"The transition of QLINE to RTA is a long-awaited but highly anticipated step toward the fulfillment of the full promise of a modern transit system that the people of Detroit and the greater region deserve."

- Rip Rapson, President & CEO, The Kresge Foundation





THE TEAM

LEADERSHIP



Matt Cullen
CEO



Lisa Nuzzkowski
President



Rachel Schmuhl
General Manager

OPERATIONS & MANAGEMENT TEAM (Listed Alphabetically)

Not pictured:

Ryan Epstein
Engineering Support
& Planning



Stacey Babcock
Safety Manager



Ken DiLaura
CFO



Lyle Dungy
Chief Safety Officer



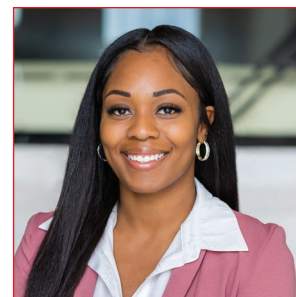
Mark Jones
Operations Manager



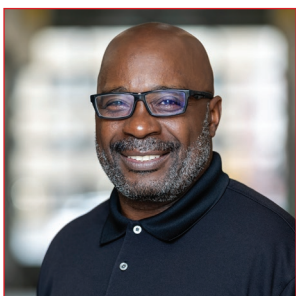
Joe Hartfield
Asst Operations Manager



Dan Lijana
Communications Officer



Dasia Mack
RTA & Technical
Program Manager



Stevie Sketlon
MOW Manager



Marcus Stewart
Training Manager



Brian West
Fleet Manager



Sommer Woods
External Relations

THANK YOU

We thank our board, partners, and supporters for their contributions to the QLINE and for helping us deliver faster and more consistent service than ever before.

We appreciate our riders for making the QLINE a success!

M-1 RAIL also recognizes Cameron Piggott of Dykema, the project's legal counsel for over a dozen years.

Special thanks to the team at HNTB, our owner's representative and project support during construction and operations.

Chairman Roger S. Penske
Penske Corporation

Secretary Dave Blaszkiewicz
Invest Detroit

Mike McLauchlan
Olympia Development

Vice Chairman Dan Gilbert
Rocket Family of Companies

Jared Fleisher
Rocket Family of Companies

Susan Mosey (retired)
Midtown Detroit, Inc.

CEO Matthew P. Cullen
JACK Entertainment

George W. Jackson, Jr.
VENTRA, LLC

Faye Nelson (retired)
w.k. Kellogg Foundation

President & COO Lisa Nuszowski
M-1 Rail

Kevin Johnson
Detroit Economic Growth Corporation

Rip Rapson
The Kresge Foundation

Treasurer Darrell Burks
PWC (retired)

Eric Larson
Downtown Detroit Partnership

Robert Riney
Henry Ford Health

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Companies



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HEALTH**

FCA
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