



Written by [Bob Adelman](#) on July 28, 2014

Detroit's New M-1 Rail Line: Triumph of Hope Over Experience

In another triumph of hope over experience, Detroit's new light rail line — called alternatively the M-1 Rail Line or the Woodward Avenue Streetcar — will begin construction in earnest [this week](#). The \$137-million project is already \$12 million over budget, but most of the money is coming from private sources, at least for the moment.

The project will consist of six streetcars moving north and south along Woodward Avenue in downtown Detroit, connecting Detroit's People Mover on the south end to Amtrak at the north end. There will be 20 stations along the way, with passengers waiting between seven and 10 minutes to catch a ride. The \$1.50 fare is mostly on a trust basis, as someone can jump on without paying, but management will provide free-lance conductors to check on free riders.

It really doesn't matter, though, as there is no intent for the project to pay for itself. Privately funded (mostly) through gifts and grants from individuals such as the Ilitch family, Compuware founder Peter Karmanos, and Roger Penske (of Team Penske), and foundations such as Kresge, nearly all the funding is being treated not as an investment in Detroit's economic future, but as a gift. What is hoped for is a favorable reaction by taxpayers to the free ride so they can be set up for taxpayer contributions later when the project reverts to the city in 10 years.

What's also hoped for is a huge expansion of the transportation infrastructure east and west, with potential costs reaching to a billion dollars or more. For that, the taxpayers' assistance will be needed.

From a purely economic viewpoint, the project would never get past the first draft if private investors were looking to turn a profit. As Jim Epstein so inelegantly expressed it in his review of the boondoggle at Reason.com,

[Why] could sane people think a bankrupt city should build a wildly expensive rail line on a partially deserted avenue in a neighborhood awash in cheap parking?

How will the light rail line serve the 26 percent of Detroit households that don't own cars and depend on the city's dreadful bus service?

Detroit has a 139-square mile footprint, but the light rail line will serve only those travelers who happen to be going from one spot to another along one three-mile stretch on Woodward.

Experience is of little help when dreamers are spending other people's money, especially when those

M-1 RAIL

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people don't expect ever to see any of that money again. Detroit's People Mover is a prime example of how politicians decide that people want to be moved from place to place. Opened to the public in 1987, the system has a maximum capacity of 15 million people a year, yet the average usage is about two million. Those riders who do show up pay \$.50, with taxpayers picking up the balance of the \$3.00 that it costs to haul them around downtown. That comes to \$12 million a year.

But it's all good, according to a most remarkable editorial in the *Detroit News* back in June. The amount of federal money involved in the M-1 deal is so small, say the editors, that it amounts to pocket change. Of the \$137 million, "the U.S. Transportation Department is in just for \$25 million." The editors added, "That's a pittance for a department that is more accustomed to billion dollar requests for projects not nearly as transformative as the M-1 rail promises to be for Detroit."

Just the ticket: The amount of federal money is so small that there's no reason it won't be coming from Washington, say the dreamers at the *News*. But it gets better. The editors say the "M-1 rail promises to accelerate the revitalization of the central city, moving riders between the two main centers of development. The hope is the line will help knit together development between downtown and New Center, and possibly go farther north in the future."

There they go again: "promises" and "hope": just the thing on which to justify spending other people's money. However, the *News* let the cat out of the bag by noting the future expansion of the project. The *Detroit Free Press* expanded on that hope and those promises:

The broader vision still needs funding. A plan from the new Regional Transit Authority to ask voters for a fee or a tax to pay for it was delayed last month until 2016, which could give the public time to experience the M-1 line in action.

Depending on what sort of larger system is designed, stretching the line farther north — and east and west — could cost from hundreds of millions of dollars to more than \$1 billion.

So the M-1 Rail line is a "demo," a "freebie," an "official taste" from Ben and Jerry's as they roll out the latest flavor of the month. Once it is operational, Detroit taxpayers will begin to learn, again, that "free" isn't really free, and that they are being set up for demands to make "investments" in Detroit via future tax increases.

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