

# COVER STORY

## Car rentals

Continued from Page 1A

rent a car for a day from a traditional rental company, said Jonathan Weinberg, founder and CEO of AutoSlash.com, which searches the rental car companies to find the best deals.

In some locations, there are just no rental cars available such as Flagstaff, Arizona; Kauai, Hawaii, and Anchorage, Alaska, Weinberg said.

"People are desperate," Weinberg said. "In some

cases, people are renting U-Hauls to get around. You can rent a pickup truck for \$50 a day with U-Haul."

The rental car frenzy is creating new opportunities though.

"The traditional car rental industry suffered from the chips shortage after having downsized their fleets tremendously, so that's when the Turo business model had a chance to shine," said Andrew Mok, chief marketing officer of Turo. "Many guests are trying Turo for the first time this year because of the car rental business and car inventory crunch."

### The rise in rental prices

According to AAA, from Aug. 9 - Aug. 13, the average lowest rate for rental cars nationwide is still 81% higher than that of the year-ago period. The average rental car price this week was \$121 a day compared with \$67 a day a year ago, said Adrienne Woodland, AAA spokeswoman. Pricing has eased a bit compared with earlier in the summer, but not by much, she added.

For this week, the average cost to rent an economy car in Michigan is \$110 a day, up 96% from the same week during pre-pandemic 2019, when it was \$56 a day, said Matt Clarke, vice president of North America marketing at Kayak, an online travel agency and metasearch engine for rental cars. That figure accounts for all rental car options including traditional rental car companies and peer-to-peer offerings.

Kayak compares current prices to those of 2019 because the COVID-19 shutdowns last year don't provide an apples-to-apples comparison, Clarke said. Still, he said, "It's expensive" to rent a car in Michigan. "That's above the national average, which is about \$95," compared with \$59 two years ago.

The inflated prices can be pinned on COVID-19. Last year, during the height of the pandemic, air travel shut down. That led to rental car companies selling off big chunks of their fleets to stay afloat.

It was so bad, Hertz filed for Chapter 11 bankruptcy protection in May 2020. As part of its filing, Hertz sold about 180,000 vehicles from its fleet. Last month, a restructured Hertz emerged from bankruptcy.

Low inventory is what's led to higher prices when travel started picking up. To make matters worse, rental car companies are struggling to restock their fleets because a global shortage of semiconductor chips used in various car parts is holding up vehicle production across all carmakers.

### 'Hustle to a full-time job'

People rent a car from a peer-to-peer company



Eleven key fobs of the cars Bill Huffhine is holding at a parking lot in Troy. Huffhine at one point had 20 cars in his fleet to rent out. More people are using the Turo app as an alternative to the big car rental agencies. ERIC SEALS/DFP

through a website or app, similar to booking an Airbnb.

Typically, the car sharing company provides insurance to the renter, who can pick up the car from the host, or, in some cases, get it delivered.

Getaround offers car renting by the hour. Many customers will rent a vehicle for daily life, such as getting their kids from school or perhaps to move something, said Pat Notti, Getaround's vice president of marketplace and operations.

The host, or person who owns the vehicle, lists it on Getaround and then gets a device they install in their car, Notti said. The guest can book the car through the app and when they go to the car's location, they unlock the car by the app on the phone. It is a contactless key exchange.

Hosts' vehicles are covered by Getaround's insurance policy in most of the areas in which it operates. The policy includes comprehensive, collision and liability coverage.

Cars range from \$5 to \$20 an hour. The host keeps 60% of that fee and Getaround gets 40% to cover the cost of insurance and roadside assistance. To rent a vehicle for a day, it can cost \$50 to \$100 based on the year, make and model, Notti said.

"We're definitely seeing an increase in demand from other channels too," besides local users renting them by the hour, Notti said. He said travelers who can't get rental cars at the airports are also using Getaround for cars.

Getaround is in 1,000 cities, but not Detroit — yet. Notti said the company plans to

launch in Detroit "very soon."

"A host can make on average \$6,000 per year, per car, but it changes by location and the year, make and model," Notti said. "We've seen a number of hosts join the platform with one or two and grow up to 50. It's gone from a side hustle to a full-time job."

### Starting small

That's what happened to Huffhine. He started small.

In late 2017, he was turning 50 and planning to retire young, so he bought a Fiat Spider 124 convertible sports car, "because that's what guys do when they turn 50," he said. "But being I'm in Michigan that means it'd sit in the garage for part of the year."

He saw a commercial for Turo and a lightbulb went off that he could make money by renting out his regular car, a 2015 Scion tC compact car, to cover the costs of the convertible.

"I put my Scion on Turo in January 2018 and the vehicle booked out within a couple of hours and it stayed booked out," Huffhine said. "It was bringing in \$600 to \$800 a month and I'd hoped to make \$300."

After that he bought a 2018 Jeep Compass and that soon was bringing in \$900 to \$1,100 a month. He bought one or two cars every month until he had a fleet of 20 vehicles by May 2019. He has been downsizing in recent months to 11.

He returned to a job where he rented office space and had access to a parking lot in Troy to store his fleet. He said he has booked nearly 1,900 reser-

vations to date and 90% of his customers have been respectful and good experiences.

Huffhine said he mostly rents his cars to local people who do not own a car but need one for a day or two. He has seen a few more travelers than usual who want to rent from his fleet, which includes economy cars, sedans and SUVs, because of a lack of availability and high prices of traditional rental cars.

Depending on the vehicle or the season, his prices can range from \$40 to \$100 a day, he said. Three months ago, he started the Car Share Academy to coach people around the country how to start their own Turo fleet.

### The hottest renting vehicles

Turo, which launched in 2011 and went nationwide a year later, is now in 6,000 U.S. cities, Canada and the United Kingdom, with a strong presence across Michigan.

"The business model relies on real people, so we're everywhere in the state — in suburbs, cities and everywhere in between," Mok said. "(People) can get cars around the corner from where they live instead of having to go to brick-and-mortar locations."

Mok said there are more than 1,577 makes and models on Turo's platform. A Honda Accord will rent for \$30 or \$40 a day, but a Tesla Model 3 might go for \$100 a day. The guests refuel or recharge vehicles to what they were when they got them.

As for how much a host makes per month renting out a car, "Right now, a lot," Mok said. "We have hosts who share their car just a few days a month and can cover the cost of their car payment and maybe a little more and we have others who run it as a small business and it is in the tens of thousands."

Here are the hottest renting cars on Turo, according to its website:

• **Daily Driver category:** The Fiat 500, for an average of \$38 a day and providing average monthly earnings of \$474.

• **Sport car category:** Ford Mustang, for an average of \$66 a day and providing average monthly revenue of \$796.

• **Luxury car category:** Audi A3 is tops at an average of \$62 a day, providing average monthly earnings of \$738.

• **Trucks and SUV category:** Jeep rules. The Wrangler rents for an average of \$91 a day for \$85 in average monthly earnings. The Jeep Cherokee is in second place.

• **Van/Minivan category:** Dodge Grand Caravan, renting for an average daily price of \$57 and providing an average monthly earnings of \$537.

### Boom cycle

The downside to car sharing is that users should pay attention to ratings to ensure they get a quality vehicle.

Also, Weinberg said, if traditional rental car companies can restock their fleets, the prices will level out, but there will be pent-up demand from people postponing trips now because of the rental car shortage, so book early, he said.

Huffhine expects his pot of gold to remain full for awhile.

"Dealerships have said they don't expect their inventory to ramp up until mid-2022, which means the rental car companies will have a hard time in re-fleeting," Huffhine said. "Our industry, the car sharing, is in a boom cycle that will continue until at least 2027."

Contact Jamie L. LaReau: 313-222-2149 or jlareau@freepress.com. Follow her on Twitter @jlaureau. Read more on General Motors and sign up for our autos newsletter.

## STATE OF MICHIGAN BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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### NOTICE OF HEARING FOR THE ELECTRIC CUSTOMERS OF DTE ELECTRIC COMPANY CASE NO. U-21010

- DTE Electric Company requests Michigan Public Service Commission's approval to commence a renewable energy cost reconciliation proceeding for the 12-month period ended December 31, 2020.
- The information below describes how a person may participate in this case.
- You may call or write DTE Electric Company, One Energy Plaza, 570 SB, Detroit, MI 48226, (800) 477-4747 for a free copy of its application. Any person may review the documents at the offices of DTE Electric Company.
- A pre-hearing will be held:

**DATE/TIME:** Wednesday, September 15, 2021 at 10:00 AM

**BEFORE:** Administrative Law Judge Sally Wallace

**LOCATION:** Video/Teleconferencing

**PARTICIPATION:** Any interested person may participate. Persons needing any assistance to participate should contact the Commission's Executive Secretary at (517) 284-8090, or by email at [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov) in advance of the hearing.

The Michigan Public Service Commission (Commission) will hold a pre-hearing to consider DTE Electric Company's (DTE Electric) June 30, 2021 application requesting the Commission to: 1) determine that DTE Electric's 2020 Renewable Cost Reconciliation and DTE Electric's 2008 PA 295 revenues collected and costs incurred in 2020 are reasonable and prudent and meet all relevant requirements under 2008 PA 295, as amended; 2) reconcile the pertinent revenues recorded and the allowance for the nonvolumetric Revenue Recovery Mechanism with the amounts actually expensed and projected according to DTE Electric's proposed Amended Renewable Energy Plan, including: (a) determining that DTE Electric is in compliance with the Renewable Energy Standards of 2008 PA 295, (b) ensuring that the retail rate impacts under DTE Electric's Renewable Cost Reconciliation Revenue Recovery Mechanism do not exceed the maximum retail rate impacts specified under Section 45 of 2008 PA 295 (MCL 460.1045); (c) ensuring that DTE Electric's Revenue Recovery Mechanism is projected to maintain a minimum balance of accumulated reserve so that a regulatory asset does not accrue; (d) maintaining DTE Electric's existing Revenue Recovery Mechanism and approved surcharge amounts to ensure DTE Electric's recovery of its Incremental Cost of Compliance with the Renewable Energy Standards; (e) approve the prices per MWh for renewable energy capacity and advanced cleaner energy capacity and for renewable energy and advanced cleaner energy to be recovered through DTE Electric's PSCR clause under MCL 460.6j; (f) determine that it is not necessary or appropriate at this time to adjust DTE Electric's minimum balance of accumulated reserve funds; (g) where DTE Electric has recorded a regulatory liability in any given month, approve DTE Electric's proposed treatment of interest on the regulatory liability balance; 3) determine that DTE Electric's actions with respect to its Amended Renewable Energy Plan were and are reasonable and prudent; and determine that DTE Electric's proposed Renewable Energy Plan surcharges are just, reasonable and should continue; 4) approval DTE Electric to maintain its existing rates and charges in the manner proposed; 5) grant DTE Electric regulatory authority and approvals as described and requested, including but not limited to approval of the DTE Electric's request that 14,222 Energy Credits be transferred at zero cost from its inventory of Energy Credits to, and used for compliance with its Amended Renewable Energy Plan, in accordance with DTE Electric's Amended Renewable Energy Plan, MCL 460.1028(5) (former Section MCL 460.1027), and the Commission's Order in Case No. U-16357; and 6) Grant DTE Electric further additional relief.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets website at: [michigan.gov/mpscdockets](http://michigan.gov/mpscdockets). Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to: [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov). If you require assistance prior to e-filing, contact Commission staff at (517) 284-8090 or by email at: [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov).

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by September 8, 2021. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon DTE Electric Company's attorney, Andrea E. Hayden, One Energy Plaza, Detroit, MI 48226.

The prehearing is scheduled to be held remotely by video conference or teleconference. Persons filing a petition to intervene will be advised of the process to participate in the hearing.

Any person wishing to participate without intervention under Mich Admin Code, R 792.10413 (Rule 413), or file a public comment, may do so by filing a written statement in this docket. The written statement may be mailed or emailed and should reference Case No. U-21010. Statements may be emailed to: [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov). Statements may be mailed to: Executive Secretary, Michigan Public Service Commission, 7109 West Saginaw Hwy., Lansing, MI 48917. All information submitted to the Commission in this matter becomes public information, thus available on the Michigan Public Service Commission's website, and subject to disclosure. Please do not include information you wish to remain private. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

Requests for adjournment must be made pursuant to Michigan Office of Administrative Hearings and Rules R 792.10422 and R 792.10432. Requests for further information on adjournment should be directed to (517) 284-8130.

A copy of DTE Electric Company's application may be reviewed on the Commission's website at: [michigan.gov/mpscdockets](http://michigan.gov/mpscdockets), and at the office of DTE Electric Company. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.54 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; 1982 PA 304, as amended, MCL 460.6j et seq.; 2008 PA 295, MCL 460.1001 et seq.; and Parts 1 & 4 of the Michigan Office of Administrative Hearings and Rules, Mich. Admin Code, R 792.10106 and R 792.10401 through R 792.10448.



### MICHAEL E. DUGGAN, MAYOR CITY OF DETROIT HOUSING AND REVITALIZATION DEPARTMENT

#### NOTICE OF REQUEST FOR 2022-2023 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) NEIGHBORHOOD OPPORTUNITY FUND (NOF) AND PUBLIC FACILITY REHABILITATION (PFR) PROPOSALS WEBINAR

The City of Detroit invites community organizations and others to submit proposals for projects to be funded by the 2022-2023 Community Development Block Grant/Neighborhood Opportunity Fund/Public Facility Rehabilitation (CDBG/NOF/PFR) programs.

All community organizations, human service organizations, non-profit organization etc., who wish to participate in the development and implementation of NOF projects or PFR projects as advisors and/or as operating agencies may submit proposals.

This year all 2022-2023 CDBG/NOF & PFR proposals must be prepared and submitted online using the City's "Oracle" system. Proposal applicants must register on Oracle before a proposal can be submitted. Proposals must be submitted via Oracle by 4:00 p.m. on Friday, October 1, 2021. Paper copies of Proposals will not be accepted. To obtain information regarding Oracle, please visit the City of Detroit Office of Contracting and Procurement web page

Proposals submitted by the Friday, October 1, 2021, deadline will be evaluated by city agencies. Late proposals will not be accepted. Funding approval, for proposals, will be determined by the Mayor and City Council.

The 2022-2023 CDBG/NOF/PFR proposal packages and required proposal forms will be available via Oracle on Monday, August 30, 2021.

#### VIRTUAL CDBG/NOF WORKSHOP

The Housing and Revitalization Department (HRD) will conduct two "Proposal Workshops" to present details and answer questions regarding the Public Service and Public Facility Rehabilitation RFP. The workshops will be held as shown below:

Virtual Workshops
<p><b>Proposal Workshop 1</b> Thursday, August 26, 2021, at 2 P.M. Registration Link <a href="https://cityofdetroit.zoom.us/join/register/WN_SdYdsX2Q7-scaeYBjN-eg">https://cityofdetroit.zoom.us/join/register/WN_SdYdsX2Q7-scaeYBjN-eg</a></p>
<p><b>Proposal Workshop 2</b> Wednesday, September 15, 2021, at 11 A.M. Registration Link <a href="https://cityofdetroit.zoom.us/join/register/WN_vY2gzkCxSrOmZkANt_rWqA">https://cityofdetroit.zoom.us/join/register/WN_vY2gzkCxSrOmZkANt_rWqA</a></p>

Workshop registration information can be obtained by visiting the HRD Website at <http://www.detroitmi.gov/hrd>.

Workshop materials will be available on the City's website at <http://www.detroitmi.gov/hrd> from there click on, "For Nonprofits and Community Groups" and CDBG/NOF & PFR Application Overview/Documents. The workshops are designed to help community groups and others prepare their CDBG/NOF & PFR proposals. According to proposal criteria, a community group representative must attest to attending a workshop to be eligible for funding (see proposal signature page).

#### For further information, contact:

Tamra F. Hardy, Director of Neighborhood Services, Housing and Revitalization Department  
[tfhardy@detroitmi.gov](mailto:tfhardy@detroitmi.gov)

Lindsay Wallace, Director of Economic Development, Housing and Revitalization Department  
[wallacel@detroitmi.gov](mailto:wallacel@detroitmi.gov)

Persons with disabilities who require special accommodations, auxiliary aids, or services to participate in these hearings, should contact the Housing and Revitalization Department. Reasonable advance notice of such needs is required.

Notice of Non-Discrimination: The City of Detroit does not discriminate on the basis of race, color, creed, national origin, age, handicap, sex or sexual orientation. Complaints may be filed with the Detroit Human Rights Department, Coleman A. Young Municipal Center, Detroit, Michigan.

DF-0000359873