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POSTED: 8:00 p.m., Oct. 25, 2009
LAST MODIFIED: 8:24 p.m., Oct. 25, 2009

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L3C adviser: Detroit should turn to making alt-energy parts

By [Sherri Begin Welch](#)

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A national expert helping to create "for-profits with nonprofit souls" across the U.S. is proposing several new companies to help Michigan, including one to shift the state's idle automotive supplier capacity to parts production for alternative-energy industries.

The concept is to take advantage of new, low-profit, limited liability companies — or L3Cs — which create revenue streams through a combination of public and private investment to feed a socially beneficial purpose.

In January, Michigan became the second state to legalize such L3Cs, behind Vermont and the Crow American Indian tribe of Montana. Seven states in all have legalized the new business entities, which by definition must have a socially beneficial purpose.

Just as Paris is the city of romance and New York is known for its theater and financial districts, most cities have an image, said Bob Lang, founder of **L3C Advisors** in Cross River, N.Y., and CEO of the **Mary Elizabeth & Gordon B. Mannweiler Foundation**, which invested more than \$250,000 to fund the passage of L3C legislation in Vermont.

As anyone knows, Detroit was synonymous with the automotive industry. Now it's left with an image problem, Lang said.

"If there's a reason for Detroit to continue to be and to prosper again, you have to find other industries for which you can once again be the center of the universe," he said.

He believes alternative-energy parts production, beginning with wind turbine parts, could be Detroit's new niche.

Lang also is proposing two other L3C concepts that could reinforce Detroit's would-be image as the alternative-energy center of the nation: a year-round, urban farm in Detroit that produces energy from its biowaste — something in which **Southwest Solutions** is interested — and a "zero-carbon zone" in the city.

Lang, who's been to Michigan several times, will return to Detroit in early November to court foundation support for the L3C concepts and get input on possible leaders for one of them. It's a new, low-profit business that would look to match demand for wind turbine replacement parts with idle capacity —skilled tradesmen, machinery and plants — in Michigan.

Lang and more than 1,000 others are expected to attend the annual conference of Washington, D.C.-based **Independent Sector** and the Grand Haven-based **Council of Michigan Foundations** in Detroit, Nov. 4-6.

Independent Sector, a nonprofit, nonpartisan coalition of corporations, foundations and nonprofits, collectively represents tens of thousands of charitable groups across the country. It works to strengthen nonprofits and the work they do to advance the common good.

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