



February 19, 2014

TESTIMONY FROM DAYNE WALLING (MAYOR, CITY OF FLINT & MICHIGAN CORPS BOARD MEMBER) & ELIZABETH GARLOW (EXECUTIVE DIRECTOR, MICHIGAN CORPS.)

House Commerce Committee
Rep. Frank Foster, Chair
Place: House Office Building, Room 308

RELATED TO AGENDA ITEMS INCLUDING: HB 4526 & HB 4527 (Barnett)

Dear Mr. Chairman and Representatives,

Thank you for the opportunity to address the creation of benefit corporations as a strategy to promote 21st Century economic development and entrepreneurship all across the great State of Michigan.

Michigan Corps' efforts are aimed at nurturing a community of social innovators serving the state of Michigan. We want to see Michigan unleash the talent of its most important asset: passionate citizens—so that Michigan is a better, more vibrant place to live. Michigan Corps believes that our communities are strengthened principally by networks of social-minded entrepreneurs and engaged citizens that are connected with one another and the resources needed to thrive.

We support HB 4526 and HB 4527 because they create new tools for supporting social enterprises that create jobs and enhance quality of life in communities across our state.

Existing Michigan Corps initiatives, while modest, have had positive impacts with tremendous leverage. In 2013, with support from the Michigan Economic Development Corporation, Michigan Corps organized the Michigan Social Entrepreneurship Challenge to discover and scale triple bottom line businesses characterized by fiscal sustainability, stewardship of the environment, and a positive social impact in the community. This pioneering effort, which was the nation's first statewide social entrepreneurship competition, attracted nearly three-hundred participants from across the state of Michigan.

As last year's competition reached its conclusion, impact investor Phillip Fisher provided seed funding for a pilot program to provide investment readiness training services for competition winners, who hailed from Detroit, Flint, Ann Arbor, Ypsilanti, Traverse City, Dowagiac, and Farmington Hills. To date, Michigan's Social Entrepreneurship Challenge model has now attracted over \$1M in new financial commitments in support of the competition's finalists: previously unknown change agents with innovative business solutions designed to address challenges across the areas of chronic unemployment, environment, health, education, urban revitalization and more.

Consider P3 Enterprise, a Detroit-based company establishing hydroponic farms in under-utilized commercial structures. P3 utilizes new technology to create indoor farming and fishery systems, beginning in Detroit's Brightmoor community. The goal of the company is to provide locally grown produce and fish year-round, addressing a troubling lack of readily accessible healthy food options in the community. The business' founder has partnered with a national growing technology firm with proven methods to support environmentally friendly farming. The company also provides employment and entrepreneurial training to chronically unemployed adults and at-risk youth in the community. P3 Enterprise recently secured \$250,000 in new investments from a newly formed impact investment fund created by business leaders in Southeast Michigan who have aligned around faith values, and desire to invest in companies with a triple bottom line mission.

Better Living Investments is a Flint-based business providing residential property management services, general home repair and lawn maintenance. The company's founder, a returning citizen, decided to start the business in 2011 to build a reliable livelihood. The business has grown steadily and now employs at-risk teens and returning citizens, providing income opportunities alongside personalized mentorship and re-entry support. The company's founder now serves on the master planning committee of Flint and is seeking new investment to expand his business.

Michigan Corps imagines a better Michigan, and world, through business models that are inherently designed to positively impact society and the environment. HB 4526 and HB 4527 provide concrete means by which our state's businesses and investors can express and hold one another accountable to rigorous standards of social and environmental performance. This helps create a favorable climate for the development and scale of enterprises addressing our state's critical social challenges in new, efficient and scalable ways.

Businesses like P3 Enterprise and Better Living Investments could prove to be the pioneers of our country's future way of doing business: combining the best our nation's entrepreneurial innovation with the compassion to do good. Economic development will increasingly be driven by social entrepreneurs and we want them to have a home in Michigan. We want Michigan to be open for business to all types of entrepreneurs and the opportunity to create a benefit corporation is a promising way to attract talent and investment.

Respectfully Submitted,



Dayne Walling
Mayor, City of Flint



Elizabeth Garlow,
Executive Director, Michigan Corps