

# Emerging Domestic Market Advisory Group

## Proposal

Establish an advisory group of investors, financial professionals, and economic and community developers to craft strategies and models to increase private investment opportunities in emerging domestic markets.

## Possible Issues to be Addressed

Based on an initial discussion of the following themes, the advisory group will identify and assist in the development of specific tools to address identified challenges.

- Assist communities to become investment ready, including, but not limited to, connecting public and private resources for catalyzing women and minority owned businesses, advancing an entrepreneurial culture, encouraging early stage investment strategies (e.g., how to identify, advise and prepare entrepreneurs to be ready for funding), attracting emerging industry sectors to aging business and industrial areas, and realigning of existing sources of community development capital, i.e. Community Reinvestment Act, community development credit unions, and government programs.
- Expand debt instruments to serve the business development needs of emerging domestic markets, including, but not limited to, enhancing securitization of small business loans and other hybrid products that maximize public moneys through private investment tools.
- Use public moneys to reduce community development risks in emerging domestic markets, including, but not limited to, targeting state technical assistance and training moneys, instituting better methodologies for reducing risk through better screening, establishing partnerships between private equity funds and small business financial development corporations, and revising tax credit provisions to help small and medium size businesses.
- Innovate private equity investment products in emerging domestic markets, including, but not limited to, maximizing fund to fund investment models, utilizing financial intermediaries, leveraging existing trends in early stage investment; upgrading emerging manager programs and policies, and attracting greater domestic and global institutional investor interest in business development within emerging domestic markets.

## Outcomes

The advisory group will be responsible for guiding the development of a specific set of products and tools, which enhance private investment opportunities in emerging domestic markets. Examples of products and tools may include, but are not limited to:

- Model investment policies for investing in emerging domestic markets
- Prototypes for new or modified investment and/or financial instruments for emerging domestic markets
- Recommendations for improving the alignment of state economic and workforce investment programs

## Timelines

Members of the advisory group are asked to attend two meetings and participate in three conference calls during a four-month period. The tentative schedule is as follows:

- Kick-off half-day meeting to be scheduled on October 11, 2007 from 10:30 A.M. to 12:30 P.M. in San Diego
- Three teleconferences (two hours in length) to be scheduled between October 18 and December 10, 2007
- Draft summary report of outcomes distributed by December 15, 2007
- Final meeting to review draft summary report to be scheduled during the week of January 20, 2008