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BUILDING EQUITABLE CAPITAL ECOSYSTEMS & CREATING NATIONALLY REPLICABLE STRATEGIES:

A CASE STUDY FROM
NEW YORK'S I-90 CORRIDOR

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TABLE OF CONTENTS

05

Executive
Summary

12

IV. Learning from Existing Models:
Living Cities' Inclusive Capital Council

06

I. The Opportunity: Equitable
Capital in the I-90 Corridor

13

V. Recommendations for a Replicable
Capital Ecosystem Strategy

07

II. The Risk: Systemic
Barriers to Capital Access

14

VI. Translating Opportunity to Action: The
New York Model for Equitable Growth

08

THE CASE OF THE I-90
CORRIDOR

16

Appendices

10

III. An Updated Capital
Absorption Framework for
Inclusive Deployment

25

References

EXECUTIVE SUMMARY

When major private and public investments converge in a region, communities face a common challenge: translating economic opportunity into equitable, lasting prosperity. Without structured cross-sector collaboration, hundreds of billions of dollars in private and federal investments such as those from the CHIPS Act, Infrastructure Investment and Jobs Act, and Inflation Reduction Act will fail to reach all the small business owners and communities promised revitalization. New frameworks and processes within existing capital ecosystems are essential as federal investment, private capital, and technological innovation converge to create unprecedented opportunities for economic transformation across America.

This white paper presents a replicable framework for strengthening effective capital absorption infrastructure, using New York's I-90 corridor—stretching from Buffalo through Rochester and Syracuse to Albany—as a case study for regions nationwide undergoing economic transformation.

The paper offers three actionable, regionally anchored but nationally relevant recommendations for regions seeking to capitalize on similar opportunities:

- establishing a cross-sector capital table
- developing a shared equity and aligned action scorecard
- investing in supply chain integration support

These recommendations represent a significant multi-year integrated investment in inclusive capital infrastructure in New York — spanning planning, implementation, and sustained coordination — that could unlock hundreds of millions in contracting opportunities for historically underrepresented businesses. Beyond New York, these recommendations are adaptable to different scales, industries, and regional contexts.

The uncertain federal policy landscape makes regional leadership and coordinated action more critical than ever. This moment belongs to leaders who recognize that the infrastructure they build now, including collaborative tables, shared accountability, coordinated capital deployment, will shape whether inclusive prosperity takes root regardless of capital source. The regions that act decisively with state investment, private capital, and local coordination will be the ones positioned to translate extraordinary investment into generational wealth. But only by strengthening systematic infrastructure to channel capital equitably can that wealth become transformative and community-wide.

1. <https://www.congress.gov/bill/117th-congress/house-bill/4346>

2. <https://www.congress.gov/bill/117th-congress/house-bill/3684>

3. <https://www.congress.gov/bill/117th-congress/house-bill/3684>



1. THE OPPORTUNITY: EQUITABLE CAPITAL IN THE I-90 CORRIDOR

"This is a once-in-a-generation opportunity—but if we don't change the systems, we'll get the same outcomes we've always gotten." –**Elizabeth Lusskin, Empire State Development**

New York's I-90 corridor, stretching from Buffalo through Rochester and Syracuse to Albany, is poised for one of the most dramatic economic transformations in recent American history. After decades of population decline and economic stagnation following the departure of major manufacturers, the region now stands at the center of a national strategy to reshore critical technology production and rebuild America's semiconductor manufacturing capacity. This transformation builds on a foundation of collaborative work that regional organizations have sustained through multiple economic cycles—including the partnerships, infrastructure, and institutional capacity that Empire State Development (New York State's primary economic development agency) and organizations working within this corridor including CenterState CEO, The Central New York Community Foundation, OneROC, Buffalo Niagara Partnership, regional CDFIs, and their partners—have developed over decades. Micron Technology's commitment to invest up to \$100 billion over 20 years to build what will be the largest semiconductor manufacturing facilities in U.S. history is catalytic. Located in Clay, New York, this investment is expected to attract upwards of 84,000 people to Central New York, reversing decades of population decline and creating nearly 50,000 new jobs, including 9,000 high-paying company positions.³

Beyond Micron, other significant investments are reshaping the region. The federal designation of the NY SMART I-Corridor as a Technology Hub in 2023 recognizes the region's emerging cluster of semiconductor and advanced manufacturing capabilities. From Edwards Vacuum's new facilities outside of Buffalo to GlobalFoundries' expansion on the Massachusetts border, semiconductor and supply chain companies have announced over \$121 billion in new investment across the state since 2022. By the end of the decade, New York State estimates that 1 in 4 U.S.-made chips will be manufactured within 350 miles of upstate New York—no other region will account for a greater share of production.⁴ As one of 12 Tech Hubs selected to receive implementation awards in July 2024, the NY SMART I-Corridor was awarded \$40 million in federal funding to support workforce development, research and development coordination, and supply chain strengthening across the three-city corridor.⁵

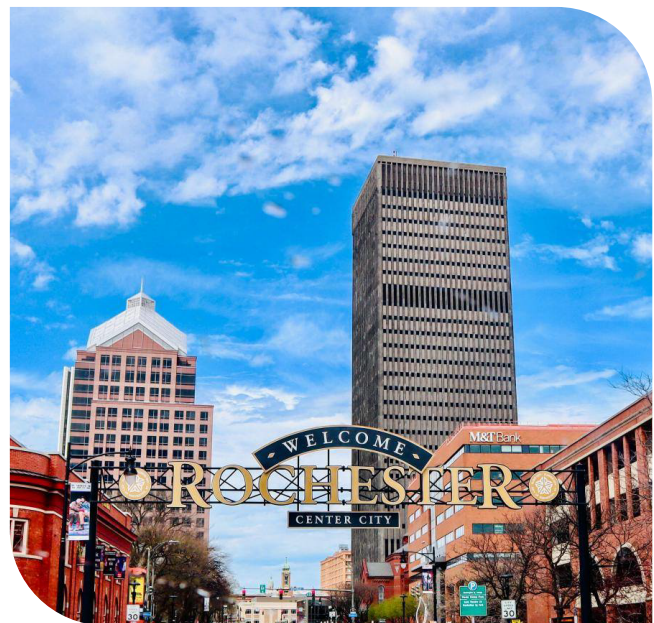
The structure and management of investment flowing into the I-90 corridor creates unprecedented opportunities for equitable business development and community wealth building. Micron has agreed to use good faith efforts to allocate 30% of their non-specialized construction spend to Socially and Economically Disadvantaged Individuals (SEDI)-owned contractors. Once construction is complete, Micron has pledged to use good faith efforts to achieve 20% of their eligible annual operating expenses to SEDI-owned firms, representing ongoing revenue streams for diverse suppliers across multiple sectors.⁶ Despite this commitment, government officials, intermediaries, and business owners in New York have concerns about the ecosystem's ability to absorb this capital, based on their decades of experience. These concerns stem from infrastructure issues that limit small businesses' ability to grow quickly enough and from the availability and flexibility of capital needed to support such growth.

There are also concerns about the area's capacity to absorb new talent. Empire State Development (ESD) commissioned a comprehensive regional housing study and determined that the region will need more than 30,000 new housing units to meet coming demand, most in the early years of the project.⁷ However, significant challenges constrain the region's ability to capture these opportunities inclusively. Since 1990, housing

production in Central New York has been nearly flat. The region will need to increase new building permits by 2-3 times to generate enough new housing.

Without better, more equitable access to capital, many local firms, aspiring entrepreneurs and the communities they serve may be shut out of opportunities related to this historic investment.

Living Cities and Empire State Development partnered to convene a meeting in Buffalo, NY on July 16, 2025, to ensure that these investments will support an inclusive growth model that benefits all residents of the region. The convening, hosted by M&T Bank—a leading national bank headquartered in Buffalo—demonstrated important private sector commitment to coordinating capital infrastructure development alongside public sector leadership. Recognizing that the uncertain federal policy landscape presents both urgency and opportunity for inclusive economic development, the session brought together state officials, regional economic development organizations, community foundations, and local CDFIs to establish shared understanding and coordinated action around capital access infrastructure needs in Western New York. The insights from this convening reveal patterns applicable to any region: capital availability does not equate to ecosystem readiness, enhanced infrastructure is required to optimize even well-designed programs, and trust among stakeholders must be intentionally cultivated and maintained.



2.



THE RISK: SYSTEMIC BARRIERS TO CAPITAL ACCESS

ESD and regional organizations have built collaborative capacity over the years, and the challenge now is matching that with the capital infrastructure and coordination systems the scale of this moment demands.

Small business ecosystem challenges stem from deeply embedded and longstanding disparities in capital access. Across Living Cities' decades of work in community development and equitable finance, we have seen two key barriers to capital access that prevent economically inclusive regions:

1) Structural Disparities in Business Ownership and Economic Inclusion

To understand capital access challenges, we must acknowledge how structural racism has impacted business ownership, wealth accumulation, and community development, both historically and today. Most regions in the United States systematically excluded people of color from being full participants in their economies for generations. This has limited wealth creation in these populations and wealth transfer over generations. Lower levels of wealth mean lower levels of business ownership, as those with more wealth have a safety net to take more risks.

As business ownership also leads to generational wealth, this history creates a vicious cycle: Communities without wealth struggle to build wealth, which repeats from one generation to the next.

2) A Limited and Fragmented Business Support Ecosystem

Many interventions and programs have been created to counter-act these disparities. Most notably, Community Development Financial Institutions (CDFIs) are designed to offer targeted and flexible capital to under-resourced communities to support the development of business ownership, investment, home ownership and other economic activity.

Unfortunately, in most places, these business support ecosystems are themselves under resourced and fragmented. Many places lack a sufficient number of CDFIs or other community-based capital allocators (CBCAs). If they have these institutions in place, they are severely under resourced without enough capacity to meet the needs of the communities. (As in the case of the I-90 corridor; see below.) Without capacity, they struggle to coordinate their activities, identify the greatest needs and deploy capital solutions that can meet the direct needs of small business owners.

THE CASE OF THE I-90 CORRIDOR

The data paints a concerning picture: despite the region's significant assets and potential, Buffalo, Syracuse, and Rochester rank dismally low in small business lending among small-to-mid-sized American cities—positioned at 136th, 139th, and 142nd respectively.⁸

While several CDFIs serve the region, their capacity remains inadequate relative to population needs and expected growth. Key institutions include Pursuit (leading small business lender in NY state, also offering services in Connecticut, Delaware, Illinois, New Jersey, and Pennsylvania), PathStone Enterprise Center in Rochester (offering loans between \$5,000-\$250,000), Westminster Economic Development Initiative in Buffalo (focused on immigrant and refugee communities), and Launch NY (a Buffalo-based venture CDFI providing \$25,000-\$100,000 in startup capital).⁹ These organizations, together with SBA lenders like Pursuit Lending, form the Capital Connect consortium. However, the overall lending infrastructure is challenged to serve the 2.9 million residents across the Buffalo, Rochester, and Syracuse metropolitan areas without intervention.

Urban Institute analysis using their inclusion framework reveals concerning patterns across the corridor's major cities. Buffalo, Rochester, and Syracuse all rank in the bottom third of U.S. cities for inclusion metrics, underscoring the systemic barriers that must be overcome to achieve equitable economic growth in the region.

Table 1. I-90 Corridor Cities Ranking Based on Urban Institute's Inclusion Framework Metrics (2016).¹⁰

City	Overall Inclusion Rank	Racial Inclusion Rank	Economic Inclusion Rank
Buffalo	249th (out of 274)	241st	233rd
Rochester	241st	223rd	236th
Syracuse	209th	213th	170th

The region's demographic composition makes these business ownership disparities particularly stark: Black residents constitute over 30% of the population in Buffalo and Rochester and 26% in Syracuse; Hispanic/Latino residents represent 13% in Buffalo, 20% in Rochester, and 10% in Syracuse; and women make up approximately 52% of the population across all three cities.¹¹ Yet business ownership statistics reveal severe underrepresentation: Black-owned businesses account for just 1.3% of all businesses, employing merely 0.9% of workers and earning only 0.7% of business sales; Latino-owned businesses represent a mere 0.7% of all businesses, employing 0.5% of workers and earning 0.7% of business sales; women-owned businesses constitute just 12% of all businesses, employing 9% of workers and earning 9% of business sales. Meanwhile, white-owned businesses dominate the landscape at 92% of all businesses, employing 95% of workers and capturing 96% of business sales.¹²

A Limited and Fragmented Business Support Ecosystem

In discussions with Living Cities, stakeholders consistently highlighted critical gaps in both lending capacity and risk tolerance among existing lenders. Regional CDFIs currently lack sufficient capacity to meet the anticipated demand generated by the region's accelerating economic expansion. Research conducted by the Urban Institute specifically examined the needs to address opportunities created by semiconductor cluster development and confirms that many CDFIs operate with balance sheet constraints, regulatory limitations, and insufficient technical assistance capacity that limits their ability to address opportunities created by semiconductor cluster development due to operational and financial constraints.¹³

Deeper neighborhood-level analysis exposes troubling spatial and racial disparities in lending access. Census tracts with more than 20% Black residents consistently receive significantly lower lending per small business employee than majority-white areas across all three metropolitan areas. Similarly, low-poverty neighborhoods receive substantially more lending than high-poverty areas, even within the same cities.

However, CDFI presence and capacity represent only part of the complex capital access and absorption challenges facing the region. Stakeholders have identified limited capital readiness among local businesses and prospective borrowers as additional significant barriers to inclusive capital flow. The fragmentation of the business support ecosystem further compounds these issues. Lack of coordination among local business support organizations, lenders, and economic development organizations operating across the region creates inefficiencies and confusion for business owners while preventing individuals from accessing consistent technical assistance and business training. As Urban Institute research concluded, "despite coordination among nonprofits, there have been challenges with perceptions of duplication of services and a lack of clarity around roles."¹⁵

3. AN UPDATED CAPITAL ABSORPTION FRAMEWORK FOR INCLUSIVE DEPLOYMENT

"The biggest challenge is that we're not missing capital—we're missing the infrastructure to absorb it equitably." —**Kelly Fumarola, CenterState CEO**

Living Cities has identified four critical elements that must be in place for communities to effectively absorb capital and create inclusive economies from its thirty years of work with city leaders, national and local banks, foundations with deep place-based catalytic capital portfolios.

The framework includes:

- 1 **Shared Priorities:** Stakeholders agree on vision and support investments that meet community needs, with meaningful participation from residents most affected by disinvestment
- 2 **Investment Pipeline:** A coordinated portfolio of investable projects that advance community goals, creating systematic approaches to deal flow rather than relying on ad hoc opportunities
- 3 **Enabling Environment:** Policies, practices, and systems direct capital to community purposes, including regulatory frameworks, financing mechanisms, and institutional practices that either facilitate or hinder equitable investment
- 4 **Ecosystem Stewardship Capacity:** The cross-sector leadership, decision-making infrastructure, and adaptive management mechanisms that ensure alignment, continuity, and long-term equity¹⁶

These elements build on an original version of the framework, developed by Living Cities with partners at Harvard University in 2012. This original framework addressed a fundamental question: why do some communities struggle to absorb available development capital?¹⁷

One of the major lessons from the original framework was that isolated investments were insufficient to support equitable growth. This finding led to over a decade of Living Cities and its collaborative members investing in collective projects to support ecosystem development, including The Integration Initiative (TII), the

City Accelerator, and more recently, the Breaking Barriers to Business initiative, in partnership with Main Street America and Truist’s Where it Starts work. (These initiatives originally began around the time that “Collective Impact” as an approach gained popularity within the philanthropic sector, spurred by the success of the StriveTogether partnership, of which Living Cities was also an early investor.)

Throughout this work, Living Cities discovered that the fourth pillar is especially critical to successful capital absorption strategies. We saw that grant funds could be readily implemented, yet deploying investment capital proved challenging without the capacity to coordinate among key players. The ability to adapt, align, and lead cross-sector investment efforts is often the missing link between success and failure of inclusive growth strategies.

To address this gap, our updated framework recognizes that capital absorption is not a one-time achievement, but an ongoing process requiring systematic capacity for collaboration, coordination, and course correction.

Table 2. Application of the Capital Absorption Framework

Frame work Element	Regional Application	NY I-90 Corridor Context
Shared Priorities	A coordinated visioning process, community engagement initiative, and strategic planning effort	Community Engagement Committee Community Priorities Document gathering input from 12,000+ residents
Investment Pipeline	Infrastructure projects, anchor company expansion, federal/state/local government programs, development projects	CHIPS Act opportunities, Micron contracts, Green CHIPS Community Investment Fund
Enabling Environment	State/local policy frameworks, procurement requirements, financing mechanisms, regulatory supports	Green CHIPS program, MWBE utilization targets, On-Ramps to Careers workforce centers
Ecosystem Stewardship Capacity	Cross-sector coordination tables, backbone organizations, collective impact initiatives	Regional Capital Infrastructure Collaborative

One proof point comes from our experience with TII18, where we fostered cross-sector action to help Baltimore, Cleveland, Detroit, Newark, Albuquerque, San Francisco, New Orleans and Minneapolis/St. Paul by committing up to \$20 million per site in a blend of grants, commercial loans, and program-related investments to drive better results for low-income residents. Communities focused on the efforts required to complete individual deals rather than creating systems that would consistently deliver pipelines of transactions to achieve targeted results.

Together, regional leaders worked with Living Cities to engage members of the community to gather and prioritize data on key challenges facing each site, set shared goals for each initiative and agree upon collective progress indicators as well as accountability mechanisms. This experience led us to imagine our investment dollars as an airplane circling over cities, needing a functioning air traffic control system and landing strip to successfully land.¹⁹ Meaningful change requires coordinated system-level interventions to ensure investments remain aligned with community needs.

4.



LEARNING FROM EXISTING MODELS: LIVING CITIES' INCLUSIVE CAPITAL COUNCIL

To support greater investment of the capital absorption's fourth pillar of ecosystem stewardship, Living Cities has developed an "Inclusive Capital Council" (ICC) to support capital deployment in regions like the I-90 corridor. The ICC unites a diverse group of Community-Based Capital Allocators (CBCAs), including community loan funds and mission-driven lenders with investors and philanthropic partners committed to equitable capital deployment. This network approach recognizes that effective capital absorption requires both supply-side intervention (attracting capital sources) and capacity building at the allocator level (engaging high-performing community-based lenders in the effective and equitable deployment of new capital).

The ICC's value proposition directly addresses capital absorption challenges:

- **Intelligence:** CBCAs provide deep product knowledge and investment readiness assessment
- **Cross Sector:** ICC includes allocators across the capital stack, from grants to affordable and commercial debt to equity and equity-like
- **Accountability:** Elevating community-rooted organizations to ensure investments unlock real impact in local communities

These principles are particularly relevant to regions like parts of the I-90 corridor that represent "capital deserts" or areas with limited mission-driven lending infrastructure. Traditional approaches focus on either attracting individual CDFIs to enter new markets or providing capital directly to businesses. The aim is to increase the capacity of areas to deploy different types of affordable capital strategies, including:

- risk mitigation using first-loss capital and loan guarantees
- coordinated technical assistance programs that improve borrower readiness and investment capacity
- targeted policy advocacy to establish supportive regulatory frameworks
- learning networks that facilitate knowledge sharing and accelerate the adoption of best practices across the region

In the case of the I-90 corridor, New York stakeholders have already implemented many aspects of these key mechanisms. While economic development efforts have historically struggled to deliver equitable outcomes despite good intentions, the difference here is systematic infrastructure with specific, measurable outcomes—building the missing "air traffic control system."

5.



RECOMMENDATIONS FOR A REPLICABLE CAPITAL ECOSYSTEM STRATEGY

"We've already done the hard part—the planning, the trust-building, the collaboration. Now we just need fuel for the engine." –[Laura Quebral, Center for Regional Strategies](#)

The following recommendations represent a comprehensive approach to building capital absorption infrastructure, informed by Living Cities' capital absorption strategies and the Inclusive Capital Council (ICC). While tailored for New York's I-90 corridor, the core principles: coordination, accountability, and systematic capacity building, are adaptable for other regions.

(For a detailed list of recommendations in the context of the I-90 corridor, including key partners and expected outputs, see Appendix B.)

Recommendation 1: Establish a Cross-Sector Capital Table

Regions can establish a capital infrastructure collaborative with key economic development actors, including CDFIs, government agencies, and anchor institutions. The specific membership will vary based on local context.

This multi-stakeholder partnership would bring together CDFIs, CBCAs, government agencies, and private sector investors to coordinate efforts and maximize impact. These collaboratives could:

- Design standardized intake and underwriting tools to streamline capital access
- Structure and maintain alternative finance funds and co-investment platforms to leverage diverse funding sources to main street businesses, mid-size firms and scalable companies
- Implement comprehensive readiness assessment frameworks and targeted supports for capital absorption
- Create integrated programs that pair technical assistance with guaranteed capital products (e.g., [Bridge to Success, contractor financing](#))
- Create and disseminate toolkits, case studies, and multimedia resources to guide other regions on integrating equity principles into infrastructure investment

Recommendation 2: Deploy a Shared Equity and Aligned Action Scorecard

Stakeholders can co-design a shared equity metrics and performance dashboard that makes capital flows, policy outcomes, and institutional commitments transparent, accountable, and aligned with community goals. This should include a robust tracking system that monitors outcomes across race, gender, and geographic location, providing transparent data for continuous improvement. Additionally, these organizations should offer specialized technical assistance to municipal governments seeking to implement equitable procurement policies, ensuring consistent standards across the capital ecosystem.

Recommendation 3: Invest in Supply Chain Integration Support

A supply chain support program can ensure that Socially and Economically Disadvantaged Individuals (SEDI)-owned businesses are positioned to participate in a region's economic growth. In the case of the I-90 corridor, investment in semiconductors was the industry driving growth opportunities. However, from our 35 years of experience across different regional economies, we recommend that any supply chain readiness program should not focus on just one industry but instead plan for future industry growth opportunities. While one industry, like semiconductors, may be the catalyst, inclusive prosperity requires support for diverse businesses across sectors— from infrastructure and logistics to clean energy, professional services, and the care economy.

This program would integrate technical assistance, relationship brokerage, and capital readiness tools to prepare small firms to meet the procurement, quality, and scale requirements of large public and private sector buyers. This can include:

- Creating a tiered supplier development pipeline that classifies businesses by readiness level and provides targeted support (training, certifications, bonding, finance) to advance firms through each stage
- Developing industry-specific cohorts for high-potential SEDI firms in strategic sectors including advanced materials, precision manufacturing, logistics, professional services, and facility management
- Launching a Capital Readiness Program that combines specialized technical assistance with access to working capital needed to fulfill larger contracts

These recommendations collectively form an approach that is targeted—with a focus on capital access infrastructure with specific, measurable outcomes—and transferable, building institutional infrastructure that can transcend time and changes in people and politics. By aligning interests across stakeholders to support business development in the region, there is a shared vision and accountability for success. With feedback loops through equity scorecards, regular convenings, and performance metrics, this approach addresses coordination gaps to ensure learning and iteration, as well as meaningful cross-sector collaboration to achieve impact.



6. TRANSLATING OPPORTUNITY TO ACTION: THE NEW YORK MODEL FOR EQUITABLE GROWTH

"There are no throwaway communities. And in this day and age, there's no talent that can be wasted."
 –**Joe Scantlebury, Living Cities**

The I-90 corridor's economic transformation is a test case to show us how to build lasting community wealth and regional resilience. Regional organizations have laid the collaborative groundwork for this moment — but translating that foundation into equitable outcomes will require more deliberate investment than the region has ever had. The stakes are especially high for historically marginalized communities and small business owners across Buffalo, Rochester, and Syracuse. Without a strategy that is purpose-built to absorb capital equitably, even the most ambitious public and private commitments risk bypassing the very people they are meant to uplift and, in some cases, exacerbate existing disparities.

The lessons here are urgent and transferable. Across the country, private and public capital investments face threats in communities already struggling with uneven infrastructure, unclear coordination, and limited capital readiness. Economic development initiatives must survive political transitions at all government levels. The regions that will succeed in building inclusive prosperity are those that:

- Build sustainable systemic coordination infrastructure
- Establish transparent accountability mechanisms through equity metrics and community oversight
- Invest in intermediary capacity to connect capital to community priorities
- Create feedback loops that enable continuous learning and adaptation
- Center community voice in defining success and holding institutions accountable

Strengthening New York's approach with cross-sector coordination and measurable outcomes provides a framework for building resilience across political cycles. It is a playbook for other regions to adapt.

This work has significance beyond this region, and the lessons learned will create a playbook for connecting capital to community priorities efficiently nationwide. By aligning with community-authored priorities, operationalizing equity through measurable goals, and investing in infrastructure to absorb and deploy capital at scale, the region can demonstrate that inclusive economic development is not just possible—but repeatable.

APPENDIX A: THE CONVENING: BUILDING ON PAST WORK FOR STRATEGIC STAKEHOLDER ALIGNMENT FOR INCLUSIVE GROWTH

"It's not about more programming—it's about building systems that can do this work again and again."
 –**Convening attendee**

The convening about the specific opportunity built upon a foundation of statewide collaboration around ecosystem development that predates both the tech hub designation and the Micron investments.

New York's programs to accelerate ecosystem development—which combine public investment with private sector commitments and community accountability mechanisms—were discussed in detail. This set the stage for exploring how to maximize participation and optimize outcomes for small businesses.

- **Green CHIPS Program Innovation:** ESD's first-in-the-nation \$10 billion Green CHIPS program represents a groundbreaking integration of environmental sustainability and community investment requirements with traditional economic development tax credit tools. The program provides refundable tax credits for large-scale semiconductor manufacturing investments while requiring companies to implement comprehensive sustainability plans and contribute to community investment funds. Micron's participation includes establishment of the \$500 million Green CHIPS Community Investment Fund over 20 years, with Micron contributing \$250 million, New York State contributing \$100 million, and the remaining funding being raised from local, statewide, and national partners. ²⁰
- **MWBE Program Excellence:** New York State has achieved national leadership in Minority and Women-owned Business Enterprise (MWBE) utilization, meeting its nation-leading 30% MWBE utilization goal for the fourth year in a row and reaching 32.21% MWBE utilization in FY 2023-24, representing \$2.8 billion in contracting opportunities. This success reflects systematic policy development, program administration, and accountability mechanisms that have created real economic opportunities for underrepresented businesses. ²¹
- **Workforce Development Infrastructure:** ESD's creation of the \$200 million One Network for Regional Advanced Manufacturing Partnerships (ON-RAMP) program represents unprecedented state investment in workforce development infrastructure specifically designed for inclusive participation. The network includes four new workforce development centers spanning upstate New York, with a flagship facility in Syracuse overseen by CenterState CEO. ON-RAMP emphasizes partnerships between employers, educational institutions, community organizations, and government while providing wrap-around services including transportation, childcare, and job placement support.²² New York maintains its commitment to equity-focused growth strategies while actively pursuing ways to strengthen inclusive economic systems. Regional organizations—including CenterState CEO, OneROC, and Buffalo Niagara Partnership—have maintained their collaborative approach to economic development across multiple political transitions. This consistency has created institutional infrastructure that supports ongoing inclusive growth efforts. Nevertheless, participants identified several barriers and future concerns.

On July 16, 2025, M&T hosted a conversation on regional capital access and absorption that brought together over 60 cross-sector capital decision makers, including CDFIs, foundations, institutional investors, fund managers, and anchor institutions, positioned to align capital infrastructure with inclusive growth goals.

M&T Bank's hosting of this regional discussion reflects its deep community roots and recognition that equitable economic development requires coordinated action among private financial institutions, government agencies, and community organizations. As a leading national bank and Western New York's largest regional financial institution, M&T's participation signals private sector commitment to addressing capital access barriers systemically rather than through isolated lending programs.

Living Cities and Empire State Development (ESD) organized the session, where ESD leaders from Capital Access, NY Ventures, and the Governor's Office of Semiconductor Expansion, Management, and Integration (GO-SEMI) provided a comprehensive overview of economic development opportunities across short, medium, and long-term horizons. Key organizations involved in the NY SMART I-Corridor Tech Hub, including CenterState CEO, OneROC, Buffalo Niagara Partnership (BNP), and the Center for Regional Strategies (CRS) shared insights on building trust-based relationships throughout Western and Central New York and the Finger Lakes.

A central theme emerged: maximizing opportunities in existing ecosystems. Instead of relying primarily on uncertain federal programs, this approach focuses on strengthening state, regional, and local infrastructure for inclusive economic development. By building systematic capacity for capital absorption at the regional level, communities can advance equitable growth while positioning themselves to leverage emerging federal opportunities.

BARRIER 1: CAPITAL AVAILABILITY ≠ ECOSYSTEM READINESS

According to session panelists, New York continues to position itself as an innovative force in developing programming and products to reach businesses "on the margins." ESD's resources like Link Deposit, SSBCI-backed guarantees and loan funds, as well as the \$500 million Community Investment Fund are designed to create short and long-term opportunities for historically underinvested businesses. However, persistent challenges around capital access and absorption highlight the need for an ecosystem-wide approach to connect these tools, align actors across the I-90 corridor, and build intermediation capacity so small firms can experience sustained growth and potentially become "Micron ready."

Despite ESD's innovative portfolio, stakeholders shared that ecosystem fragmentation remains a barrier. Isolation, according to session participants, leads to competition among mission-aligned organizations, duplicative efforts, and inconsistent referral mechanisms among technical assistance providers, community lenders, traditional financial institutions, and fund managers.

Several pain points produce inefficient capital allocation and deployment:

- Burdensome process and lack of licensing/administrative support for out-of-state CDFIs entering New York.
- Limited technical assistance (TA) and back-office capacity for CBCAs and small contractors, which exacerbates:
 - Barriers to certification for MWBEs
 - Disconnects between capital providers and community-rooted entrepreneurs.

Transferable Insight: Innovative capital access program needs to be paired with regional coordination infrastructure to connect tools, align actors, and build intermediary capacity.

BARRIER 2: ENHANCED ACCESS INFRASTRUCTURE REQUIRED TO OPTIMIZE CAPITAL PROGRAMS

In addition to persistent silos across the ecosystem, Community-Based Capital Allocators and mission-aligned investors flagged the mismatch between demand and capacity as a key barrier to equitable capital access. Many allocators operate at the edge of their balance sheets without technical assistance, network access, marketing resources, or back-office support to scale. This strains deal flow, particularly in rural and Low and Middle Income (LMI) markets. Trusted navigation support and relationship brokerage with funders and technical assistance providers are critically needed. One founder noted, "It took me six months to find the right person to talk to. The money came in two weeks later."

Creating innovative products, coordinating across markets, and matching funding through trust-based relationships are necessary but insufficient for the region to fully capitalize on the "Micron moment." Inclusion must be intentional, attainable, measurable, and performance-driven to ensure balanced development across this diverse corridor of municipalities. The I-90 corridor will achieve transformational growth only when all businesses and founders—regardless of background—have equitable access to capital, relationships, and knowledge. True inclusion of historically underserved and SEDI businesses must be integrated into everything from workforce development and capital access programs to supply chain contracting and high-growth financing opportunities. Participants emphasized the need for operational frameworks that establish equity as the standard practice rather than an exception. This includes:

- Institutionalizing equity metrics in procurement and investment decisions.
- Expanding existing loan guarantee and credit enhancement tools that lower perceived risk for minority contractors.
- Finalizing the existing planning process to ensure workforce and housing systems align with the anticipated influx of jobs and businesses.

Transferable Insight: Access infrastructure should match the scale of opportunity. CDFIs and community-based capital allocators need operational support including technical assistance and back-office capacity to effectively deploy capital.

BARRIER 3: INSUFFICIENT TRUST AMONG STAKEHOLDERS

Business development organizations emphasized the importance of addressing narratives of disconnection, scarcity, and mistrust within the community. Despite significant community engagement efforts associated with Micron, which helped key stakeholders gather input from more than 12,000 Central New York residents, additional focus on building trust along the I-90 corridor is needed to break cycles where systems determine who benefits from and who is excluded from growth opportunities. High-touch engagement with trusted connectors and diverse avenues for community input emerge as potential tactics to reach the historically excluded, create shared ownership of regional economic development initiatives, welcome potential out-of-state partners, and co-create new, abundant narratives about investing in the corridor.

Furthermore, meeting participants and speakers highlighted the need to leverage community trust to prevent the region from becoming a collection of one-company towns by learning from the corridor's historical lessons. The goal is to build a resilient, community-driven economic ecosystem that may initially stem from Micron's investment but will eventually function independently. A more independent and resilient ecosystem will continue to seed future employers and create generational wealth even if the semiconductor industry or Micron unexpectedly shifts in the distant future. Suggestions included:

- Locating offices and staff directly in communities.
- Employing local talent to reflect and respond to neighborhood needs.
- Elevating resident and MWBE voices in all stages of capital deployment.

Transferable Insight: Trust is fundamental and needs to be fostered authentically. Communities that have experienced decades of disinvestment, broken promises, and exclusion require intentional trust-building as part of any economic development strategy.

APPENDIX B: DETAILED RECOMMENDATIONS FOR A REPLICABLE CAPITAL ECOSYSTEM STRATEGY IN THE I-90 CORRIDOR.

The following recommendations emerged from the July 2025 convening and represent a comprehensive approach to building capital absorption infrastructure. While tailored for New York's I-90 corridor, the core principles: coordination, accountability, and systematic capacity building, are adaptable for other regions.

Recommendation 1: Establish a Regional Capital Infrastructure Collaborative

Regions can establish a capital infrastructure collaborative with key economic development actors, including CDFIs, government agencies, and anchor institutions. The specific membership will vary based on local context.

Building on the momentum from the ESD convening and reflecting on our experience in other regions, we recommend creating a structured collaborative focused on developing shared infrastructure for aligned action and inclusive capital aggregation and deployment. This multi-stakeholder partnership would bring together CDFIs, CBCAs, government agencies, and private sector investors to coordinate efforts and maximize impact. The collaborative would:

- Design standardized intake and underwriting tools to streamline capital access.
- Structure and maintain alternative finance funds and co-investment platforms to leverage diverse funding sources to main street businesses, mid-size firms and scalable companies.
- Implement comprehensive readiness assessment frameworks and targeted supports for capital absorption.
- Create integrated programs that pair technical assistance with guaranteed capital products (e.g., [Bridge to Success, contractor financing](#))
- Create and disseminate toolkits, case studies, and multimedia resources to guide other regions on integrating equity principles into infrastructure investment.

Key Actors:

Lead / Co-Convenors:

- Empire State Development (ESD) – State agency lead for coordination and policy alignment
- M&T Bank - Private sector anchor and convening host, providing regional financial infrastructure expertise
- Strategic advisor and facilitator, preferably with expertise outside of the region

Core Partners:

- Regional CDFIs: PathStone Enterprise Center, Westminster Economic Development Initiative, Launch NY

- Economic Development Organizations: CenterState CEO, OneROC, Buffalo Niagara Partnership
- Municipal Governments: Buffalo, Rochester, Syracuse (economic development departments)
- Regional and Community Foundations, including Central New York Community Foundation, Oishei Foundation

Advisory Partners:

- Micron Technology
- Center for Regional Strategies
- MWBE business associations and chambers
- Community Engagement Committee (CEC)
- Others TBD

Implementation Timeline: 6-Month Planning Phase; 18-Month Implementation Pilot

Expected Outputs:

- Centralized intake and referral system for business support and lending
- Toolkit for regional capital absorption models
- Fund structure guidelines, investment strategy and operating protocols
- Case study publications from I-90 Corridor

Anticipated Impacts:

- Reduced duplication and fragmentation in regional support ecosystem
- Increased collaboration and trust among capital allocators
- Streamlined and accelerated access to capital for underrepresented businesses
- Blueprint available for other Tech Hubs to adopt

Recommendation 2: Establish Equity Metrics Framework and Performance Dashboard To Operationalize the CNYCEC Community Priorities

Central New York’s Community Priorities Document provides a living, community-authored foundation for tracking inclusive growth.²³ Building on that momentum, stakeholders should co-design a shared equity metrics and performance dashboard that makes capital flows, policy outcomes, and institutional commitments transparent, accountable, and aligned with community goals. ESD, CenterState CEO, One ROC, and Buffalo Niagara Partnership should collaborate to establish equity-centered metrics that guide capital allocation decisions throughout the region. This partnership should implement robust tracking systems that monitor outcomes across race, gender, and geographic location, providing transparent data for continuous improvement.

Additionally, these organizations should offer specialized technical assistance to municipal governments seeking to implement equitable procurement policies, ensuring consistent standards across the I-90 corridor.

A multi-organization guiding committee or intermediary should serve as an accountability partner and ecosystem steward to ensure all collective actions by Central New York partners remain aligned with shared goals. Living Cities' TII experience, referenced above, provides one model for how a backbone committee can help cross-sector leaders develop systemic success metrics and build capabilities to address system-level challenges rather than focusing on individual organizational constraints. Leaders collaborated to engage community members in identifying and prioritizing data on key local challenges, establishing shared initiative goals, and implementing collective progress indicators and accountability frameworks. A cornerstone of this approach should be the theory of change to build capacity and trust across initiative participants.

Key Actors:

- ESD (and NY Ventures)
- CenterState CEO, OneROC, Buffalo Niagara Partnership
- Regional business chambers and anchor institutions
- Supporting national technical assistance providers

Steering Committee:

- ESD (NY Ventures and GO-SEMI divisions)
- CenterState CEO, OneROC, Buffalo Niagara Partnership - Regional implementation
- Micron and/or M&T Bank – Private sector
- Technical assistance provider for national benchmarking

Data and Technology Partners:

- Regional universities for research and evaluation
- Technology vendor for dashboard development
- Community engagement organizations for resident input

Accountability Partners:

- Community Engagement Committee representatives
- Regional and MWBE business associations
- State and municipal procurement offices
- Regional and Community Foundations

Implementation Timeline: 4-Month Planning Phase; 8-Month Dashboard Development Period

Expected Outputs:

- Equity scorecard template with disaggregated metrics
- Digital dashboard displaying real-time progress
- Training curriculum and toolkits for municipal procurement equity
- Biannual stakeholder convening for data review and alignment

Anticipated Impacts:

- Transparent tracking of equity-related commitments and outcomes
- Greater institutional accountability for inclusive practices
- Policy shifts at the municipal and regional level supporting MWBE and SEDI firms
- Replicable model for embedding equity into economic development infrastructure

Recommendation 3: Develop Comprehensive Regional Inclusive Industry Readiness Program

To ensure that Socially and Economically Disadvantaged Individuals (SEDI)-owned businesses are positioned to participate in the region's economic growth, Central New York can launch a Regional Inclusive Industry Readiness Program. From our 35 years of experience across different regional economies, we recommend that the program should not focus on just one industry to sustain beyond this single opportunity. While semiconductors may be the catalyst, inclusive prosperity requires support for diverse businesses across sectors—from clean energy to logistics, from infrastructure to care economy services.

This program would integrate technical assistance, relationship brokerage, and capital readiness tools to prepare small firms to meet the procurement, quality, and scale requirements of large public and private sector buyers. In partnership with Micron and other major employers, there is a need to implement a multi-faceted supply chain integration strategy designed to create sustainable pathways for SEDI participation in the semiconductor ecosystem. This comprehensive approach should include:

- Creating a tiered supplier development pipeline that classifies businesses by readiness level and provides targeted support (training, certifications, bonding, finance) to advance firms through each stage.
- Developing industry-specific cohorts for high-potential SEDI firms in strategic sectors including advanced materials, precision manufacturing, logistics, professional services, and facility management.
- Launching a Capital Readiness Program that combines specialized technical assistance with access to working capital needed to fulfill larger contracts.

Key Actors:

- Micron and other anchor companies

- ESD
- CenterState CEO, Buffalo Niagara Partnership, and industry associations
- SEDI/Supplier Diversity agencies
- CBCAs and capital readiness TA providers

Business Development Partners:

- CenterState CEO, Buffalo Niagara Partnership, OneROC
- MWBE certification agencies
- Industry associations (manufacturing, logistics, professional services)

Support Infrastructure:

- Regional workforce development boards
- CBCAs and capital readiness TA providers
- SCORE and SBDC chapters
- Procurement technical assistance providers

Implementation Timeline: 8-Month Planning Period, 12-Month Launch and Pilot

Support Infrastructure:

- Regional supplier pipeline database and segmentation
- Contracting readiness playbooks for priority sectors (e.g., logistics, materials, site services)
- Capital and TA packages tailored to contractor needs
- Matchmaking convenings and digital supplier directories

Anticipated Impacts:

- Increased MWBE participation in high-growth industries
- Strengthened regional supply chain resilience
- More equitable distribution of economic gains from public-private investments
- Scalable model for supplier inclusion applicable to other Tech Hubs

These recommendations collectively form an approach that is targeted—with a focus on capital access infrastructure with specific, measurable outcomes—and transferable, building institutional infrastructure that can transcend time and changes in people and politics. By aligning interests across stakeholders to support business development in the region, there is a shared vision and accountability for success. With feedback loops through equity scorecards, regular convenings, and performance metrics, this approach addresses coordination gaps to ensure learning and iteration, as well as meaningful cross-sector collaboration to achieve impact.

"We've already done the hard part—the planning, the trust-building, the collaboration. Now we just need fuel for the engine." –Laura Quebral, Center for Regional Strategies

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