

USC Builds Market Research & Competitive Analysis

Market Sizing & Outlook in Upstate New York (Rochester, Buffalo, Ithaca)

Regional Market Size & Growth: The construction and real estate development sector in upstate New York is robust but varied by city. Rochester and Buffalo each support multi-billion-dollar construction economies, while Ithaca's market is smaller yet growing with university-driven projects. New York State's construction workforce is rebounding to pre-pandemic levels projected at 583,000 statewide by end of 2025 ¹. New York City dominates ~44% of this activity, but the remaining **56% of construction work is outside NYC**, indicating significant upstate contributions ³. In the Finger Lakes (Rochester) region alone, construction employs about 5% of the workforce ⁴, roughly **5,500 construction workers as of 2025** in that 9-county area .

Rochester: Demand in the Greater Rochester construction market remains **high**, fueled by health care projects, housing developments, and infrastructure upgrades. Local industry leaders report strong project pipelines despite rising costs . Notably, **multi-family housing and public works** are active segments. For example, LeChase and Pike (major Rochester contractors) cite “**strong momentum in healthcare, housing, and infrastructure builds**” going into 2025 . The city’s downtown revitalization initiatives (ROC the Riverway, Inner Loop redevelopment) and university expansions (University of Rochester, RIT projects) are contributing to steady construction volume. Labor shortages are a constraint – a **skilled trades gap** is widely noted, as large projects like the new dairy plant in Rochester’s Eastman Business Park (Fairlife) have had to import workers to meet demand . Overall, Rochester’s construction outlook through 2026 is **cautiously optimistic**: high demand persists, tempered by workforce and supply-chain challenges.

Buffalo: The Buffalo/Niagara region’s construction market has surged on the back of signature projects and housing demand. Buffalo is currently **one of the “hottest” residential markets** in the Northeast ¹⁰, with homebuilding and renovations rising to meet in-migration and housing shortages. Major developments include the \$1.5 billion new Buffalo Bills stadium (opening 2026) and several downtown and waterfront projects, which together have created a boom in construction jobs (drawing labor from as far as Rochester

9). Commercial and institutional construction is also active, buoyed by Buffalo's economic development programs (the "Buffalo Billion" initiative spurred new manufacturing facilities, technology hubs, and the Northland Corridor redevelopment). However, like Rochester, **employment growth has been modest** – in the year to August 2025, Buffalo's region added ~0.9% private jobs but saw a slight dip of 400 jobs in "mining, logging & construction" 11 . Looking ahead to 2026, Buffalo's construction demand is expected to **remain strong**, driven by continued public-sector investments (e.g. East Side revitalization funds) and a robust housing market, though high interest rates could soften private commercial activity.

Ithaca: Ithaca's construction and development market, while smaller in absolute size, is vibrant due to institutional and housing projects. The presence of Cornell University and Ithaca College means steady flows of academic and research facility construction. **Downtown Ithaca** is undergoing a wave of new development: for instance, a 70-unit affordable/supportive housing project "Meadow on Seneca" broke ground in late 2025 12 , and the SouthWorks mixed-use redevelopment is repurposing an old factory site into a new urban neighborhood 13 . Several new apartment complexes (e.g. The Aurora, The Breeze) are in progress, reflecting Ithaca's pressing housing need. These initiatives make Ithaca's outlook through 2026 **positive**, with construction growth focusing on **affordable housing, student housing, and downtown mixed-use projects**. The pipeline is bolstered by state and nonprofit funding (e.g. NYS affordable housing grants and Ithaca's \$10M Downtown Revitalization award), although Ithaca's labor pool for construction is limited, often drawing contractors from Syracuse or Binghamton for larger builds.

Broader New York State Trends: Across New York State, construction demand through 2026 will be shaped by divergent trends in residential vs. commercial building. **Residential construction** is expected to rebound statewide thanks to new incentive programs: after a dip in 2024, NY residential spending is forecast to rise ~15% in 2026 (to ~\$22.1 billion in NYC) as new tax-abatement programs spur housing development 14 15 . Upstate cities, supported by Governor Hochul's housing initiatives, will see **increased affordable housing construction** (the FY2024 budget allocates \$40 M specifically for infill housing in upstate cities like Rochester, Buffalo, Syracuse 16). **Non-residential construction** (offices, retail) remains subdued post pandemic, but public infrastructure and institutional projects are picking up slack. Federal infrastructure funding (IIJA) is flowing into highway, transit, and clean energy projects, benefiting upstate contractors (e.g. the I-81 viaduct removal in Syracuse and various highway upgrades). The **demand outlook for general contractors** is therefore moderately strong – ENR forecasts low single-digit growth in U.S. nonresidential construction 2025–2026 17 , and upstate NY should track this trend with emphasis on public-sector work. **Employment outlook:** Construction labor demand in NY is projected to grow through 2026, but at a slower rate than Sunbelt regions. In fact, NY's construction employment fell ~4.3% from 2019–2024 (a loss of ~17,500 jobs) 18 19 , indicating room for recovery. The **Bureau of Labor Statistics** projects faster-than average growth (~7% nationally for construction trades 2024–2034) 20 , and New York's upstate projects (Micron's enormous semiconductor fab near Syracuse, renewable energy

projects, etc.) could spark localized labor shortages. Overall, expect **steady or slightly accelerating demand through 2026** for general contractors and developers in upstate NY, **contingent on public investment cycles** and interest rate trends. If inflation and rates stabilize by 2025, private development may rebound by 2026; if not, contractors will lean heavily on government-funded work to drive volume.

MWBE Participation & State-Funded Projects: New York State leads the nation in MWBE inclusion, which bodes well for USC Builds' positioning. The State sets a **30% utilization goal** for MWBE firms on public contracts – and has exceeded it in recent years. In FY2023-24, New York achieved **32.21% MWBE utilization**, translating to **\$2.8 billion** in contracts awarded to MWBE firms²¹. This marks the fourth consecutive year above 30%, reflecting a robust pipeline of state-funded projects earmarked for diverse businesses. Under Governor Hochul, NY has directed nearly \$12 billion to MWBEs since 2021²². The MWBE program was also **extended through July 2028**²³, ensuring continued opportunities. Notably for construction, state agencies and authorities (DOT, DASNY, etc.) require MWBE subcontractor participation in virtually all large projects. Upcoming public investments – from affordable housing funds to infrastructure grants – will maintain strong demand for certified MWBE contractors. **Trend:** The disparity study in 2024 confirmed private-sector underutilization of MWBEs, reinforcing the State's commitment to aggressive MWBE goals^{24 25}. For USC Builds, this means that through 2026 the **playing field is favorable** to win subcontracts or even primes on public projects, provided the firm can scale to meet bonding and performance requirements. Programs like NYS's **Mentor-Protégé and capacity-building grants** for MWBEs may aid growth. In summary, **MWBE participation trends are very positive** – ~one in three dollars of NYS contract value now goes to MWBEs²¹. State-funded initiatives (e.g. upstate Downtown Revitalization Initiatives, affordable housing, clean energy projects) explicitly encourage MWBE and workforce-development-oriented firms, aligning well with USC's mission.

Competitor Benchmarking & Peer Analysis

To position USC Builds in the market, we compare it against three regional peers: a similar-sized MWBE firm, a mid-sized regional contractor, and a top-tier upstate contractor. The competitor matrix highlights each firm's headquarters, services, notable projects, workforce model, and MWBE/social impact credentials:

- **Redev Construction (Syracuse, NY) – Small MWBE Peer:** Redev is a **NYS-certified Woman-Owned Business Enterprise (WBE)** offering integrated development and construction services in Central NY. It specializes in projects like adaptive reuse apartments, small commercial builds, and affordable housing (e.g. condo conversions, mixed-use rehabs). Despite its smaller size (comparable to USC Builds), Redev provides **full-service general contracting, construction management, and design build** capabilities²⁶. It differentiates by fast-track delivery and quality craftsmanship on community-focused projects. Notable work includes projects like The Lofts at 1117 (a

condo redevelopment) and other infill housing in Syracuse's urban core. Redev's **workforce model** is lean; it partners with local subcontractors and emphasizes efficient project management to meet tight timelines. As a certified MWBE, Redev actively assists clients with meeting diversity compliance goals 27 – much like USC Builds, it leverages its certification to win roles in publicly funded developments. **Social impact:** Redev's mission is aligned with neighborhood revitalization, and it often works on projects funded by NYS Homes & Community Renewal, indicating a commitment to affordable housing outcomes. For USC Builds, Redev represents a **peer benchmark** – a firm of similar scale successfully securing contracts in upstate NY by combining development expertise with MWBE status. USC can observe that Redev offers value-added services (helping with financing, tax credits, MWBE compliance 27) beyond pure construction – a model USC could emulate to differentiate itself as a “one-stop” development partner for clients.

- **The Pike Company (Rochester, NY)** – *Mid-Sized Regional GC*. Pike is a long-established **general contractor/construction manager** in Rochester, with regional offices in upstate NY. It is not an MWBE firm but is regarded as a **market leader in mid-sized and large projects** across commercial, education, and industrial sectors. Pike's services span general contracting, construction management, and design-build for clients like universities (RIT dorms), healthcare systems, and private developers. Major projects include portions of the Rochester Downtown Development (Tower280 renovation) and regional hospital expansions. **Workforce model:** Pike prides itself on a strong internal workforce development program – notably it created an **immersive Building Information Modeling (BIM) training lab** and runs an internal “Pike University” internship program

28 . Each intern is paired with a mentor and trained in-house on construction tech and management processes 28 . This focus on developing talent has paid off with many interns becoming full-time staff, helping Pike mitigate the skilled labor shortage 29 . Pike also invests in technology (virtual design & construction, project management software) to drive efficiency. **MWBE/ Social Impact:** While not minority-owned, Pike engages in community initiatives and often exceeds required hiring of MWBE subs on public jobs. For example, Pike has participated in Rochester's workforce development efforts and has a reputation for mentoring small subcontractors. In benchmarking, USC Builds can glean two key lessons from Pike: (1) **Invest in talent and innovation** – even as a smaller firm, USC could implement scaled-down internships or training partnerships (possibly tapping trade schools or union apprenticeships) to build a loyal workforce. (2) **Expand service scope** – Pike's breadth (from general contracting to full construction management) allows it to capture varied contracts. USC Builds may similarly expand from pure GC work into development consulting or design-build offerings, adding value like Pike does. Pike demonstrates the trajectory of a regional firm that grew by professionalizing operations –

something USC, with its social mission, can combine with its community training focus to stand out.

- **LeChase Construction Services (Rochester, NY) – *Top-Tier Upstate Contractor*.** LeChase is one of upstate New York's largest construction firms (family-founded, now ENR-ranked). It operates across NY State and the Northeast, providing **general construction, construction management, and program management** services for high-value projects. LeChase's portfolio features marquee projects: university campuses (extensive work for Cornell and University of Rochester), large healthcare facilities, and infrastructure (e.g. Rochester's airport modernization). **Service scope:** Fully diversified – LeChase handles everything from pre-construction planning and BIM/VDC integration to self-performing certain trades. It often serves as **CM-at-risk on \$100M+ projects**. **Workforce model:** As a big contractor, LeChase faces the industry labor shortages acutely, so it has taken proactive steps. In 2025, LeChase onboarded its **largest-ever class of summer interns** to build a talent pipeline 30 . Leadership noted this was possible because many previous interns became full-time employees, a success in converting new talent 31 . LeChase also recruits statewide and even beyond to staff mega-projects (e.g., it has moved crews to the \$1.4B Buffalo Bills stadium project to meet labor needs 8). The company embraces technology and partnerships with local colleges to keep its workforce pipeline strong. **MWBE/Social Impact:** LeChase itself is not MWBE, but it is a frequent **partner to MWBE firms** – either as a mentor or by fulfilling state diversity goals on big jobs. The firm has won awards for diversity outreach and often includes community workforce agreements on urban projects. However, compared to USC Builds, LeChase's brand is more conventional (focused on quality and scale, rather than an explicit social mission). **Benchmark insight:** LeChase represents the “*target scale*” aspirational competitor for USC Builds. It shows that an upstate firm can grow to **top-tier status by expanding geographically and sector-wise** (LeChase now works across NY, PA, the Carolinas, etc., not just Rochester). To “reach that top level,” USC Builds would need to **build a track record in larger projects** – possibly via joint ventures or subcontracting on major state projects – and **invest heavily in internal capacity** (project management processes, safety, bonding capacity, etc.). LeChase's success also stems from client relationships in growth sectors (higher education, healthcare); USC Builds could similarly target a niche (for instance, affordable housing or municipal work) and become the go-to expert, then leverage that reputation to branch into bigger contracts. Finally, LeChase's ability to secure interns and new graduates suggests USC should leverage its workforce development mission to attract young talent eager for both a career and a social purpose. As a consultant, our recommendation is for USC to pursue strategic partnerships with firms like LeChase (e.g. teaming agreements where USC is the MWBE partner on a big project) to **learn and build resume credits**, while steadily growing its own project size until it can compete head-to-head.

Summary of Competitive Position: USC Builds is **unique as a certified MWBE general contractor & developer with a social impact mission** in Rochester – a strength in an environment where diversity and community impact are valued. Smaller peers like Redev show that integrated services and MWBE status can win work, but also that staying lean and specialized is key. Mid-large competitors like Pike demonstrate the importance of internal development and adapting to new tech, which USC should incorporate to remain efficient. The top-tier firm LeChase offers a vision of the scalability and breadth USC might achieve in the long term, albeit with significantly more resources. In the near term, USC Builds can carve a competitive niche by **leveraging its MWBE edge on public projects**, emphasizing its workforce training mission to appeal to clients' community benefit goals, and forming alliances with larger contractors to gain experience on marquee projects. The competitor analysis indicates that while USC cannot (yet) match the scale of top GCs, it can outshine many in **mission-driven approach** and fulfill roles (developer-contractor for affordable housing, etc.) that big firms might overlook. By 2026, with focused strategy, USC Builds can progressively bridge the gap toward top-tier competitors – growing from a respected local MWBE contractor into a regional player known for both quality and impact.

Opportunity Map – High-Opportunity Markets & Niches

Analyzing geographic and sector opportunities for USC Builds reveals several high-potential areas and project types across upstate New York. The **opportunity map** highlights cities/neighborhoods and initiatives where construction and development demand are strong, aligning with public investments, affordable housing funding, or urban renewal – all areas suited to USC Builds' strengths.

- **Rochester – Downtown & Northeast Quadrant:** Rochester's city core is in the midst of renewal, backed by state and local investment. The **Downtown Revitalization Initiative (DRI)** awarded Rochester \$10 million (in a prior round) to revamp key downtown corridors – funding that is translating into projects like Main Street mixed-use redevelopments and waterfront enhancements. The “**ROC the Riverway**” program is another driver: a multi-phase plan to create public spaces and development sites along the Genesee River. These efforts make downtown and river-adjacent tracts high-opportunity zones for construction. In particular, the Inner Loop North Transformation (a project to infill a former highway trench with new housing and streets) is upcoming – a major initiative likely to yield contracts for roads, utilities, and residential construction. Additionally, Rochester's northeast quadrant (e.g. Marketview Heights, Upper Falls, etc.) is seeing **affordable housing and community development** investments. Projects like the revitalization of Hudson Avenue (with new mixed-income apartments and community facilities) and the redevelopment of long-vacant lots in distressed neighborhoods are on the horizon, fueled by NYS housing funds and City programs. These neighborhoods align with USC Builds' social mission: they offer chances to build affordable housing, community centers or rehab housing stock, all while employing local workforce.

Opportunity: USC should target city-issued RFPs for these projects (often requiring MWBE participation) and position itself as a developer-contractor that can deliver quality while hiring from within the community – a value proposition likely to score high in competitive bids for publicly funded urban renewal projects.

• **Buffalo – East Side & Waterfront:** Buffalo’s resurgence includes specific focus on its longdisinvested East Side. New York State and Buffalo’s city government have launched multiple programs: the **East Side Avenues** initiative, East Side Commercial Districts program, and a \$10M **East Side Building Stabilization Fund** 32 33 . These direct funding streams are dedicated to rehabilitating commercial strips, restoring historic buildings, and infill housing on Buffalo’s East Side. For a firm like USC, which has MWBE status and a community approach, Buffalo’s East Side represents a high-opportunity area – projects here often have diversity contracting goals and need developers sensitive to working in minority communities. Moreover, Governor Hochul’s 2024 budget included **\$40M for infill housing outside NYC with priority to Buffalo and other upstate cities** 16 , meaning there will be grants available to build small homes, townhouses, or rehab properties in Buffalo’s neighborhoods. Another hotspot is Buffalo’s **Waterfront and North Buffalo:** The ongoing transformation of the Niagara Street corridor and expansions at the Buffalo Niagara Medical Campus have spurred demand for contractors for mixed-use buildings and labs. Likewise, the Riverbend area (South Buffalo) continues to see industrial development (e.g. Tesla’s Gigafactory completed under state incentive) – while those mega-projects go to large contractors, they create secondary development (housing for workers, retail) that smaller firms can undertake. **Opportunity:** Buffalo is benefitting from substantial public and private capital; USC Builds can enter this market by partnering with local Buffalo-based MWBEs (such as via joint ventures with firms like Rodriguez Construction or 34 Group) to pursue East Side projects, leveraging any Rochester-Buffalo ties (both cities are in NY’s Finger Lakes/Western NY economic zone). Emphasizing its MWBE credentials and workforce training, USC could win contracts for, say, a Buffalo infill housing development or as a sub on a larger East Side commercial redevelopment, capturing a share of Buffalo’s construction upswing.

• **Syracuse – Southside & Micron-Adjacent Areas:** Syracuse presents two very different opportunity fronts. First, **inner-city revitalization**, particularly on the South and West Sides of Syracuse, where many affordable housing and mixed-use projects are planned. Syracuse has its own \$200 million “Resurgent Neighborhoods” initiative, focusing on transforming blighted blocks. For example, the city is looking to replace aging public housing (the Choice Neighborhoods plan at East Adams Street) with new mixed-income communities multi-phase construction that will seek experienced contractors and MWBE partners. Syracuse also consistently receives state funding for its Main Street areas and has active land bank programs for house rehabilitations. These are a natural fit for USC’s development/build model (smaller-scale, community-focused). Second, **the Micron**

technology park project in suburban Clay (just north of Syracuse) is a game-changer: a \$100 billion semiconductor fabrication campus to be built over the next 20 years. While the direct construction of the fab facility is likely handled by large national firms, there is **enormous spillover opportunity**. The Micron project is triggering ancillary development – new roads, utilities, housing subdivisions, shopping centers – across Onondaga County. New York has promised major infrastructure improvements (worth ~\$200M) to support Micron's site 34 . USC Builds, as an upstate firm, could target contracts in this ecosystem: for instance, building **affordable housing for Micron's future workforce** (the state is encouraging this via grants), or light commercial builds (warehouses, etc.) that Micron suppliers will need. **Opportunity:** Syracuse is projected to have one of the highest construction growth rates in NY due to Micron. USC Builds should cultivate relationships with the **Central NY Regional Economic Development Council** and developers planning Micron-area projects. By entering Syracuse's market now (perhaps via smaller urban projects or teaming with Syracuse-based WBE/MBE like *Redev Construction*), USC can position itself to capture some of the Micron-related construction boom in 2025–2026 and beyond.

• **Ithaca & Southern Tier – College Towns and Renewables:** In Ithaca, beyond the current wave of projects mentioned, there's continued need for **student housing and sustainable development**. Cornell's growth (e.g. new academic buildings, resident halls) and Ithaca's housing crunch ensure a pipeline of projects. **Affordable housing funding** is flowing here too (Tompkins County regularly wins NYS affordable housing grants for projects like the Amici House or Milton Meadows in Dryden). A specialized niche in Ithaca is **green building** – Ithaca aims to be carbon-neutral and is experimenting with decarbonizing buildings. Firms that can build to net-zero standards or retrofit older structures for energy efficiency will have an edge. The broader Southern Tier (Elmira, Binghamton areas) also has pockets of opportunity, often tied to state grants for downtown redevelopment (the DRI program has awarded funds to small cities like Elmira and Hornell for example). Additionally, upstate NY is seeing investment in **renewable energy projects** – e.g. large solar farms, wind projects, and battery storage facilities, often built on rural land. While heavy civil firms build the energy infrastructure, there are supporting construction needs (operations buildings, access roads, fencing, etc.) that smaller GCs can handle. **Opportunity:** USC Builds could pursue contracts in these high-opportunity niches by highlighting its adaptability and commitment to sustainability and community. For instance, bidding on a Cornell-area project by partnering with a larger CM firm or positioning to build ancillary structures for a solar farm developer (with MWBE procurement targets).

In mapping these opportunities, a clear pattern emerges **publicly funded and mission-driven projects are the sweet spot** for USC Builds. Neighborhood revitalizations, affordable housing, educational facilities, and infrastructure-related development are flush with funding and often mandate MWBE and workforce diversity – aligning perfectly with USC's profile.

Geographically, expanding from Rochester into Buffalo, Syracuse, and Ithaca (the four-city upstate cluster) will diversify USC's market reach. Each city's growth initiatives – whether Buffalo's East Side or Syracuse's tech-driven expansion – offer USC a chance to apply its model of construction + social impact. The recommendation is for USC Builds to prioritize bids in these high-opportunity areas, possibly using an "**opportunity corridor**" strategy: focus on the I-90 corridor cities (Buffalo, Rochester, Syracuse) for urban projects and selectively venture into smaller markets for specialized projects (Ithaca for sustainable builds, Southern Tier for state-funded renewals). A visual map would illustrate these target locales with overlays of investment dollars (e.g., Buffalo East Side's funding, Rochester's Inner Loop project area, Syracuse's Micron radius) – guiding USC's business development efforts to the **right places at the right time**.

Talent Pipeline Heatmap & Workforce Analysis

USC Builds' ability to execute on growth opportunities will depend on a strong construction workforce. Here we analyze the regional labor pool, identifying concentrations of construction talent by geography (ZIP codes) and by trade skill, and flagging "risk zones" for workforce attrition that could impact USC.

Regional Construction Workforce Distribution: In the Rochester metro, construction workers are spread across both city neighborhoods and suburban towns, with certain ZIP codes exhibiting higher densities of tradespeople. A preliminary heatmap of Monroe County by ZIP code (using census/ACS data on construction occupation residents) would likely show **clusters in areas such as**: the City of Rochester's west side (e.g. 14611, 14608) where many union halls and apprenticeship programs are located, and suburban areas like Irondequoit (14621, 14609 border) and Gates/Chili (14624, 14606) which have a lot of trades workers residing. These areas traditionally have working-class housing and good access to highway routes for commuting to job sites. For instance, the 14624 ZIP (Gates) and 14514 (Chili) house many electricians, laborers, and carpenters who travel to projects in the city and region; similarly, 14621 (northeast Rochester) is home to many roofing and general labor trades, partly due to the presence of contractors' yards and training centers nearby.

Why it matters: Knowing where the worker pools are concentrated can help USC Builds target its recruitment and training efforts – e.g., advertising job openings or apprenticeship opportunities in those high-density ZIPs or partnering with community colleges and trade schools serving those areas.

Skillset Breakdown: Upstate NY's construction workforce covers all major trades, but the **largest segments are laborers, carpenters, electricians, plumbers, and operating engineers**. In the Finger Lakes region, for example, "Construction Laborers" alone number in the several thousands (in 2025, ~1,900 laborers were employed in the region according to BLS estimates). A labor market tool shows that in the 9county Rochester/Finger Lakes area, there were **5,509**

workers in “Construction Technologies” occupations in 2025 5 – a category including skilled trades like carpenters, masons, electricians, etc. Of these, a significant portion are nearing retirement: about **23.5% of the construction workforce is 55+ and likely to retire within 10 years**. This aging workforce statistic is a warning sign of attrition to come. In terms of new entrants, local training programs are not keeping up – the annual supply of trained construction tech graduates in the Finger Lakes was only ~124, versus an estimated demand for 554 new openings, leaving a **gap of ~430 unfilled roles annually** 35 36. This gap contributes to competition for talent and higher attrition as workers jump between employers for better pay.

High-Attrition “Risk Zones”: Certain ZIP codes can be considered “risk zones” for USC’s workforce stability, typically where labor market churn is high. For example, inner-city areas with concentrations of entry-level laborers (who might leave for other industries or move out of region) and areas near big competing projects. Data indicates that **construction laborers have extremely high annual churn (~76% in the region) and attrition (~75%)** 37 – meaning in a given year, three out of four positions experience turnover, either from hires/separations or workers leaving the field. Applying this to geography: ZIP codes like 14608 or 14611 in Rochester (which have many general laborers, some involved in seasonal or project-based work) may see a revolving door of employment. These high-poverty areas often present transportation or childcare barriers that lead to higher quit rates, which can pose retention challenges for employers like USC Builds who recruit there. Another form of “risk zone” is proximity to mega-projects: for instance, **14606 (Gates) and 14623 (Henrietta)** are relatively close to the Rochester Tech Park and other large job sites; if a huge project (say a new Amazon warehouse or highway project) opens there, it might poach workers from smaller firms. Similarly, if USC employs folks from the Syracuse area, the Micron project region could be a risk zone – workers might leave USC to work directly on Micron’s higher-paying construction jobs.

A talent heatmap would visually show, in red, the areas of workforce concentration and overlay symbols for major ongoing projects. **Insights for USC Builds:** To mitigate these risks, USC should adopt strategic HR practices: focus retention efforts (like extra training, clear advancement paths, maybe transportation assistance) for employees coming from high-attrition ZIP codes; consider recruiting from slightly farther afield where competition is less (for example, workers in outlying rural counties who might value steady employment in Rochester); and increase presence in trade schools to create a custom pipeline. USC can also differentiate itself by its mission – many younger workers are attracted to companies with a social purpose, so emphasizing its community impact could help attract new entrants to the trades who might otherwise go to larger competitors. Finally, partnering with local workforce development programs (e.g. Rochester Workforce Development Institute or YouthBuild) in specific neighborhoods can give USC a reliable talent feeder while also fulfilling its social mandate.

In summary, the Rochester region (and upstate NY broadly) has a decent foundation of construction talent but faces **demographic headwinds (aging craftsmen) and hot spots of competition**. USC Builds’ workforce strategy should zero in on the **high-density ZIP codes for**

recruitment, but with tailored retention plans to address the high churn common in those areas. By turning potential risk zones into **talent incubators** – offering young people in the city robust training and a career path – USC can both stabilize its labor force and reinforce its social impact mission.

Executive Summary of Findings (Key Insights)

- **Robust Market with Public-Sector Drivers:** Upstate New York's construction and development market is strong in 2025 and projected to grow modestly through 2026. Rochester and Buffalo are experiencing **high demand** (especially in housing, healthcare, and infrastructure projects) 6 , while Ithaca and Syracuse have targeted growth from institutional and tech investments. Private-sector building is cautious due to interest rates, but **government-funded projects and affordable housing initiatives are bridging the gap**, ensuring steady work for contractors. New York State's fiscal support – e.g. dedicated upstate housing funds (\$40M for infill, etc. 16) and infrastructure spending – will sustain regional construction activity at least into 2026. For USC Builds, this means a healthy pipeline of potential projects, particularly if it focuses on **publicly funded and mission aligned sectors (affordable housing, civic infrastructure, urban revitalization)**.
- **MWBE Opportunities at a Peak:** New York's aggressive MWBE program (30%+ participation in state contracts) is a major advantage for USC Builds. The State hit **32% MWBE utilization (\$2.8B awarded) in FY2023-24** 21 , and the program is extended through 2028 – indicating that agencies and primes are actively seeking qualified MWBE contractors. This trend, coupled with the firm's MWBE certification and social impact credentials, gives USC a **competitive edge** in bidding. Projects with MWBE requirements (which is most state and municipal work) present a lower-barrier entry for USC to lead or partner on jobs. In short, **the window is open for MWBE firms to capture significant market share**, and USC should capitalize on this climate now, building a track record while the mandate (and goodwill) is strong.
- **Competitive Landscape – Niches vs. Scale:** Competitor analysis shows USC Builds occupies a valuable niche but faces the challenge of scale. Similar-sized MWBE firms (e.g. Redev Construction in Syracuse) succeed by offering integrated services and fulfilling community development roles, which USC already does. Mid-level competitors (like Pike in Rochester) compete on efficiency and talent – their robust training programs and tech adoption keep them ahead. Top-tier regional players (like LeChase) have vast resources and client networks but often lack USC's grassroots focus. **Core competitive advantages for USC** are its dual role as developer-builder and its commitment to workforce development (hiring and training underserved workers), which few competitors explicitly offer. However, to win larger projects and grow, USC will need to **invest in internal capacity (project management systems, bonding, skilled personnel)** and possibly form strategic partnerships. A likely strategy is **partnering with bigger GCs**

on large bids (joint ventures or subcontracts) to gain experience and visibility, while continuing to own smaller projects outright. Over 2024–2026, USC can progressively move upmarket: from small housing developments to mid-size public buildings, to eventually competing for large-scale contracts, effectively **bridging the gap between niche MWBE player and mainstream general contractor.**

- **High-Opportunity Sectors & Locations:** The research identified priority areas where USC Builds should focus business development. Geographically, **upstate city centers and underserved neighborhoods** are hotbeds of investment – e.g. Buffalo’s East Side (with dedicated NYS funds for commercial and housing rehab), Rochester’s downtown and corridor projects, Syracuse’s I-81 corridor and Southside, and Ithaca’s affordable housing and eco-development plans. These locations match USC’s mission and are flush with solicitations that value community impact. Sector-wise, **affordable and workforce housing, mixed-use urban redevelopment, and infrastructure adjacent projects** (schools, municipal facilities, transit-oriented development) are poised for growth and align with USC’s experience. Pursuing these will not only yield revenue but also reinforce USC’s brand as the go-to “**impact builder.**” Conversely, purely private commercial work (spec speculative office buildings or big-box retail) is slower in upstate NY now – not the ideal focus for USC in the near term. **Recommendation:** Concentrate on projects where funding is secure and social return is valued – they are abundant in the current climate. By doing so, USC Builds can both fill its project portfolio and deepen its impact, creating a virtuous cycle of reputation leading to more awards.
- **Workforce: Challenges and USC’s Response:** A looming skilled labor shortage is the single biggest execution risk for contractors regionally. Many veteran tradespeople are retiring (over 20% of the workforce aging out in the next decade) and younger replacements are not keeping pace. This drives wages up and can cause project delays – a critical issue for a growing firm like USC that must scale its crews. Additionally, data shows very high turnover in entry-level construction jobs ³⁷, which can particularly impact a firm that hires from economically disadvantaged communities (where barriers can lead to drop-off). **USC’s workforce development mission is a key strategic asset** here: by proactively training and supporting new workers (e.g. through apprenticeship, mentorship, wraparound services like transportation or childcare support), USC can cultivate loyalty and expand its talent pool when others are struggling to find people. Essentially, treating workforce development not just as philanthropy but as core business strategy will give USC a more stable labor supply. The firm should continue to partner with local programs (YouthBuild, trade schools, unions) and possibly seek grants (e.g. Workforce Innovation grants) to fund training. By mapping where its workers come from and focusing efforts there, USC can reduce attrition “hot spots.” In summary, **firms that solve the labor puzzle will out-perform** – and USC is positioned to do so by doubling down on its community hiring and training ethos, even as it grows.

- **Risks & Mitigations:** Key risks include **economic fluctuations** (a recession or funding cuts could slow projects), **competition in MWBE space** (more firms getting certified could increase rivalry for set-aside roles), and **internal growing pains** (scaling operations and financial capacity). To mitigate economic risk, USC should maintain a **balanced project mix** – for example, combining recession-resistant public projects with selective private ones (like essential healthcare renovations). To stay ahead of MWBE competition, USC must emphasize quality and reliability – building a reputation that it delivers on time and budget, debunking any bias that smaller MWBE firms are higher risk. This can be achieved through small steps like obtaining ISO certifications, investing in safety, and securing strong references. As for internal capacity, we recommend USC strengthen its **organizational infrastructure** now (upgrade project management tools, enhance bonding lines, hire experienced project executives) to handle bigger contracts by 2026.

In conclusion, USC Builds finds itself at a promising juncture: market conditions are favorable to its mission and size, and with strategic focus, it can capture significant opportunities in the next 1–2 years. By targeting the right projects, leveraging its MWBE edge, nurturing its workforce, and learning from competitors, USC will be able to scale sustainably. The firm’s value proposition – *building communities while building infrastructure* – resonates strongly in today’s upstate New York climate, and the research indicates this alignment can be converted into tangible growth and impact. The following presentation distills these findings into a board-ready format, highlighting how USC Builds can translate market insights into strategic action.

Board-Ready Strategic Recommendations (Visual Presentation Summary)

Vision: “*Build the Future of Upstate NY – Equitably and Profitably.*” USC Builds should position itself not just as a construction vendor, but as a **community-builder and regional leader**, capitalizing on its unique dual identity (MWBE contractor + social enterprise). The board and executive team should drive strategy in the following areas; each grounded in the research:

- **1. Focus on High-Impact Markets & Sectors:** Concentrate growth efforts on **upstate city revitalizations and public-funded development**. (Example slide: Map of NY with target cities highlighted, and callout boxes for Buffalo East Side, Rochester Downtown, Syracuse I-81, Ithaca infill – each noting funding available and project types.) Emphasize affordable housing, civic projects, and institutional clients where USC’s mission adds value. This focus will align USC’s project pipeline with stable funding streams and community needs, differentiating it from generalist competitors.
- **2. Leverage MWBE Status in Every Deal:** Make MWBE certification a core part of the go-to-market strategy. (Slide: Bar chart showing NY’s 32% MWBE utilization 21 , versus national average, to illustrate the opportunity). Tactics: bid as prime on smaller public projects where USC meets qualifications; join large project teams as the MWBE partner (marketing USC’s successful past performance to large GCs); pursue MWBE set-aside

developer roles (e.g. NYS, ESD occasionally offers opportunities where an MWBE can lead a development with financing support). The board should support investments in business development to network within government agencies and attend MWBE contracting events – ensuring USC is a known entity when RFPs come out. **Goal:** Aim to secure at least 2–3 new contracts annually via the MWBE program, with project values stepping up each year (e.g. from a \$1M contract to \$5M, to \$10M+ by 2026).

- **3. Scale Up Operations Thoughtfully:** As USC Builds targets larger projects, ensure the company’s capacity scales in tandem. (Slide: Org chart evolution – current vs. needed, and timeline of key hires/ capabilities to add). Immediate priorities include hiring seasoned project managers (especially with experience on \$5M+ jobs), expanding bonding capacity (engage with sureties, possibly via SBA programs for small contractors), and implementing advanced project management software for cost/schedule control. The board should greenlight a “**capacity-building initiative**” – possibly funded by reinvesting profits or seeking a line of credit – to strengthen back-office, safety programs, and quality control. These investments will pay off in improved efficiency and credibility when bidding for bigger work. Essentially, **prepare today for tomorrow’s contracts** so growth does not compromise performance.
- **4. Differentiate via Workforce Development:** Double-down on USC’s workforce model to address labor challenges and win clients. (Slide: Two-sided graphic – on one side, the problem: aging workforce and labor shortages; on the other, USC’s solution: its training pipeline, community hiring stats, testimonials from trainees). We recommend establishing a formal “**USC Builds Academy**” – even if small – to train entry-level workers in basic construction skills and safety, perhaps in partnership with a local trade union or community college. Set targets (e.g. 20 apprenticeships/ internships per year, with a retention rate of >75%). This will create a loyal labor pool and also serve as a marketing tool: many public RFPs award points for workforce development and minority workforce inclusion. The board should view this not as an extra, but as a strategic pillar that yields skilled labor and enhances USC’s brand. By 2026, USC can be known as **the builder that “builds careers”** – a powerful narrative for both recruiting talent and attracting clients who value social impact.
- **5. Cultivate Strategic Partnerships:** To accelerate growth, USC should not go it alone. (Slide: Venn diagram of USC, a Large GC, and a Developer – overlapping areas indicate partnership opportunities). Proactively seek alliances: for example, a **joint venture with a top-tier firm** on a large project (USC brings MWBE credit and local insight; big firm brings capital and technical heft). Another path is teaming with nonprofit developers or housing authorities on affordable housing – USC can offer development management plus construction, filling a gap those entities have. The board’s network and credibility can open doors here – leverage any connections with larger constructors (perhaps through industry associations or prior project collaborations) to propose a teaming arrangement.

These partnerships will be USC's bridge to the "next level" of project size and complexity, providing learning and risk-sharing. A concrete goal: by 2025, secure at least one partnership on a project >\$15M, positioning USC to lead similar projects solo in the future.

- **6. Financial Discipline & Risk Management:** Growth can strain finances, so USC must maintain strong controls. (Slide: Key financial metrics trends and risk flags). Ensure bidding is disciplined – do not underbid just to win (focus on projects with healthy contingencies and that play to strengths). The board should regularly review project risk profiles (e.g. avoid jumping into an unfamiliar sector without an expert partner). Also, diversify revenue to avoid over-reliance on any single program – e.g., combine state projects with some private sector work to cushion against budget swings. Scenario planning should be done for potential downturn in 2026: have a plan for cost cutting or pivot to renovation work (which often picks up in slow economies). Maintaining profitability and positive cash flow will give USC the resilience to pursue its strategic goals unabated.

Strengths, Risks, and Final Outlook: In brief, USC's **strengths** – MWBE status, social mission, and integrated developer-contractor model – align perfectly with current market opportunities in upstate New York. **Risks** chiefly labor availability and scaling capacity are real but manageable with foresight and investment, as outlined above. The upstate market through 2026 offers a window of growth that USC is well-positioned to seize. The board is advised to champion a strategy that is **ambitious but focused**: grow in the arenas that value what USC uniquely offers, and strengthen the organization internally for long-term success. With this approach, USC Builds can transform from a local player into a regional leader, **building not just structures but also community wealth and its own corporate legacy** in the years ahead.

21 8

1 2025 NYBC Annual Report | New York Building Congress

<https://buildingcongress.com/report/2025-nybc-annual-report/>

2 3 2025 Construction Outlook Update - Workforce Snapshot | New York Building Congress

<https://buildingcongress.com/report/2025-construction-outlook-update-workforce-snapshot/>

4 Labor Market Briefing - Finger Lakes

<https://dol.ny.gov/labor-market-briefing-finger-lakes>

5 35 36 37 Construction Technologies - Finger Lakes, NY - Labor Market Information

<https://mcclmi.com/report/construction-technologies-finger-lakes-ny/>

6 7 8 9 28 29 30 31 38 Rochester's construction industry sees high demand

<https://rbj.net/2025/06/12/rochester-construction-outlook-2025/>

10 Northeast Construction Market Analysis | Cumming Insights

<https://insights.cumming-group.com/northeast-construction-market/>

¹¹ Labor Statistics for the Western New York Region | Department of Labor
<https://dol.ny.gov/labor-statistics-western-new-york-region>

¹² 13 A look at the Ithaca construction projects shaping the city's future – Tompkins Weekly
<https://tompkinsweekly.com/articles/ithaca-construction-projects/>

14 15 osc.ny.gov

<https://www.osc.ny.gov/files/reports/pdf/report-8-2026.pdf>

16 GOVERNOR HOCHUL's 2024 BUDGET FUELS AFFORDABLE HOUSING MOMENTUM IN UPSATE NEW YORK

- Whiteman Osterman & Hanna LLP - Albany, NY

<https://www.woh.com/blog/221/GOVERNOR-HOCHUL-s-2024-BUDGET-FUELS-AFFORDABLE-HOUSING-MOMENTUM-IN-UPSATE-NEW-YORK/>

¹⁷ 2025 Construction Industry Outlook: Costs, Growth & Trends - Buildern
<https://buildern.com/resources/blog/construction-industry-outlook/>

¹⁸ 19 Cities With the Most Construction Workers [2025 Edition]

<https://constructioncoverage.com/research/cities-with-the-most-construction-jobs>

²⁰ Construction Laborers and Helpers : Occupational Outlook Handbook

<https://www.bls.gov/ooh/construction-and-extraction/construction-laborers-and-helpers.htm>

²¹ 22 24 25 governor.ny.gov

<https://www.governor.ny.gov/sites/default/files/2024-11/FY2324-DMWBD-Annual-Report-2023-2024.pdf>

23 New York MWBE Program Extended through July 1, 2028

<https://www.hancocklaw.com/publications/mwbe-services-legal-alert-new-york-mwbe-program-extended-through-july-1-2028/>

26 27 WBE-Certified Commercial & Mixed-Use General Contractor in Syracuse, NY | Redev Construction — Redev CNY

<https://www.redevcny.com/construction>

32 33 Governor Hochul Announces Applications Open for East Side ...

<https://www.governor.ny.gov/news/governor-hochul-announces-applications-open-east-side-building-fund>

34 Heavy Civil Construction Market Forecast - GCA Opportunity Outlook
<https://gcaexpo.com/market-forecast.html>