City begins process to select broadband fiber private partner

By Keri Heath The Herald-Zeitung

The city of New Braunfels submitted a request for qualifications Wednesday soliciting a partnership with a private company to expand broadband fiber networks within the city.

This project focuses on bringing faster internet speeds for commercial uses to the city by supplying a more robust fiber infrastructure.

While some fiber already exists in New Braunfels, the cost for a commercial entity or business to invest in faster internet speeds can be prohibitive, Assistant City Manager Kristi Aday said.

"It's an economic development issue, definitely," Aday said. "There's a whole strata of businesses that we're not able to recruit ..., sort of the creative class and technology focused sort of businesses, industrial even, that are so dependent on high speed ... internet."

The project outlined in the request for qualifications highlights a public-private partnership in which a private company would build the infrastructure and provide services, while the city and New Braunfels Utilities supplied non-monetary assets. These assets, Aday indicated, could include right-of-way and easement access and other support infrastructure.

In addition, the New Braunfels Economic Development Corporation could supply economic incentives to encourage private investment.

The project would focus on bringing infrastructure to core business districts. The absence of affordable fiber access hampers business and could drive away new companies, several local business owners said.

"I think having broadband that is insufficient puts New Braunfels at a competitive disadvantage to our neighbors to the south and to the north," Bob Gray, owner of the CoWork Factory, said. "If we can get affordable broadband here and with great service, it'll be a huge attractor event to attract new businesses and new people in New Braunfels."

Nathan Manlove's company, advertising firm The AMMO Group, constantly deals in large transfers of files, videos and images. The company's office does have fiber but the costs are exorbitant, Manlove said.

"Our cost is extremely high compared to other cities for speed that is not as fast as other cities," Manlove said. "It costs us a fortune and it's not even that fast." Some fiber already exists in the city due to NBU, municipal government and school district efforts to connect their facilities, indicated Al Kaufmann, chief operating officer of NBU.

This could help a private partner who eventually enters an agreement with the city. "We have pretty much criss-crossed this city with significant fiber investment for 14, 15 years now," Kaufmann said. "Many of the fibers in those bundles are sitting unused and they can be used by a telecommunication entity."

New Braunfels is not alone in efforts to expand options to fiber. Municipal governments in small to medium-sized cities across the country are making efforts to encourage private providers to invest.

"You're seeing it primarily in smaller cities like us that don't' have the access to broadband and fiber like major cities do," Aday said. "We're seeing the local government step in to fill that role."

In cities of this size, the return on investment may not be enough to encourage private companies to invest on their own, Kaufmann said.

"When things aren't being provided, I think the cities should take up that effort so their cities aren't falling," Kaufmann said.

The city's request for qualifications states an Aug. 24 deadline for companies to respond. A partner will likely be selected near the end of the year. Depending on the private partner selected, build-out of the commercial fiber infrastructure could take anywhere from six months to three years.