FairlawnGig Fiber Boosts Regional Economy

The municipal fiber network in Fairlawn, Ohio, is strengthening the city's economic position. Now Fairlawn is using fiber to lift the rest of the area as well.

By Masha Zager / *Broadband Communities*

Some contenders punch above their weight, and Fairlawn, a suburb of Akron, Ohio, is one of them. Though its resident population is only about 7,500, a high concentration of Class A office space boosts the daytime population to more than 40,000. In 2015, aware that business tenants increasingly depended on high-quality broadband and that residents considered fast broadband a quality-of-life issue, Fairlawn resolved to make gigabit broadband available to all homes and businesses.

The city built a municipal fiber network essentially as an amenity, with no requirement that service revenue cover the cost of the build. It was willing to subsidize the network out of the general fund if necessary. Its goal was to boost property values and local businesses by inducing people to "eat, live and stay here in Fairlawn," according to Ernie Staten, Fairlawn's deputy service director. (See the November-December 2018 issue of this magazine for more information about how Fairlawn got its gig.)

Three years after the network launch, the gamble appears to have paid off handsomely. The network, called FairlawnGig, quickly gained popularity because of its reliability, speed – now up to 2.5 Gbps for small and midsized businesses and 100 Gbps for enterprise customers – and meticulous attention to customer service. With a residential take rate higher than 50 percent, FairlawnGig is financially stable; service revenues are now sufficient to cover the operating budget and soon will begin to pay down the debt.

HOME VALUES RISE

More important, however, the network seems to have impacted residential property values. Home prices rose 8.7 percent in the first year after the network went live and 8.5 percent the following year; although not all the increase is attributable to FairlawnGig, home prices in the surrounding county rose by only 1.9 percent. Homes in Fairlawn stay on the market for an average of only six days, also unusual by local standards.

Many local realtors advertise that homes are connected to FairlawnGig or eligible for FairlawnGig services – yet another indication that the network positively affects home values. And unexpectedly, Fairlawn, a densely populated suburb with no room for significant development, is experiencing a mini-development boom. According to Staten, developers are splitting 5- and 6-acre parcels to build more houses and are replacing older rental units with brand-new condo townhomes. FairlawnGig is working with developers to make sure the new homes are equipped with smart-home amenities, such as programmable lights and thermostats, as well as electric car chargers.

NEW BUSINESSES COME TO TOWN

FairlawnGig is attracting businesses as well as home buyers. Most are office tenants, such as engineering, consulting and IT firms, that

require fast, reliable broadband. In addition, there have been several larger wins. Crystal Clinic Orthopaedic Center, a practice with about a dozen facilities in the region, plans to build its flagship orthopedic hospital in Fairlawn. The center says that the new hospital, which "will be a destination facility like no other in Northeast Ohio," represents a major advancement for the region, providing access to world-class orthopedic and reconstructive care with 12 operating rooms, 60 inpatient beds, advanced medical technologies, imaging and other patient support services.

The state-of-the-art technology that is essential to the new Crystal Clinic facility is supported by FairlawnGig. Staten points out that the hospital was offered free land to build the facility in Akron but chose instead to spend $4 million on land in Fairlawn so it could have access to the fiber network. He adds, "The headquarters and back office facility will have a direct fiber connection to the new hospital – this is important because of HIPAA issues."

Another major win is the planned move to Fairlawn by TrustedSec, a well-known information security consulting company. TrustedSec has agreed to purchase 4 acres in a city-owned office research park at full market value and move about 30 jobs to Fairlawn, with more to be added later.

Again, FairlawnGig is an essential component of the deal. The company's owner and other team members make regular appearances on broadcast and cable news channels to discuss cybersecurity and data privacy stories. According to Staten, the company plans to build a studio so team members can conduct TV interviews directly from their office.

FairlawnGig also attracts public sector business. The city is now finalizing an agreement to handle computer-aided 911 dispatch for all of Summit County, whose total population is about 550,000. This project is part of a larger effort to centralize emergency response within the county; the first step is to centralize the computer-aided dispatch on a private network. FairlawnGig will

City-owned Fairlawn Corporate Park has high-end office space that's attracting new tenants.

design, supply equipment for and operate the private network and will maintain a backup site in its data center.

FAIRLAWN MOVES BEYOND FAIRLAWN

The success and growth of its network have given Fairlawn the confidence – and the opportunity – to expand beyond city limits. Outside the city, Fairlawn makes build decisions much as any other operator would – in terms of whether it can cover costs. Customers outside Fairlawn, unlike customers inside the city, are not automatically "on-net"; they must pay for connection to the network and also pay a 10 percent premium for service. Even with these terms, Staten says, "we're head and shoulders above the incumbents in terms of service, so everyone is intrigued."

By extending fiber into downtown Akron, FairlawnGig has already picked up 18 business customers, and it is looking for similar expansion opportunities.

In addition, FairlawnGig operates as a business internet provider on nearby Medina County's open-access fiber network, and it plans to expand its role as a service provider. It recently signed a memorandum of understanding with Tallmadge, an eastern suburb of Akron, to run a citywide municipal fiber network there. Tallmadge will finance and own the network, which will be branded as Tallmadge Fiber, and Fairlawn will be responsible for operating the network and providing service to both residential and business customers.

Staten says Tallmadge would have had no difficulty finding a construction partner – plenty of companies know how to build fiber networks – but finding an operational partner was a challenge: "There aren't a lot of companies that can manage a network and give good customer service." FairlawnGig's reputation for customer service inspired Tallmadge to approach it for this unusual public-public partnership.

Other nearby cities are considering following Tallmadge's lead. Staten says, "Every day, some new, exciting idea is coming up, and we have to sit down and review it to see if it makes sense for our area."

In many metropolitan areas, suburbs compete with one another and with the central city for jobs, and economic development can become a zero-sum game. Fairlawn doesn't see it that way. For one thing, the cities occupy different economic niches – Fairlawn specializes in high-end office space, while Akron and Tallmadge focus on manufacturing – and each is content to excel in its own niche. Not competing with other cities means Fairlawn can expand its goal to serving the region as a whole. As Staten puts it, "In the beginning, we said the goal of this network was to raise the community; now, we're raising the whole county to set it apart from other counties."

A MODEL TO EMULATE

Why has Fairlawn succeeded so quickly in leveraging its network to better the community? Several managers at Corning who worked with Fairlawn on its implementation of FairlawnGig offer insights into Fairlawn's success and pinpoint strategies that other municipalities might adopt.

Alyson Moore, FTTH marketing manager at Corning Optical Communications, says that, from the outset, the city saw the network as a public good, not just a potential revenue stream. "They spent a lot of time and energy up front making sure the city council and residents understood the value of what it would bring the community," she explains. This commitment to the public good drove the city to build the network to every home and business rather than cherry-pick areas likely to generate the most revenues – a decision that was "really quite critical," Moore says. The fact that the network was available to everyone was key to its acceptance and rapid adoption.

Another important decision, Moore says, was making good use of vendors' expertise by asking them to work together to realize the city's vision. For example, Corning supplied the optical cable for the network but, as Moore puts it, didn't just drop off a load of cable and say "good luck" – it remained deeply involved with the city and the other vendors working on the project. (Other key vendors included Fujitsu Network Communications as the design-build, operate and maintain network integrator and project manager and Calix as the supplier of network electronics.)

She explains, "If we have those relationships and can work together across the ecosystem, the bumps in the road are much easier to see and work around, and there's a higher probability of a successful deployment." Moore says this reliance on vendor expertise and participation is common to a number of successful fiber deployments, not just Fairlawn's.

Jaime Espinosa Higuera, business development manager at Corning Optical Communications, points out that the design-build-operate-transfer model that the city used with its project manager, Fujitsu, was a good choice for getting staff up to speed quickly. "It's like having training wheels," he says. Espinosa says this model is gaining traction among other municipalities looking to build out fiber in their communities because it helps mitigate deployment risk.

Catherine McNaught, emerging applications market development manager at Corning Optical Communications, adds that Fairlawn's conception of the network as a public good also allows it to keep an open mind about services far beyond the triple play of internet, voice and video services. For example, the city could explore the possibility of using the network to operate its amenities and services better and more cost-effectively, and remain alert to future immersive applications that will require fiber.

"Fairlawn identifies the network as an important strategic asset to realize a larger vision," McNaught says. ❖

FAIRLAWN'S FIBER NETWORK ATTRACTS GLOBAL SOFTWARE FIRM

By FairlawnGig

With offices across the globe, Tufin is a recognized and award-winning security software provider for enterprise environments. Tufin's experience in Fairlawn began with a single hire of an engineering professional, but it is now well on its way to a lot more employees, thanks to FairlawnGig.

In 2016, a sales engineering professional located in Fairlawn joined Tufin as a remote employee. Through his experiences with Fairlawn, and especially with FairlawnGig, he changed not only his "remote" status but also the presence of Tufin in Fairlawn.

Fairlawn is now the home of a growing Tufin team, with more than 30 employees who are a part of the company's support, consulting, implementation and sales teams. Moreover, Tufin has already had to expand into newly built offices.

"When we started to uncover not only what Northeast Ohio had to offer in terms of workforce but more importantly the technology infrastructure offered by FairlawnGig, we decided to establish and grow our Ohio offices," explained Raj Motwane, Tufin's vice president for global services and support. "We ended up in Fairlawn by happenstance, but it's the technology and accompanying customer support from FairlawnGig that is keeping us there."

Tufin supports organizations around the globe using its software solutions for web and video conferencing, live screen sharing and other high-bandwidth programs. Additionally, the Tufin Fairlawn team regularly communicates with its Tel Aviv office, leading it to turn to FairlawnGig's VoIP telephone service for affordable overseas calling.

Additionally, Tufin relies on the FairlawnGig team for co-location services and improved backup solutions as the organization plans to move into the soon-to-be-established FairlawnGig Disaster Recovery Data Center.

"We're incredibly happy not only with the world-class infrastructure we receive in Fairlawn for our operations," said Motwane, "but also for the partner we've found in the FairlawnGig technical staff, dedicated to providing us with custom solutions for our business."

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