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Private company Netly to install fiber optics to every address in Folsom



A Netly Fiber crew lays high-speed fiber cable along a residential street near San Diego.

Courtesy of Netly Fiber

Communications infrastructure company [Netly Fiber](#) plans to spend \$50 million over the next two years to install wholesale fiber optic connections to every address in Folsom.

Netly designs, builds and operates citywide open-access fiber optic backbone systems that allow for fast connectivity regardless of provider.

“We’ve been looking at cities that are dynamic and growing, and Folsom is on the top of the list,” Netly Fiber CEO [Jack Demers](#) told the Business Journal.

Netly doesn’t provide internet directly to customers. Instead, it builds fiber optic lines to every home, business, school and government building in a city. Other service providers then lease that last-mile connection to serve the end customers, Demers said.

The model accelerates the adoption of high-speed connections to more end users.

“In our world, everyone should have fiber. We think it’s just like an electric connection,” Demers said.

Netly is based in Solana Beach in San Diego County, where it has connected every address in that region, which has about 8,000 households. It is now completing connecting Escondido, another small city in San Diego County. Folsom will be its third city, and it is working on finalizing a fourth city, Demers said.

The company undertakes the capital-intensive work of getting permits and installing fiber, often trenching shallow pathways between the curb and the street to provide the fiber. It’s a long-term investment, with its infrastructure designed to be in place for at least 50 years. All that fiber is then routed to a central office and data center in the city, which is where other carriers connect to customers.

It is a cost-effective and attractive service for providers to access end users because they don’t have to go through all the permitting and construction, Demers said.

Netly is backed by Overland Park, Kansas-based private equity fund Ubiquity Management LP, which invests in private communications infrastructure.

Netly has 25 full-time employees. When it begins work in Folsom next year it will likely have 130 subcontractors working to develop the infrastructure over two years. After that, it will have about 30 employees in Folsom at its Edge Fiber Center office, which is a carrier-grade data networking hub that offers service providers access to the edge of the network for critical “last-mile” connections.

Netly is privately financing the fiber network, and it is not getting any city money. The company expects to earn its investment back over time by leasing access to all the addresses in the city. The network can also be accessed by wireless providers to increase their coverage.

Netly was launched in 2017 by communications veterans, and it is a state-licensed private utility. Demers declined to disclose Netly’s revenue.

When it started, the company’s business model penciled out, but with the pandemic and the rise of work from home, telehealth and videoconferencing, the need for faster connections has only gotten greater, he said.

Netly is targeting communities that are currently only served, mostly, by legacy cable and telephone connections. It won’t be targeting Downtown Sacramento or Roseville, where other companies have already built out their own fiber networks.

“Those communities are the exception,” Demers said, adding that fiber to the home has been neglected for the majority of communities.

“Having a fiber network in the community will be a tremendous boost to the regional economy. Fiber access increases property values in excess of 4%, and it helps attract both digital and remote workforces to the community,” said [Gerry Kamilos](#), a real estate developer and CEO of Kamilos Cos., based in Gold River. Kamilos is an adviser to Netly.

<https://www.bizjournals.com/sacramento/inno/stories/news/2021/12/09/netly-fiber-optic-connections-folsom.html>