

## HOW MEMPHIS FORGED AN INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP THAT WILL MAKE IT ONE OF THE MOST FIBER-CONNECTED CITIES IN AMERICA

The City of Memphis' Smart Memphis Fiber project represents one of the most innovative and consequential municipal broadband initiatives in the United States. Through a creative public-private partnership model that was approved by the City in 2024, Memphis has secured citywide fiber competition (meaning residents will have more than one high-speed internet provider to choose from) and a commitment to delivering fiber service to low-income neighborhoods. In doing so, Memphis has positioned itself to become one of the most fiber-connected cities in America.

What makes Memphis' success so remarkable is the context in which it was achieved. Memphis is a city where economic challenges are real and persistent. Yet City leaders recognized that accepting the status quo—where fiber investment flows only to areas with the highest disposable incomes—would perpetuate the challenges.



## Identifying the City's broadband needs

The project started with a 2020 study that documented what City leaders had previously recognized: Memphis was poorly served by internet providers—and low-income residents often could not afford the service that was available to them.

When the project began, fiber broadband services were available to only 25 percent of City residents, with coverage concentrated in wealthier and business areas. Most homes and businesses had access only to lower-speed broadband, leaving them at a competitive disadvantage in an increasingly digital economy.

That study also confirmed overwhelming support for City action: A survey found that nearly 90 percent of Memphians believed the City should help ensure residents have access to affordable broadband and 95 percent agreed that the City should ensure students have access to affordable broadband.

Memphis' findings reflected nationwide trends for American cities. Federal broadband funding—through BEAD, ARPA Capital Projects Fund, and other programs—has flowed overwhelmingly to rural areas, addressing the connectivity gaps in sparsely populated regions. Meanwhile, private capital has followed predictable patterns, with broadband investors focusing on affluent urban and suburban neighborhoods where return on investment is most certain.

These funding patterns leave a critical gap: In cities across the country, residents in low-income neighborhoods live in homes that are ineligible for federal broadband grants yet overlooked by private investors that see insufficient profit potential. The result is a patchwork of connectivity that mirrors and reinforces existing economic realities. Fiber broadband, the gold standard of communications infrastructure, gets built block by block, neighborhood by neighborhood, following disposable income rather than community need.



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## Creating a model for fiber competition

The City developed a broadband strategy that focuses on incentivizing private investment with a focus on achieving its goal—established in concept in the [Memphis 3.0 Comprehensive Plan](#)—to ensure high-quality, affordable fiber broadband to all residents.

Memphis' leaders found a way to promote private investment in fiber broadband through policy innovation rather than public capital expenditure. To reduce the costs of such private deployment, the City Council passed the "[Smart City Fiber Access Systems](#)" ordinance amendment in 2023 to reduce permitting fees and create an exemption from right-of-way access fees for broadband investors. Critically, the City's ordinance made those incentives contingent on a participating company's commitment to deploying fiber to at least 60 percent of the City and at least 60 percent of Memphis' low-income areas.

These requirements ensure that a fiber deployer that benefits from the incentives cannot "cherry-pick" affluent neighborhoods, as is the norm in most cities where the private sector has built fiber. Memphis fundamentally changed that formula. Thanks to the City's strategically crafted policy, low-income areas must receive service proportionally—a requirement that directly addresses the historical pattern of infrastructure investment bypassing underserved communities. The City has ensured that the communities most in need of connectivity will not be left waiting indefinitely.

## Establishing a public-private partnership with policy-based incentives

The City's ordinance created meaningful incentives to encourage private investment. This approach treats broadband investment that meets high coverage and parity standards similarly to major economic development investments like new office buildings. The City's foregone revenue is relatively low—but the benefits to deployers are substantial: They can build more quickly (beginning to earn revenue sooner) and will pay lower costs over time. This makes the business case work in areas where pure market dynamics might not otherwise support fiber deployment.

The first private entity to apply for these benefits under the new ordinance is mStreet Fiber Memphis (the U.S. arm of Meridiam, a Paris-based infrastructure investor), which agreed to build a fiber-to-the-premises network that will likely cost more than \$700 million and reach an estimated 315,000 homes. (Updates to this multi-year effort can be found on the City's "[Smart Memphis Fiber](#)" page.)

mStreet Fiber committed to delivering affordable fiber-based broadband service to 85 percent of the City's population. As part of the arrangement, the City also secured dedicated access to 12 strands of fiber optic cable and 100 connection points for its own use.

The City's commitment to the partnership, in addition to the reduced fees defined in the ordinance, includes a plan to spend \$15 million in American Rescue Plan Act (ARPA) funding and \$7 million in City funds to secure dark fiber assets for City government use, provide staff, and fund a variety of community outreach efforts.

### **Additional benefit: Enabling next-generation wireless service**

The new fiber in Memphis will deliver unmatched broadband speeds to homes and business—but it will also be a platform for next-generation wireless service throughout the City. Next-generation wireless deployment is not possible without a fiber backbone on which it can ride; as a result, 5G and 6G wireless tends to be deployed in the same areas that have robust fiber infrastructure.

Memphis' efforts to attract private fiber investment will thus serve as a platform for next-generation wireless, including in the low-income neighborhoods that are required by the City's framework. Wireless follows fiber, and in most cities, neither is reaching poorer neighborhoods. Memphis' approach breaks this cycle.

### **Additional benefit: Positioning Memphis for the AI economy**

It has long been understood that fiber represents the holy grail of communications infrastructure—an infrastructure with a lifetime of many decades that can accommodate unlimited growth in usage and any future innovation. Fiber is considered the most capable communications infrastructure and a singular enabler of economic, educational, and health care capabilities.

In that light, Memphis' citywide fiber will “future-proof” the community—including with regard to artificial intelligence. As the AI economy grows, households and businesses will require massive quantities of bandwidth in order to participate and benefit—bandwidth that will be provided by Memphis' fiber-rich environment.

Researchers have found that, even in the very early phases of the AI revolution, businesses and households with fiber service are using AI tools more often, more productively, and in different ways than those who do not have fiber.



And the AI-driven growth in bandwidth needs will be considerably greater in coming years as AI matures. By connecting the entire City to fiber's unmatched capabilities, the Smart Memphis Fiber initiative is positioning Memphis to participate in the technology, economy, and community of the future.

## A blueprint for American cities

The Smart Memphis Fiber initiative demonstrates what is possible when city leaders understand market forces and design a strategy that aligns public policy goals with the needs of private investors. In an environment where federal money flows to rural areas and private capital flows to wealthy suburbs, Memphis charted a third path—one built on collaboration, innovation, and strategic thinking.

By connecting the entire City to fiber's unmatched capabilities, Memphis is positioning itself to participate in the technology, economy, and community of the future—including the AI economy. The lesson for other American cities is clear: Broadband gaps have solutions, but they require the kind of creative, policy-focused leadership that Memphis has demonstrated. The most surprising aspect of this story may be that one of America's most fiber-connected cities will not be a wealthy technology hub, but a city that faced its challenges head-on and built something better.

CTC was proud to work with Memphis to develop the strategy, the RFP, and the technical and business elements of the agreements, as well as with negotiations with mStreet Fiber. If you would like to talk about creative approaches to achieving fiber broadband investment in your community, please contact us at [info@ctcnet.us](mailto:info@ctcnet.us).

<sup>1</sup>See, for example: "Memphis Launches \$700 Million Plan To Expand Fiber Access," Oct. 26, 2023, Community Networks, <https://communitynetworks.org/content/memphis-launches-700-million-plan-expand-fiber-access>.

<sup>2</sup>"Meridiam Launches mStreet Fiber Brand," Meridiam, Feb. 6, 2025, <https://www.meridiam.com/news/meridiam-launches-mstreet-fiber-brand/>.

<sup>3</sup>Roger Entner, "Fiber broadband customers generate more frequent, intense AI use – survey," Light Reading, September 10, 2025, <https://www.lightreading.com/ai-machine-learning/fiber-broadband-customers-generate-more-frequent-intense-ai-use-survey>.

