

Worth by Heidi Ernst | Photo by Scott Terrell the Wait

The Skagit Valley Herald settles into a new home

Skagit County, Wash., is widely known for its plants—in particular, vast fields of tulips featured in a festival every April. But there’s a new plant in town, and it’s finally open after 18 years of patient nurturing. In 1991, Skagit (pronounced SKAJ-it) Valley Publishing Co. bought property to build a facility to house not only a new press but also the employees of its Skagit Valley Herald daily newspaper, more than two dozen niche publications and other weeklies.

By 1999, with employees scattered among four buildings in three towns, all permitting and designs were complete and construction neared. Then the Army Corps of Engineers sent notice: Despite earlier assurances from the Corps that the new property wasn’t wetland, says Publisher Stedem Wood, the Corps now insisted the property included wetlands and would require additional permits and mitigation. In the ensuing decade of compliance, Skagit Valley redesigned the \$13 million facility, which the paper eventually built on the same land, and updated the Manugraph DGM (www.manugraphdgmusa.com) press for which it had already paid a deposit. The 16-unit DGM 440 stayed in storage in York, Pa., for eight years. Move-in day finally arrived last December.

Like most newspapers, the Skagit Valley Herald has seen advertising pages drop, by about 6 percent in 2008 compared with 2007. And, in large part because of the overall economy,

in mid-March the publishing company laid off employees—10 including Herald Editor Don Nelson and five members of the combined ad staff for the Herald and the weekly Anacortes American. It wasn’t the climate the company had hoped for in its long-awaited new building.

“If you were giving me a chance to make some decisions by hindsight, sure, I’d have changed some things,” says Wood, whose family has run the 125-year-

old paper for two generations. “But you can also imagine that being delayed for 10 years, you make a lot of different decisions about how to maintain an old plant. So we needed to move. I don’t regret the move a bit; I regret what the economy has done.”

One major decision made during the delay will help the bottom line. This summer, the company will become a production partner with The Bellingham (Wash.) Herald, a McClatchy Co.-owned paper



Left to right: Tom Blumenshine, Patrick Dougherty, Vallerie Feltus and Stedem Wood.

about 30 miles from Mount Vernon with a daily circulation of about 21,000. Under a commercial agreement, Skagit Valley will handle printing and post-press work for the Bellingham paper. Wood says discussions began just in time to change the plant's size and equipment.

The benefits for Skagit Valley include a new source of revenue. For The Bellingham Herald, the decision to partner focused on capital cost avoidance. The paper's current press, a 10-unit Goss Urbanite, is in good shape but housed in a 1925 building "with a design that's no longer conducive to an efficient newspaper operation," says President and Publisher Glen Nardi. "But we'll have more capability on the presses in Skagit, a better print quality."

Before that partnership starts, the Skagit Valley pressroom has to feel comfortable with its new machine. "The finer details haven't been worked out yet, partly because we don't have all our equipment and software up and running," says Production Director Tom Blumenshine, who at presstime was still training five press operators. The current plan, he says, is to store Bellingham's newsprint and inserts, print and insert that paper—which will hit the presses first each night—and then bundle and stack it.

The new press's 16 units are configured as three color towers and two two-high black towers with a K&M Newspaper Services Inc. (www.kmnewspaper.com) G-60 Titan inserter. A bigger folder and ribbon decks were added after conversations with Bellingham; the decks allow for printing three pages across cylinders for a 42-page broadsheet capacity in a single press run. The average speed is 30,000 copies per hour, according to the press specifications.

"The biggest deal is much more advanced controls and higher speed," says Blumenshine, who for eight years oversaw the old press, a mid-1970s Goss Community. "And we're much more capable of being able to print various web widths."

Executives plan to use the equipment's capabilities to expand the company's roster of commercial printing clients. The new press also means new options for advertisers.

"We can do much more targeted inserts and have a lot more control over our preprints and where they go and how

we zone them," says Advertising Director Vallerie Feltus, who also oversees commercial printing and online sales. "We're using the color capabilities with special promotions. We haven't gone out selling like crazy because they're still learning [how to use the press], but we're already seeing interest."

That's good news in this economic climate. The newspaper's employment ad revenue has suffered the most, having dropped at least 50 percent from last year to now. But Feltus is seeing an uptick in auto ads. And for several months, her staff has been working to keep advertisers in the paper, suggesting, for instance, to run smaller ads rather than none.

Closely tied to its community, the Herald was an afternoon paper until March 2007, because "historically this was a farming community, and an afternoon paper made a lot of sense," Wood says. "But a morning paper is a better product and cycle for readers in our growing community."



VITAL STATS

OWNERSHIP | Skagit Valley Publishing Co.

AVERAGE DAILY CIRCULATION | 17,143

SUNDAY CIRCULATION | 18,413

EMPLOYEES | 102 full time; 22 part time

UNIQUE MONTHLY WEB VISITORS
86,738

ONLINE MONTHLY PAGE VIEWS
1,089,874

CONNECTIONS | 1215 Anderson Road,
P.O. Box 578, Mount Vernon, Wash. 98274,
(360) 424-3251, <http://goskagit.com>

In July 2007, the paper's Web site relaunched as a community site with content from Skagit Valley Publishing's other publications, including the weekly American, whose newsroom remains in Anacortes, 17 miles northwest of Skagit Valley's complex in Mount Vernon. The long-term strategy is to be a community portal site, says Patrick Dougherty, interactive media manager. Already, the site uses Google Maps (<http://maps.google.com>) to create "mash-up maps" of yard sales and open houses every weekend. An online business directory is planned.

Now branded <http://goskagit.com>, the site "isn't a quote-unquote newspaper," says Feltus. The local approach appears to resonate with users: The site surpasses the 1-million-page-view mark each month, and 44 percent of its online advertising inventory is typically sold. Most tellingly, the number of monthly unique visitors hovers around 90,000—in a county of just over 100,000 people. Some local stories with national interest have helped boost these numbers as well. Last September, a surge in traffic temporarily shut down the site after the death of six people in a Skagit County shooting spree allegedly committed by an area resident.

"The popularity of the site is starting to translate into dollars, now that more people know about us," says Dougherty. "So we can go to advertisers and show we have an audience for them." Online revenue—which is growing in categories such as video and display ads, coupons, and the real estate and automotive verticals—accounts for about 8 percent of the newspaper's total ad revenues.

Three months after moving to the new 59,000-square-foot building, Wood remains positive. "The benefits of having people in the same building are already proving themselves," he says. As he spoke, the Skagit Community Foundation was meeting next to his office in what has been dubbed the community conference room, where local groups can hold meetings or retreats; otherwise, it's used for staff gatherings.

The room is yet another way the Herald interacts with the people and businesses beyond its walls. Says Wood, "Our facility allows us to connect with the community in layers of what's already possible with the newspaper." ■