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*CORRECTION The name of the parent company of a newspaper whose publisher was named as a potential buyer of the Tucson Citizen was incorrect in a front-page story on March 18 and in a March 28 story on Page 5A. David Ganezer, publisher of the Santa Monica Observer, is spokesman for the Santa Monica Media Company LLC.*

## Citizen 'day to day;' closure delayed

**Owner Gannett says it is negotiating with two potential buyers**

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The Tucson Citizen will be published on a day-to-day basis while negotiations are completed with two interested buyers, according to an executive with the Citizen's corporate owner.

Citizen interim Editor Jennifer Boice and Tucson Newspapers CEO Mike Jameson gave the news to Citizen staffers after speaking by phone with Robert J. Dickey, president of U.S. Community Publishing for Gannett Co. Inc.

Boice told employees that Dickey said negotiations are in progress with two "very interested buyers" and those negotiations will not be completed by March 21, the date Gannett had set to close the Citizen if it hadn't sold.

"That's bulls\*\*\*," said P.K. Weiss, Citizen photo editor, as he snapped photos of shocked staffers.

In a news release, Dickey said that "in light of these ongoing discussions, Gannett will delay a decision regarding the potential sale or closure of the Tucson Citizen, but expects to make a decision in the very short term."

Boice said Dickey would not define what "very short term" meant and he did not reveal who the interested parties are.

"He said he is not part of the negotiations," Boice said.

Calls to Gannett spokeswoman Tara Connell were not returned.

A final commemorative issue that the Citizen was to have published Saturday will be delayed, Boice said.

Citizen employees have been working on final-issue stories this week and spending lunch hours and breaks applying for jobs. Most had accepted the end was near. News that the end was uncertain sent the staff into a tailspin and Boice and Jameson were peppered with questions.

Employees were particularly concerned about a severance package they'd been promised by Gannett if the paper was shuttered. Gannett promised to pay one week of severance for every year worked with a two-week minimum and a 26-week maximum. More than a dozen of the Citizen's roughly 65 full-time employees have worked for the paper more than 26 years and about another dozen have worked for the paper for more than 10 years.

Boice said Dickey told her his understanding was that Gannett would honor the severance agreement.

Citizen general assignment reporter Ryn Gargulinski compared the news to dragging a dead cat behind a truck, not knowing how much longer the cat will be dragged.

"If we were assured employment at the end of this ride it would be less difficult, but all we have is uncertainty," Gargulinski said. "We're in purgatory."

Randy Harris, a Citizen staff artist, said the news was "just one more instance where they are screwing us over one last time."

"Frankly, I'm pissed," Harris said. "From the beginning of all of this, there has been no consideration for the people involved."

Not all members of the Citizen staff had negative reactions.

Geoff Grammer, high school sports editor, said he is happy to have a job for at least a while longer and will take the day-to-day operations as "one more day of work at the Citizen."

"I know I'm in the minority but I've only been here two years so I'm not risking the same kind of severance that other people are," he said.

Gannett announced Jan. 16 it was selling "assets" of the Citizen, which it defined as the Internet domain, the archives and lists of advertisers and subscribers.

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It specifically said it would not sell its 50-percent interest in its joint operating agreement with the Arizona Daily Star, which is owned by Lee Enterprises Inc.

Under the agreement, each paper produces independent editorial and news content, while production, distribution, advertising and other non-news operations are handled by a third corporation, Tucson Newspapers.

The papers share equally in Tucson Newspapers profits; each made \$10.5 million in 2008, about \$8 million less than what they made in 2007.

When announcing to staffers in January that the Citizen was for sale, Dickey gave declining revenues as the reason.

Boice said not knowing when or if the paper would sell or close was stressful for everyone on staff.

"For two months we've lived with that uncertainty," she said. "And we thought the end was in sight and now we don't know."

Originally, Gannett said the deadline for bids from potential buyers was Feb. 19, although Connell said earlier that would be "flexible."

When a Citizen story about the imminent closure ran Feb. 20, stating that no buyers had apparently bid on the paper, two interested parties called the Citizen saying they had wanted to place bids.

Both said they had been contacted by the U.S. Justice Department with questions about their interactions with Robert Broadwater, the broker hired by Gannett to sell the Citizen.

Because newspaper JOAs operate under an exemption to federal antitrust laws, the Justice Department reviews all changes in their status.

Mike Hamila, owner of UNISystems MS LLC in Phoenix, and Arthur Jacobson, a retired freelance journalist and former stockbroker, said they told Justice that Broadwater wasn't cooperative.

Gina Talamona, a Justice Department spokeswoman in Washington D.C., said the investigation of the sale "is ongoing" and that there is "no sort of timetable" for when it might be completed. She would not comment further.

The Citizen received an e-mail in late February from the publisher of a small Santa Monica, Calif., newspaper asking how to contact Broadwater.

When called Tuesday afternoon, David Ganezer, publisher of the Santa Monica Observer, said he could not confirm or deny if he or his corporate owner was one of the "very interested buyers" with whom Gannett is negotiating.

According to the Observer's Web site, the paper is part of the Santa Monica Media Corp.

The Security and Exchange Commission lists David M. Marshall as chairman of the board, but he could not be reached for comment Tuesday evening.

Santa Monica Media Corp. is a "blank check company," which according to the SEC is a development stage company with no specific business plan or purpose or a company that has indicated its business plan is to "engage in a merger or acquisition with an unidentified company or companies, other entity or person."

On Monday, House Speaker Nancy Pelosi asked the Justice Department to broaden its view of media competition when reviewing merger proposals. She said antitrust concerns that arise from proposed newspaper mergers should take into account online news sources and nearby daily and weekly papers "so that the conclusions reached reflect current market realities."

Pelosi said a House Judiciary subcommittee would hold a hearing soon to discuss the trend's implication for antitrust policy.

Citizen reporter Fernanda Echávarri and The Associated Press contributed to this article.

Citizen to stay open 'day-to-day' Gannett announces

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