

# AOL's Patch plans 500 local sites by end of year

August 17 2010, By RACHEL METZ , AP Technology Writer

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(AP) -- AOL intends to grow its Patch network of community news sites to include more than 500 neighborhoods by the end of December - a move the struggling Internet company hopes will strengthen its online advertising business.

AOL Inc. announced the expansion plan Tuesday for [Patch](#), which it bought last June for \$7 million in cash as part of its yearslong effort to reinvent itself as a content provider reliant on online ads as its legacy dial-up Internet access business fades. AOL, which split from [Time Warner Inc.](#) in late 2009, said in a March regulatory filing that it expects to invest as much as \$50 million in Patch this year alone.

AOL CEO Tim Armstrong came up with the idea for Patch in 2007, while he was still an executive at [Google Inc.](#), and was an early stakeholder in the company through his private investment company, Polar Capital. When AOL bought Patch, Armstrong said that he wouldn't take a profit from the deal and instead his initial investment would be repaid in AOL stock once AOL became independent of Time Warner.

Patch launched its first three websites in early 2009. Since then, the company has been rolling out more sites at a rapid clip: AOL also said Tuesday that it launched Morristown Patch, which focuses on Morristown, N.J., bringing its current stable of Patch sites to 100.

Patch sites now serve communities in eight states, including Skokie, Ill.

and Mill Valley, Ca.; by the end of the year, AOL plans to have Patch sites in 20 states.

Patch builds its websites in communities with 15,000-75,000 residents, and each site is staffed by a full-time editor who works with an average of 11 local freelancers to create and produce site content. Content ranges from news stories to events listings to classified ads.

Like other AOL websites such as gadget blog Engadget and video search engine Truveo, Patch sites make money from running ads. In an interview, Patch CEO Jon Brod said [AOL](#) sees local websites as the "largest commercial opportunity online that's yet to be won."

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