

THE WALL STREET JOURNAL.

NY CULTURE
JANUARY 18, 2011

Take Two for a Brooklyn Film and TV Studio

By [SHELLY BANJO](#)

One of New York's largest film and TV production studios is about to expand, thanks in part to city and state support for the industry.

Brooklyn's Steiner Studios, where such productions as the "Spider-Man" and "Sex and the City" movies were shot, has completed a \$90.5 million financing package that will allow it to add 11 soundstages to its existing five.

Brooklyn Movie Studio Gets Bigger

Brooklyn's Steiner Studios has completed a \$90.5 million financing package that will allow it to add 11 sound stages to its existing five. Here's a look inside the studio.



Michael Rubenstein for The Wall Street Journal
Workers built the sets for HBO's "Boardwalk Empire" at Steiner Studios.

The expansion to 590,000 from 310,000 square feet is designed to support Steiner's growing stable of big-name movies and TV shows such as FX's gritty boxing drama "Lights Out"; HBO's "Bored to Death" with Zach Galifianakis and Ted Danson; and HBO's "In Treatment" with Gabriel Byrne.

The new space also is geared towards meeting the growing demand for smaller space for commercials and so-called webisodes, or shows created specifically to stream over the Web.

Doug Steiner, chairman of Steiner Studios, says about \$65 million will come from private investors, \$10 million to \$20 million will come from Steiner and the rest will come from government programs. "Even in good times studios are very difficult to finance because we're a hybrid operating business and a real-estate project," says Mr. Steiner, who would like eventually expand the studio to 50 acres from 15 acres.

He says Steiner will break ground in the project in the next few months.

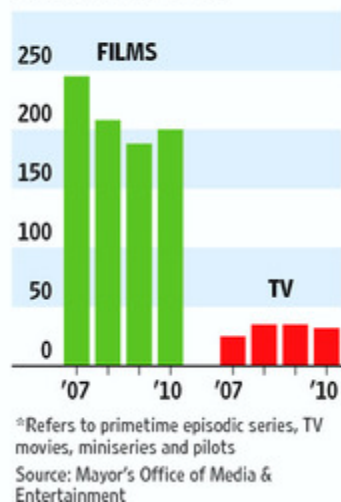
Steiner looks to become the largest of four major film and TV studios in New York City. Its growth comes in the wake of action in Albany last year that has movie and TV executives

breathing easier over productions costs in New York. The state Legislature approved \$420 million in sales-tax credits through 2014.

The state tax-credit program originally was approved in 2004 to help New York's film industry compete better against other cities. But the initial \$685 million in credits ran out in 2009 and the industry's efforts to convince Albany to approve a long-term extension got bogged down in the state's budget debacle. That caused studios here to lose out on business including a number of TV pilots such as ABC's "The Whole Truth," a legal drama set in New York but filmed in Los Angeles. The show has since been canceled. Also, shows such as Fox's science-fiction series, "Fringe," left New York's Silvercup Studios in its second season to shoot in Vancouver.

Bright Lights, Big City

Number of films and TV shows* shot in New York City



"TV is seasonal so production companies need to have certainty," says Alan Suna, co-founder of Silvercup Studios, whose productions this year include "New Year's Eve" with Robert De Niro and Ashton Kutcher and "The Sitter" with Jonah Hill. "Five minutes after the tax credit was passed we signed a number of feature films," Mr. Suna says.

Film production in New York generates about 100,000 jobs and \$5 billion a year in economic impact for the city, according to the Mayor's Office of Media and Entertainment. Last year, 232 films and prime-time television shows were shot in New York City, slightly higher than the 223 films and shows shot in 2009, according to the agency.

Outside of Los Angeles, New York's biggest competitor is Toronto, where 278 films and TV shows were shot in 2009, the latest year for which statistics are available.

Major movies being shot at Steiner this year include "Men in Black III" featuring Will Smith to open in May of 2012, and "The Adjustment Bureau" with Matt Damon and Emily Blunt out in March. It's also playing landlord to a tank of eight penguins tapped for extras for "Mr. Popper's Penguins" with Jim Carrey, which is produced by Twentieth Century Fox and is expected to be out in August 2011. Fox is owned by [News Corp.](#), which also owns The Wall Street Journal.

Other New York studios also have been expanding. In 2006, Silvercup announced plans to invest \$1 billion in a major real-estate development including the addition of eight sound

studios. The plan included apartment buildings, office space and stores that would serve the film industry as well as the surrounding community.

Last year, Kaufman Astoria Studios in Queens completed construction on a new \$22 million film and television production studio. It includes an 18,000-square-foot soundstage for film and television production, where it hosted the "Hope for Haiti Now" telethon with Mary J. Blige and Bruce Springsteen, a series of Victoria's Secret commercials and is shooting the "The Smurfs" movie with Katy Perry and Jonathan Winters, set to come out in August.

In recent years, the city's film industry also has been helped by the drop in commercial real-estate rents. "Studio business is real-estate business," says Barry Katz, general manager for NEP Broadcasting LLC in New York, which tapes Comedy Central's "The Colbert Report" and "The Daily Show with Jon Stewart" out of studios along 10th and 11th avenues.

"When the marketplace is going crazy, getting large space is hard to come by so the market falling apart made TV business attractive again," Mr. Katz says.

NEP also is getting a boost from new cooking shows like "Mad Hungry With Lucinda Scala Quinn" on the Hallmark channel. Other productions being shot there include the "Gayle King Show," being shot by Oprah's new network, and Web shows including a new Wall Street webcast from Yahoo.

New York played a major role in the birth of the movie industry through the 1920s but it was soon eclipsed by Hollywood, which benefited from great weather and cheap labor. New York's first studio was developed in 1920: Astoria Studios, which became a home for Paramount Pictures. Real-estate developer George Kaufman later renovated and redeveloped the property and renamed it Kaufman Astoria Studios. Production in New York ground to a virtual halt in the 1930s and 1940s. The Kaufman Astoria Studios were taken over by the Army at the start of World War II and afterward fell into disuse, until a nonprofit foundation re-opened the big stage in 1977 for the production of "The Wiz."

New York mayors, starting with John Lindsay in the 1960s, mounted big pushes to bring film production back by removing the red tape from city restrictions and making it easier for production companies to shoot in New York. The state tax break was a continuation of these efforts.