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Brooklyn studio sees big picture

Steiner Equities Group plunked down \$100 million five years ago when it took on the risky project of building a Hollywood-style movie studio on the banks of the East River.

By Miriam Kreinin Souccar

When Jonathan Sanger produced the film *Vanilla Sky* four years ago, he convinced the city to close down Times Square for two hours for a special on-location scene with Tom Cruise. But when it came time to do the lengthy soundstage work, he decided to set up shop in Los Angeles, using the crews and studios there.

Now, Mr. Sanger is getting ready to produce the film version of the smash Broadway hit *The Producers*, starring Matthew Broderick, Nathan Lane and Nicole Kidman. This time around, he plans to make the entire movie in New York.

What's different about this picture? Steiner Studios, a \$128 million studio complex going up in the Brooklyn Navy Yard.

"The existence of Steiner will be a big incentive for us staying here," Mr. Sanger says. "Without it, I don't know if I could find all the space in one place to do what I'd need."

That kind of action is exactly what the new studio needs. Steiner Equities Group plunked down \$100 million five years ago when it took on the risky project of building a Hollywood-style movie studio on the banks of the East River. The city contributed \$28 million in infrastructure upgrades at the Navy Yard. Now that the project is almost finished--Steiner will open in August--the New York film industry is hoping for a major boost in business.

"I go out to L.A. quite a bit and talk to a lot of people in the industry there, and what has been missing in New York City has been these stages," says Katherine Oliver, New York City's film commissioner. "Once we have an additional facility, more and more work will come."

The Steiner project will be the city's first gated studio with a big back lot, just like those in Hollywood. The complex has five enormous, interconnected soundstages--the biggest is 27,000 square feet--ideal for the large feature films that New York City has rarely been able to accommodate. With an additional 180,000 square feet of offices, dressing rooms, a screening room, fitness center and commissary, as well as parking for 1,000 cars, the setting will provide the luxury that major film stars expect.

A large rooftop area with views of Manhattan will be used for premiere parties and special events.

Already, Steiner Studios has had interest from companies, like Warner Bros. and Dreamworks, that want to rent office space on the site to establish a small beachhead in New York.

"We're creating a creative community," says Douglas Steiner, president of Steiner Equities. "There isn't a critical mass anywhere else in New York where everything is concentrated."

But some fear that the new state-of-the-art studio could take business away from the city's existing studios, Kaufman Astoria and Silvercup. Industry insiders say that Steiner has already approached *The Sopranos*, *Whoopi* and *Law & Order*, all of which are filmed at local studios.

Taxing times

In addition, New York's film and television industry continues to suffer from stiff competition from places like Canada, Eastern Europe and New Zealand, all of which offer major tax incentives for production. With most major Hollywood studios tightening their belts, New York's high costs discourage production here. Shooting here costs 10% more than in Toronto and 5% more than in Los Angeles, industry executives say.

"The things that are difficult about New York, like costs, aren't going to go away because there's a new facility," says Llewellyn Wells, co-executive producer of *The West Wing*, who is considering shooting his new TV show *Johnny Zero* at Steiner. "The only people who can provide help are the state Legislature; if there were incentives in place it would make it easier to come to New York."

Despite these hurdles, business here has been improving. Production days were up 30% in 2003 from the previous year, according to the Mayor's Office of Film, Theatre & Broadcasting. Close to 80% of the Studio Mechanics Local 52 workers have jobs right now. Two major motion pictures this year--the \$80 million film *The Interpreter*, with Nicole Kidman, and the \$70 million *The Last First Kiss*, with Will Smith--were filmed entirely in New York.

Even other studio owners are trying to stay optimistic about the entry of a major rival. "Sure, we will compete on some of the work," says Alan Suna, chief executive of Silvercup. "But they have built some very big soundstages that are going to lend themselves to the really large movies that haven't come to New York beyond doing location shots."

Officials at Steiner are confident that they will fill their stages. "Every year, on average about 200 productions come to New York," says Jay Fine, a former TV executive who is now president and CEO of Steiner Studios. "In order for us to be successful, we only have to capture a small portion of that."

Winning bid

The studio is a first for Roseland, N.J.-based Steiner Equities, a privately held developer of shopping malls and offices. The company beat out Robert De Niro, Miramax Films and Vornado Realty Trust for the rights to build a studio complex at the Navy Yard.

Now, the industry is waiting to see whether it will make the long-envisioned Hollywood-on-the-Hudson dream a reality.

"It's a great statement to this industry that someone would consider making the kind of investment that they made," says Hal Rosenbluth, president of Kaufman Astoria. "It tells us we're not crazy, that this business can grow."