

CRAIN'S

NEW YORK BUSINESS®

February 25-March 3, 2013

http://www.crainsnewyork.com/article/20130224/MEDIA_ENTERTAINMENT/302249994&template=smartphone

Inside the actors' studios

As NYC grows into a mecca for film and TV, local studio bosses increasingly call the shots

BY ANNIE KARNI

In early February, *Girls* producer Ilene Landress reclaimed her old office space, having returned to Silvercup Studios in Queens, where the HBO series shot its debut season before moving to Steiner Studios in Brooklyn.

The show is back in Long Island City for its third run, rebuilding its sets on two stages recently vacated by *Gossip Girl*. The back-and-forth between New York City studios was costly for the production, and it wasn't the way Ms. Landress would have planned it. But Steiner Studios had already rented the 22,000-square-foot stage and accompanying office space to *The Carrie Diaries*, an hourlong show on the CW.

Girls, created by Lena Dunham, may be a pop-culture hit, but in the eyes of big studio bosses it's little more than a B-lister. "We're a wandering little tribe," Ms. Landress said. "It's musical chairs, but a blood sport."

See **INSIDE** on Page 28

Inside the actors' studios

Continued from Page 1

For television producers, finding work space in New York City wasn't always a costly scramble. But that was before the studio bosses banded together to lobby Albany for the 30% tax credit for productions that shoot a majority of their work on local soundstages. That tax credit was passed in 2004, and Gov. Andrew Cuomo wants to extend it for another five years.

The tax break has helped the film industry blossom. It adds \$5 billion annually to the city's economy and has created 130,000 jobs, according to city officials. In 2011, 23 primetime television series were shot in the city, up from nine shows 10 years ago.

For producers, however, there's been a startling downside: an incentive that's supposed to make it cheaper to film here has added costs to productions booted from high-demand stages.

"It's hugely expensive for us to keep moving," Ms. Landress said.

In 1999, when Ms. Landress produced *The Sopranos*, she left Tony and Carmela's house standing on Studio X at Silvercup during the off-season. "The cost of renting the studio for nine months was cheaper than the cost of striking everything and putting it back up again," she recalled. "But the business doesn't work like that anymore."

Studios do not like to "warehouse" shows that are dormant most of the year, because they make the bulk of their revenue from renting equipment used on the set. Their

dream tenant is an hourlong network television drama that will run for six or seven years and shoot for 10 months out of the year.

These days, the studios are living the dream. During the 2012-2013 season, New York City saw a 37% increase in hourlong dramas shooting here over the previous season, to 21.

That makes a 30-minute HBO show like *Girls*—which will need only six months of stage time to shoot nine or 10 episodes—a second-rate tenant for a New York City studio. Even big-budget Hollywood films are considered "fillers" between the real cash cows of long-running television series.

"It's the difference between having a snack at a tapas bar and going to a restaurant to have a full meal," said Alan Suna, chief executive of Silvercup Studios. Mr. Suna runs the studio with his brother, Stuart Suna. "A network series is a full meal. A cable series [like *Girls*] is a little snack."

The studios would have fought over a nibble less than 10 years ago.

"Before the tax credit, I had no one left to sell to," said Hal Rosenbluth, president of Kaufman Astoria Studios. "The production heads in Los Angeles told me they had stopped budgeting New York. The cost difference had gotten too high." Mr. Rosenbluth, who has headed up the historic Queens facility for 19 years, has been in the game long enough to remember the fallow years.

Now the tables have turned. Shows made in New York, like *Gossip Girl* and *Boardwalk Empire*, have had to go to Yonkers for additional space. And smaller, independent filmmakers shooting \$5 million films are priced out of space.

Studios no longer have downtime. A pilot starring Michael J. Fox has already moved into the studio where *30 Rock* was shot for seven seasons.

On a recent tour of Steiner Studios, the mammoth facility was packed. Extras in mod costumes milled about and smoked cigarettes outside while

waiting to shoot a scene for *The Carrie Diaries*. Star AnnaSophia Robb chatted on her cellphone in the hallway waiting for her take. Studio owner Douglas Steiner, dressed down in his signature jeans and untucked polo shirt, walked through and barely drew attention from the crowd.

In an adjacent studio, crews were disassembling a *Boardwalk Empire* set, while in a trailer across the parking lot its costume designers were bent over buzzing sewing machines and period costumes.

Meet the bosses

The majority of television series and films shot in New York City work out of four studios: Kaufman Astoria and Silvercup Studios in Queens; and Broadway Stages and Steiner Studios in Brooklyn. Each occupies a particular niche, comple-

menting rather competing with the others, allowing their power over productions to grow collectively as the industry has swelled.

The two largest stages, clocking in around 26,000 square feet each, are Steiner and Kaufman. For a large-scale show like *Boardwalk Empire*, which shoots at Steiner, ceiling height is a major factor. At Silvercup, beams peak at 36 feet, while Steiner offers 45-foot ceilings.

"We could build the boardwalk set inside Steiner," said Terence Winter, the producer of *Boardwalk Empire*. "That wouldn't have been possible anywhere else."

Mr. Suna does not protest. "A big movie production shouldn't come to Silvercup, and they know it," he said.

Steiner Studios, the newest player in the city, is more expensive. But producers say the facilities are a cut above the rest. Productions need parking, and Steiner is one of the only studios with plenty.

"We have to charge more because we have a heavier investment," Mr. Steiner said of the studio that sits on city-owned land. "When people don't realize the savings they can achieve by being at a very efficient working facility, they don't know how to budget us," he admitted. "It's very efficient to have everything concentrated under one roof. This is a suburban movie lot in Brooklyn."

Kaufman Astoria, meanwhile, has differentiated itself by renting lighting and grip equipment to films shooting on location, outside the studio. "We made a decision many years ago that that's not a party we wanted to go to," Mr. Suna said. "For Hal Rosenbluth's business model, I'm not competition."

Before 2004, productions used New York as the backdrop for the "hero shot." Crews would come into the city for one scene of a star in front of a landmark. The bulk of the work and jobs would go to another city, like Toronto.

'A roller-coaster ride'

The tax credit brought in a steady revenue stream for studios. Today, productions with budgets over \$15 million must shoot 10% of their principal photography here to get the credit. To get a credit against location and preproduction expenses, they must shoot 75% of location days in the state or spend at least \$3 million on a local soundstage. For a credit on postproduction expenses, a show must spend 75% of its budget in the state.

"The theory was, if you have to build your sets here, the likelihood is the majority of the project will then be done here," said Mr. Rosenbluth.

With all of the stages booked—even *Sesame Street* at Kaufman has to give up its second stage when not using it—all of the major studios are looking to expand, lest more production business is lost to Yonkers and other locales.

Last March, Steiner opened five new soundstages, and Kaufman, Silvercup and Broadway Stages are all mulling adding inventory.

But they will invest tens of millions of dollars in new studios only if the tax break is extended. That has left the industry in something of a cliff-hanger. "It's a roller-coaster ride," Mr. Rosenbluth said. Stay tuned. ■

\$5B
AMOUNT the TV and film production tax break adds to the city's economy annually