

DAILY VARIETY

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N.Y. Welcome Mat

By Jill Goldsmith

NEW YORK -- In a major victory for the local industry intent on slowing runaway production, a bill just greenlit by New York's Legislature will pass out \$100 million in tax credits over four years to film and TV production companies working in state.

Bill, spearheaded by the folks behind the Brooklyn Navy Yard's new Steiner Studios, was part of the state budget approved late Wednesday in Albany by the state Senate and Assembly. It still needs a nod from Gov. George Pataki, who has 10 days to veto it -- a move considered unlikely by people familiar involved in the bill.



"We're optimistic," said Douglas Steiner, chairman of Steiner Studios and son of David Steiner, who heads the New Jersey real estate developer Steiner Equities, which sank nearly \$130 million into the Navy Yard project. The full-service facility with five massive soundstages for film production is set to open in October.

Steiner

"I've had a discussion with the governor as to the importance of this, and my conversation was very encouraging," said New York Assemblyman Joseph Lentol, a key proponent of the bill, whose district includes the Navy Yard. He said -- a bit tongue in cheek -- that he's seeking no less than "the re-emergence of New York City as the capital of the movie industry in the world" - the way it was "until Hollywood came into existence."

State Sen. Martin Golden, another key advocate, noted that New York garners about \$5 billion in film production to California's \$35 billion. "We don't expect to be California, but there's no reason we can't (reach) \$10 billion-\$12 billion," he said.

California Gov. Arnold Schwarzenegger has stated that he wants to pass similar legislation -- next year after the state's fiscal crisis has passed -- aimed at luring film production back to California.

New York's \$25 million-a-year credit applies to all below-the-line expenses. According to Golden, it costs about \$250,000 less to film an episode of a TV series in Toronto vs. New York.

The credit would narrow that gap to about \$125,000 -- enough, he thinks, to make the shift to Gotham worthwhile.

He and Steiner said a number of independent producers and Hollywood studios lent enthusiastic backing to the legislation. They mentioned John Wells, whose new series "Jonny Zero" starts filming in New York this month, and Mel Brooks, who's said to be considering filming "The Producers" in Gotham.

The push for the legislation started with the Steiners since the Navy Yard is located in a so-called Empire Development Zone -- an area singled out by the state for tax incentives to stimulate economic growth. "We needed to tweak the definition of that zone to include production companies, because it was written more for traditional manufacturing," Steiner said. His firm hired lobbyists and lawyers to draft legislation.

The Empire Zone requirement was dropped as other studios like Silver Cup and Kaufmann Astoria came on board. The final bill offers production tax credits at any "qualified" New York facility, which seems to mean any with a soundstage of at least 7,000 square feet. "Obviously, they wouldn't do something for us that they wouldn't do for everyone," Steiner said.