

FINANCIAL TIMES

April 3, 2004



Marlon Brando broods at the docks in the 1955 film *On the Waterfront*. Brooklyn is playing a new role in cinema this year with the opening of Steiner Studios

Corbis

ENTERTAINMENT INDUSTRY

Brooklyn studios add gloss to NY film-making

By Christopher Grimes
in New York

On the Waterfront, the 1955 film starring Marlon Brando, created an indelible image of the Brooklyn shoreline: a gritty place populated with tough dock workers and corrupt union bosses.

Fifty years later, the Brooklyn waterfront is playing a new role in cinema. Steiner Studios, one of the largest film studios outside of Hollywood, is set to open this summer in the Brooklyn Navy Yards – one of the last pockets of active maritime industry in the area.

Terry Malloy, Mr Brando's character in *Waterfront*, would feel right at home.

The \$110m project promises to give a big boost to New York's \$5bn-a-year film and television industry. For years, the city has been frustrated as film crews filmed "location" shots of its streets and skyline, only to finish production in Hollywood or Canada where studio space was more plentiful.

Steiner Studios will also bring a touch of glamour to what is still an active industrial park. Doug Steiner, chairman, says he was attracted to the site in large part because of its history –

the Navy Yards were founded in 1801 by Thomas Jefferson and produced American battleships for more than a century – and its easy access to Manhattan.

But the site had other powerful attractions. Michael Bloomberg, New York's mayor, has targeted the entertainment industry as an area for growth, so his administration invested about \$30m in infrastructure improvements at the city-owned Navy Yards. Perhaps more importantly, Navy Yard tenants pay no real estate taxes – an exemption potentially worth millions.

"The city's goal is to get not just location shooting but all aspects of production in New York," Mr Steiner says. "They want all those production dollars spent in the city."

Rudolph Giuliani, former mayor, first explored the idea of studios in the Navy Yards and reached a high-profile agreement with Miramax to develop the project. But the city later withdrew support, leaving two of New York's biggest names in New York film-making – Miramax chief Harvey Weinstein and partner Robert de Niro – feeling double-crossed.

The Steiner project lacks

the star-power of the earlier proposal, but the speed of the development has been impressive.

The film studio is the latest in a series of changes that are transforming the Brooklyn waterfront. The Navy Yards are sandwiched between two neighbourhoods – Dumbo and Williamsburg – that have become magnets for artists and young professionals in the past decade.

And the studios could attract smaller businesses that are essential to film and television production, from dry cleaners to costume makers.

"A movie or TV show is a huge consumer of goods and services, which is one reason we expect to have a major impact on the surrounding neighbourhoods," says Jay Fine, chief executive.

Film production in New York rose 30 per cent in 2003, and one of the city's established studios, Silvercup, is planning a big expansion.

All of this makes Mr Fine feel confident that there is more than enough business to go around. "My biggest challenge right now is not having space for all the clients if I were to open today," he says.