

## **Hollywood Goes to New York**

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Tax credits are luring the film industry back to the streets of the Big Apple, writes Sara Kugler

Martin Scorsese's upcoming thriller, *The Departed*, revolves around a gangster and a police officer who conceal their identities to infiltrate opposing forces.

That's not the only deceit in the film. The movie, starring Jack Nicholson, Matt Damon and Leonardo DiCaprio, takes place in Boston but was shot in New York City, with Brooklyn's Red Hook neighborhood standing in for South Boston and Raoul's restaurant in SoHo playing a fancy Beacon Hill eatery.

Faking another city on the streets of New York is not only rare, it is a role reversal for producers who have long favored shooting in cheaper locations with fewer headaches. But under Mayor Michael Bloomberg, the city has taken big steps to change its reputation, including a tax credit that officials say has generated US\$600 million (HK\$4.68 billion) in new business, thousands of new jobs and has begun to transform the industry.

"The perception was, 'Ugh, New York. We really want to be there – great locations, great crews, but there's the hassle factor,'" said Katherine Oliver, Bloomberg's commissioner of film, theater and broadcasting. "So what we have tried to do is market, promote and change that."

Hassle No1 was the cost of shooting in New York. In the late 1990s, there was a cinematic sucking sound as productions fled the city, lured away by tax-incentive programs elsewhere, particularly Canada. New York-set scenes were shot on soundstages and nondescript urban streets.

Business dropped off even more after the September 11, 2001, terrorist attack.

In September 2003, the Bloomberg administration invited entertainment honchos to a mayor's mansion summit to ask them what the city could do to turn things around.

It became clear to city officials they needed a tax credit, which went into effect one year ago. The program gives a 15 percent credit to productions that do 75 percent of their work here. The package also includes free media – including space on the Times Square Jumbotron – and discounts at city attractions.

The result has astonished entertainment leaders and city officials. The number of location shooting days, which is how the city measures the health of this US\$5 billion industry, swelled by 35 percent in 2005.

"It has truly brought New York to a new level of life," said Alan Suna, CEO of Silvercup Studios, one of the city's top production facilities. "I don't want to say resurrected because resurrected means you were dead first and then you rose from the ashes, but work was diminishing, and the tax-credit program has changed that around dramatically."

Producer Ron Bozman, who recently finished making a film in New York with Anna Paquin, Matt Damon and Mark Ruffalo, said it would not have been possible without the credit. Now he is shooting a bigger-budget movie with Halle Berry and Bruce Willis, and said the tax credit eliminated consideration of any other locations.

"It has drawn films here that might have gone elsewhere, and for the last year the city's been very, very busy," said Bozman.

And not just with films. At Silvercup, which is planning an expansion, Suna estimated the studio booked about 20 additional projects last year that it would not have had without the credit, including five new television pilots.

Los Angeles has long dominated television, and entertainment officials there are alarmed by the inroads New York is making.

Last year during pilot season, when new television shows are shot in hopes of getting picked for a network's lineup, New York grabbed seven of them.

Film LA, a nonprofit group that facilitates film and television work there, calculated that each hour-long pilot it loses to New York equals about 150 jobs and US\$4 million.

And that doesn't account for the loss from shows that become series: the group estimates that the hour-long dramas shooting in Los Angeles bring about US\$1.5 billion to the city's economy.

"We've certainly felt the effect from the success of these programs luring business away from us," said Steve MacDonald, president of the group.

MacDonald's group and others are working to get a tax-incentive program in California in order to compete with the growing number of US states that already offer one.

Los Angeles Mayor Antonio Villaraigosa also has proposed an end to fees for shooting at city-owned facilities. New York City already offers that benefit, in addition to free permits and free police assistance on location.

Oliver, the film commissioner, says she has also streamlined the permit process and regularly visits sets to check on her "clients," as she did recently with the George Clooney film Michael Clayton.

The film, which is taking advantage of the city's incentive program, was shooting in a gritty Tribeca alleyway – a location that doesn't interfere much with daily life in the neighborhood.

But Oliver is often called upon to deliver huge favors for filmmakers who want to, say, shut down the Brooklyn Bridge or film inside the United Nations, which was allowed for the first time in 2004 with the Nicole Kidman thriller *The Interpreter*.

It happened because director Sydney Pollack appealed to the mayor, who then helped persuade UN head Kofi Annan to grant the request. Filmmakers say they have never enjoyed such access.

Carla Raij, location manager on the Scorsese film who has worked in the city for 15 years, said Bloomberg and Oliver helped deliver what she describes as the highlight of her career. When she needed to shoot on the Brooklyn Bridge for the 2005 film Stay, the city shut down Manhattan-bound traffic for 10 nights and handed them the bridge.

"This administration is by far the most friendly and supportive administration for filmmaking that I have dealt with," Raij said. "It's part of Bloomberg – business is his sensibility."

But what about the New Yorkers inconvenienced when a bridge is shut down or a street blocked off? Marilyn Dorato, secretary for a coalition of block associations in Greenwich Village, said residents are mostly tolerant.

For a Sex and the City shoot during the HBO cable TV network show's final season, the coalition's Web site report said "film company always respectful," but added, "many residents are glad it's over." ASSOCIATED PRESS