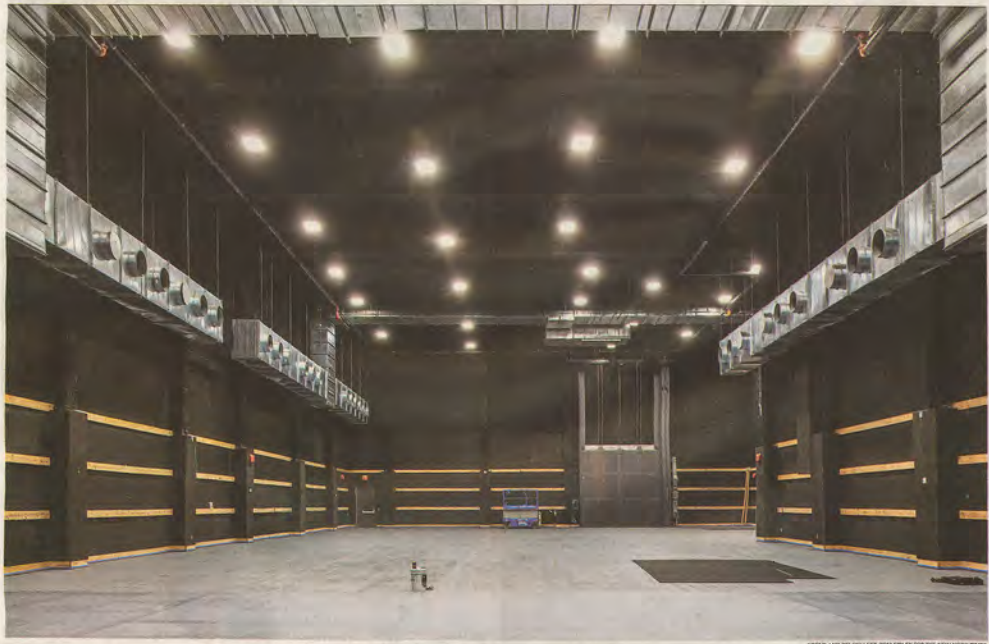


Real Estate

The New York Times



ABOVE AND BELOW LEFT: TOM SIBLEY FOR THE NEW YORK TIMES

Lights! Camera! Construction!

New and expanded soundstages citywide may turn New York into the Hollywood of the East.



By C. J. HUGHES

The long lists of shows displayed on streaming sites, which seem to grow exponentially by the day, serve to tell you what's on. But in New York City, they might also reveal a bit about the future of your block.

Many of the studios that produced the television series, which have turned New York into a small-screen production hub, are now planning to open new facilities or

expand what's already here, some in parts of the city that have been unfamiliar with such large-scale investment.

Fueled by a pandemic-era demand for stay-at-home entertainment, and generous tax breaks, the studios are targeting a range of locations in Queens and Brooklyn, including historic red brick enclaves, working-class sections of the waterfront, and industrial precincts known not for celebrities, but



APRIL 27, 2020

Top, one of two soundstages that opened this year at Kaufman Astoria Studios. Left, the Kaufman entrance. Above, Ella Hunt in "Dickinson," which filmed there.

for concrete plants.

These areas may not look the same for long. Previous developments of soundstages, as these facilities are known because they are designed to be soundproof, have had transformative effects. The creation of Silvercup Studios in a former brick factory in Long Island City in the 1980s, for example, helped turn that part of Queens into a trendy destination.

Some residents seem ready for their neighborhood's star turn.

"It's exciting," said Vanessa Pacini, a 17-year resident of East Williamsburg, Brooklyn, a gritty industrial stretch where Netflix is planning a new home.

"People don't really walk in this area," said Ms. Pacini, who co-owns a local restaurant called Ange Noir Cafe. "I would like to

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see more foot traffic. But they have to keep the vibe."

Low-slung, windowless and nondescript, many soundstages save happy to strike a low-key profile. Indeed, Broadway Stages, which has several addresses in Greenpoint, Brooklyn, doesn't offer much in the way of signage. On a recent afternoon, a notice taped to a wall at one location about the show "Billions" was one of the only indications of what transpires there.

BUT OTHER SOUNDSTAGES ARE MORE OVER ABOUT their role as place makers. Like the century-old Kaufman Astoria Studios in Queens, which was run for more than three decades, starting in the early 1980s, by George S. Kaufman, a member of a prominent real estate family.

Originally owned by Paramount, which produced feature films including two starring the Marx Brothers in 1929 and 1930, the company sold the property in 1942 to the U.S. Army, which used it for decades to create propaganda and training films. Jack Lemmon was a star. Years later, at the same address, Lemmon would shoot "Genghis Khan."

After renovating the soundstages, whose main building, a column-fronted landmark on 35th Avenue, dates to 1921, Mr. Kaufman took steps to revitalize the surrounding area, which today has schools, restaurants and apartments that would not have otherwise existed, said Hal G. Rosenblith, the studio's chief executive.

Series filmed at Kaufman Astoria, which has what is believed to be the only private outdoor stage on the East Coast, include



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"Sesame Street," "Flight Attendant" (HBO Max) and "The Mindy Project."

"George would always say, 'Once you invest in helping others,'" Mr. Rosenblith said. "It sounds like a P.R. kind of thing, but it really is a true statement."

More recently, in 2018, Kaufman Astoria, with Procidia Companies, developed the Marx, a 33-unit condo on 35th Street, where a two-bedroom unit with two baths was for sale last month for \$995,500.

But the studio is also trying to meet the fresh demand for streaming video. This year, it cut the ribbon on two new soundstages, built on a former parking lot. Above them sit three floors of offices, which are open to nonfilm tenants. About 15,000 of the 60,000 square feet have leased so far.

Its next project, for which Kaufman Astoria has teamed up with Silverstein Properties, is more ambitious. They hope to redevelop a five-block stretch south of 35th Avenue into Innovation QNS, a mixed-use district with parks, shops and 2,700 apartments, built on a former parking lot. Above them sit three floors of offices, which are open to nonfilm tenants. About 15,000 of the 60,000 square feet have leased so far.

Still, some who have peeked at the plans seem enthused. "It won't be mind-blowing," said Greg Kyroglo, 44, a resident of Astoria who grew up in the neighborhood and remembers where the former Marx Kaufman Astoria was bleak. "The studio has been a great asset," said Mr. Kyroglo, now a real estate agent with the firm Modern Spaces.

While Kaufman Astoria may sit in established neighborhood, most soundstages are in areas that were once industrial or crowded, meaning the sites can be as if they're backstage from the city itself.

Two new facilities are planned for just such a stretch, along 14th Avenue in Ditmars Steinway, Queens, which offers scrap metal yards, roofing-contractor shops and the entrance to Kibbles Island. The first, an 11-stage version from a group that includes Robert De Niro, the actor and director and entrepreneur, will rise on a windswept parcel between the Steinway and Sons piano factory and a skinny creek. Developers, who paid \$72 million for the site last winter, hope to break ground in a few months.

The other facility will rise inside a factory once occupied by an Asian food wholesaler known for its egg rolls. The studio, at 45th Street, will be operated by Broadway Stages, which bought it for \$8.4 million in 2015 and plans to enlarge the property and add higher ceilings, city records show.

BROADWAY STAGES, which began life in 1983 making MTV videos for musicians like Billy Idol, today offers 60 soundstages at 30 addresses, mostly in Brooklyn and Queens. But on Staten Island, it owns the former Arthur Kill Correctional Facility, a 67-acre former prison whose razor-wire-ringed yards have played host to "Orange Is the New Black," "The Blacklist" and "Bitter."

The Industrial Age is also giving way to the Information Age in the area where East Williamsburg borders Bushwick, at Nestflix's site, which is where a printing plant once stood by railroad tracks on Johnson Avenue. Netflix, one of the top creators of original programming, which includes "Orange Is the New Black," "Stranger Things" and "Emily in Paris," intends to have six soundstages there.

Netflix plans to rent these new soundstages from Steel Equities, a Long Island developer, which bought the elongated site in January 2019 for \$53 million, according to city records. Last month, Steel also pur-

chased another site, at Johnson and Bogart Streets, for \$20 million, records show, prompting speculation about further expansion.

"As long as they don't build tall towers and tear down all the old buildings, it will be fine," Ms. Pacini said. "We don't want to look like Williamsburg."

But light technicians, grips and actors won't be the first to get into the area, where cement mixers continue to queue at concrete plants. Besides requeuing Ms. Pacini's cats, young stylish types already hang at restaurants like Rebel Cafe and Garden, which serves "disco fries" and grilled cheese (\$15) in a plant-lined yard.

In Sunset Park, a large parking lot — complete with a Hollywood-style backlot archway — will be a selling point of a new eight-stage studio incorporating two existing brick warehouses that is planned by Steiner Studios, whose other complex, a 30-stage version at the Brooklyn Navy Yard, arrived in 2004.

As soundstages, most of the action takes place indoors. But directors occasionally capitalize on local scenery, and the Sunset Park address, amid the ruins of a former shipping district that has stunning waterfront views, is hard to beat, said Doug Steiner, the studio's chairman.

Cameras on these soundstages, nicknamed Steiner Sequel, aren't expected to roll until 2024. After a two-year competitive process, the city awarded Mr. Steiner the 14-acre site under a 99-year lease in October.

And Mr. Steiner, who has also made a name for himself as a developer of condos and rentals, is now talking to lenders for the \$30 million project. As part of the deal, Steiner must complete the construction next door of Bush Terminal Park, which now has a few sports fields, and build a playground there.

As Mr. Steiner sees it, some industries, even white-collar ones, are fading in New York, which means content creation for screens large and small is necessary. "It's really critical to the future," he said.

New York's 1.5 million square feet of soundstages ranks 14th in the country, after California with 5.5 million and Georgia with 1.8 million, according to an October report from CBRE, the commercial real estate firm.

And employment in overall entertainment jobs has increased by 16 percent in New York since 2010, to 358,120, a rise many analysts attribute to soundstage growth, according to CBRE. Soundstage owners are now operating at only 50 percent capacity under state pandemic rules. But quarantine, at least in the short term, seems to have had some benefits. Video-streaming has surged in popularity, up 74 percent nationally in the past year, CBRE said. And a quarter of all TV-watching involves streams.

Soundstage owners say the industry would be doomed without the hefty public subsidies provided by the state.

"Virtually all" of Steiner's clients, for instance, avoid themselves of tax breaks, which allow 30 percent of the cost of a large part of a production to be credited back. It's the most generous package in the country, California and Louisiana, tied for second, offer 25 percent. "I lose sleep regularly over the thought of what would happen if they were to go away," Mr. Steiner said.

Season 2 of HBO's "The Deuce," which was partly filmed at Queen's Silvercup Studios, for example, benefited from a \$21 million credit in the third quarter of 2019, according to state figures.

Created in 2004 and set to expire in 2022, the breaks have so far created a tremendous amount of wealth, officials say. Since their introduction, the state has awarded nearly \$5 billion in incentives to 2,200 movies and shows, most of which have been shot in the city. Those productions spent \$40 billion and hired millions of workers, accord-

ing to a spokesperson for Empire State Development agency, and naturally pay some taxes, too.

But echoing the opponents of the deal to bring Amazon to Queens in exchange for \$3 billion in breaks, critics call the film incentives a waste of public money because they believe the moviemakers would come to New York anyway.

"If it wasn't for the studio, I don't know where we would be today," said Caroline Bell, a co-owner of Cafe Grumpy, a national chain of coffee shops, whose pioneering location, in Greenpoint, is across from a Broadway Stages location.

In the cafe's first year, in 2005, on otherwise sleepy days, large orders of "75 coffee drinks" would pour in from soundstage crews, Ms. Bell said. And actors would occasionally drop in, like Andrew McCarthy, who once popped back behind the bar to help. "That was exciting," she said.

Similarly, Kingbridge Cleaners and Tailors, based in the former Brooklyn Navy Yard, has dry-cleaned Victorian suits worn by actors in "Boardwalk Empire," which was filmed at nearby Steiner. Costumes "The Marvelous Mrs. Maisel," another Steiner production, were also scrubbed, said Richard Aviles, a co-owner of the shop, who said the studio accounts for 20 percent of his business pre-Covid.

"It's a very cool feeling to see costumes on TV that you've cleaned," Mr. Aviles said.

Top, Doug Steiner and his main facility, Steiner Studios, at the Brooklyn Navy Yard. Center, Steiner plans more at this site in Sunset Park. Above, construction in Bushwick for Netflix production studios.

The sites can be as if they're backstage taken from the city itself.



Right, shows often make use of the blocks near soundstages for shoots, as was the case here on 34th Avenue near Kaufman Astoria Studios. Below, a semi-industrial zone in and around Johnson Avenue in Bushwick that's designated for multiple new production facilities by Netflix.



THE UPSIDES MAY ALSO BE LESS DIRECT, like in Park Morris, in the Bronx, a rough-edged industrial neighborhood where in 2016 Silvercup opened a 115,000-square-foot soundstage facility in a former lighting warehouse. In Greenpoint, at East 13th Avenue and East 139th Street, sits by a depot for oil trucks and a boarded-up rowhouse.

But some developers believe show-business-related businesses will eventually follow. At 825 East 141st Street, a development team that includes the Altmark Group is converting a former baking factory for the A.P.E. supermarket chain into offices.

The eight-story building, Union Crossing, has been slow to lease because of Covid-19, said Ellen Israel, an agent with JET Realty Group, which is marketing it. But the environs companies involved in scenery and lighting tenants. Asking rents are about \$25 per square foot a year.

"Silvercup is a known entity, and if you are doing business with them, you don't want to be too far away," she said.

In the end, there might be no surer sign of growth potential than the increasing interest from traditional real estate circles. This fall, Square Mile Capital Management, a New York firm that had previously invested in offices and apartment buildings, and Heckman Capital Partners, a Los Angeles company with office properties, snapped up Silvercup for \$369.3 million. And the deal, one of several recently for the team that involves film facilities, including California's Involuc Film Studios.

Success, whose rooftop sign is visible from Manhattan, has had a string of saccesses since opening in 1983, including "Sex and the City" and "The Sopranos."

"I think it's pretty clear that something is going on with streaming video, perhaps accelerated by the impacts of Covid, but probably because of a change in consumer behavior," said Craig Solomon, Square Mile's chief executive.

Additional soundstages may be only part of the calculation. And Mr. Solomon would not rule out adding apartments or office buildings at or near Silvercup. "It's natural to want to continue to grow and benefit from the placemaking aspects of these properties," he said. "At the end of the day, it's the business we are in."