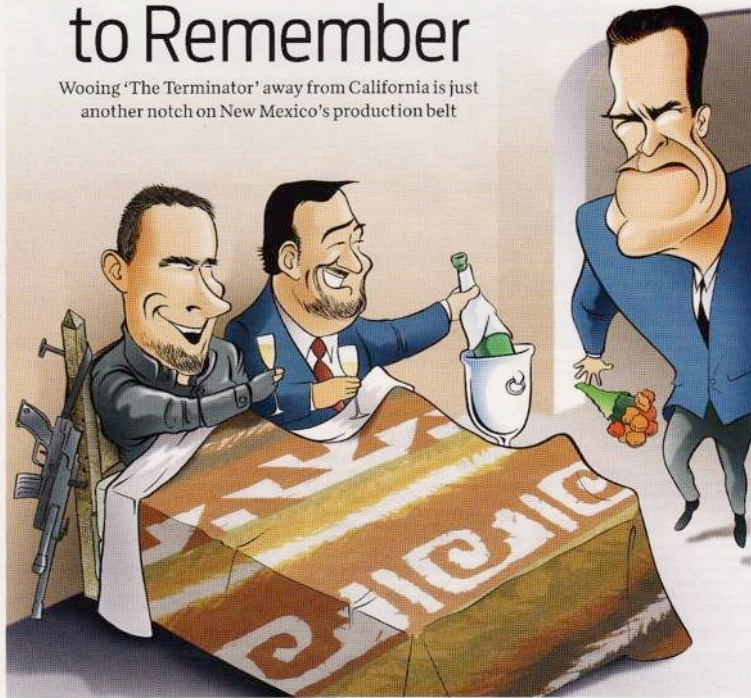


An Affair to Remember

Wooing 'The Terminator' away from California is just another notch on New Mexico's production belt



By Chris Koseluk

NEW MEXICO—Gov. Arnold Schwarzenegger was feeling blue.

During a meeting last spring with New Mexico Gov. Bill Richardson, his Californian counterpart quipped, "You're ripping off my movies."

Richardson wasn't intimidated, as he recalls. "I said, 'You've got to give incentives! He said, 'I'm trying to get my legislature to do that, but they don't listen to me.'"

The legislature might have to start listening soon, because film, television and commercial production is booming in New Mexico.

DreamWorks/Paramount's "Transformers: Revenge of the Fallen" and Focus Features' "Hamlet 2," along with 2007's "3:10 to Yuma" and "In the Valley of Elah," are just some of the features the state has hosted. Add to these the upcoming releases "Run for Her Life," Overture's "Sunshine Cleaning," New Line's "Appaloosa" and Think-Film's "Five Dollars a Day." Television entries "Breaking Bad" (AMC), "In Plain Sight" (USA Network) and the upcoming "Crash" (Starz) and "Easy Money" (the CW) shoot here. Even last year's best picture Oscar winner, "No Country for

NEW MEXICO FILM OFFICE
Lisa Strout, director
418 Montezuma Ave.
Santa Fe, NM 87501
505-476-5600
info@nmfilm.com • nmfilm.com

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After filming the 2007 installment of "Transformers" in New Mexico (above), Michael Bay and crew returned to shoot the upcoming Transformers: Revenge of the Fallen.

Old Men" came to life in New Mexico.

And most ironically, Warner Bros.' "Terminator Salvation," the fourth installment of the series so closely associated with Schwarzenegger, is lensing in — you guessed it — New Mexico. No wonder the California governor is upset.

"There was a distinct possibility this movie would go out of the country," says Lisa Strout, director of the New Mexico Film Office about "Terminator." "We worked very hard on the creative aspects and the financial benefits. So we were absolutely thrilled when they made their decision to come here."

Many credit New Mexico's aggressive tax and loan incentive programs, featuring a 25% tax rebate

and 0% investment loan, for the surge. But there are other reasons, too.

"It is a very film-friendly state," says David Alper, a principal and COO with film financier Grosvenor Park. "The program is really the baby of Bill Richardson."

Strout, a location scout for more than 20 years before joining the film office in 2001, emphasizes an attitude of cooperation that permeates the state. With less than 2 million residents, she believes there's a real small-town feel.

"It's not a particularly cumbersome bureaucracy," she says. "I think that helps."

Also helping is the state's ability to meet facility and crew needs: A 50% wage payback for produc-



tions willing to give on-the-job-training to residents is expanding New Mexico's crew base.

"They're starting to get their sea legs," says writer-director Joshua Michael Stern, who filmed Disney's comedy "Swing Vote" in the state. "You'll actually find it's easier to crew up than it might have been awhile ago."

"I find it easy to work there," adds producer Deborah Del Prete, who has filmed four features in the state, including Lionsgate's upcoming "The Spirit." "It's a simple plane ride. You can easily get equipment driven there. You can get people in and out quickly wherever you film. There's not a lot of traffic."

Alper, who helped bring "1:10 to Yuma" to the state while serving as an executive with Relativity Media, cites Albuquerque's increasing number of postproduction facilities. Sony Pictures Imageworks has plans for a 100,000-square-foot facility there and currently has set up shop temporarily in downtown Albuquerque. In addition, Albuquerque Studios opened last year with six soundstages, with plans to build two more soundstages this year, boasting a total of four 24,000-square-foot and four 18,000-square-foot soundstages.

"New Mexico is entering a new phase of maturity as a production and postproduction destination," Alper says.



Guest accommodations at the Historic Taos Inn are sprinkled throughout a cluster of 19th-century adobe houses.

"We have a lot of repeat business," Strout adds. "We'd love to see more films explore virgin territory here. There's lots of great little towns and a lot of landscape that has never been shot."

Stern can back that claim. While filming "Swing Vote," he needed a bygone, middle-of-nowhere locale with a "Last Picture Show" vibe. Thirty miles south of Albuquerque, he found Belen.

"There were three places still open — a bowling alley, a bar and a karate facility," Stern recalls. "It was nearly abandoned. It was like working in a backlot; there was no traffic. The people who still live there were so gracious. I could really show the place. When you see the movie, you'll see. It's really an amazing little town." **EW**

HIDEAWAY: THE HISTORIC TAOS INN
Originally founded as an artists' community by Taos' first physician, Dr. Thomas Paul "Doc" Martin, and later revamped into a hotel by Doc's wife after his death, the Historic Taos Inn is now listed on the national and state registers of historic places. With guest accommodations sprinkled throughout the cluster of 19th-century adobe houses, the inn honors its artistic past by hosting invitational art exhibits.
125 Paseo del Pueblo Norte, Taos, 575-758-2233, taosinn.com
—Compiled by Michelle Grabicki

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New Mexico

location report



New Mexico Film Office director Lisa Strout with New Mexico Gov. Bill Richardson

A Man of Action

Q&A

When Bill Richardson took office as governor of New Mexico in January 2003, one of his first priorities was the state's film industry. Chris Koselek for The Hollywood Reporter checks in with the former 2008 presidential contender to discuss the state's production boom.

How's business?
Gov. Bill Richardson: It's been a dramatic increase in the last four years. At this very moment, we have 12 films being shot here. We just announced our 100th feature. Since I've become governor, film and TV production has injected over \$1.8 billion into New Mexico's economy. We've created 2,000 direct production jobs and 1,000 others in support industries.

How did you do it?
Richardson: By creating incentives for the film and television industries and convincing our legislature that the time was ideal to resume our previous leadership role in film production. In other words, we went out of our way to send a message to the film industry that we wanted them here and that we'd give them incentives to film here, if they trained our people.

How do you keep business growing?
Richardson: We're considering increasing the rebate — some other states have gone to 40%. That's one option. The state invests in almost every production. That seems to attract a lot of filmmakers. We invest by giving low-interest loans. We get paid after the distribution of the film. So we're patient. But, in the end, it's working like magic.

California Gov. Arnold Schwarzenegger recently joked with you that you're responsible for a large majority of Hollywood's runaway production. How serious do you think he was?

Richardson: He and I have a very good relationship. It was a little bit kidding, but there was a little edge to it. We're not trying to supplant Hollywood. We want to be an adjunct to Hollywood. We want to be another option. **THR**



To check out filming incentives across the country, go to thr.com/film.

The Land of Enchantment

Generous economic incentives make it hard for filmmakers to resist New Mexico

By Chris Koseluk

It's **NOT** New Mexico's endless sunny days or breathtaking vistas that are luring filmmakers to the Southwest. They're after the financing.

"When you're creating a financial model for any entertainment program, the creative is the first element that has to be addressed and then it's a financial conversation really," says Kevin Beggs, president of TV programming and production at Lionsgate, which is shooting the TV series "Crash" for Starz in New Mexico.

Under New Mexico's popular 25% tax rebate on all direct production expenditures, the state has refunded just under \$80 million through the program since 2003.

The rebate features no cap and no sunset clause, and productions are refunded based on the expenditure's full amount, not just the tax portion. "In most states, you have to spend a minimum. You make a really small movie -- we're here to support that," says New Mexico Film Office director Lisa Strout.

The state's Film Crew Advancement Program offers a 50% wage reimbursement for any resident hired in a key below-the-line crew position and given on-the-job training. Since 2003, New Mexico has expended \$5.2 million for on-the-job training and crew advancement programs. Almost 750 individuals have benefited from the 70-plus productions that have participated. In addition, the state has also spent approximately \$130,000 conducting pre-employment workshops.

"From their standpoint, it helps to continue to improve the crew base in New Mexico. And from our standpoint, it's somebody who's ready for that next step and you're able to get more bang for your buck for that par-

ticular crew position," says producer Glenn Williamson, whose comedy "Sunshine Cleaning," from Overture Films, was filmed in the state. He estimates that New Mexico's incentives helped save almost 20% of the film's

original budget.

New Mexico's Film Investment Loan Program features a 0% loan for up to \$15 million per project; in return, the state gets a share of the backend in lieu of interest. The state nego-

tiates a backend participation position, averaging between 7% and 20%, based on the type of production and the calculated risk. The program has aided over 20 projects, loaning out more than \$210 million. **ENT**

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