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THE LEGISLATIVE ISSUE

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ANOTHER METRO ATLANTA STUDIO POISED TO GO ONLINE IN EARLY 2016

by Jennifer Hazelton

YOU can't go two blocks within the city of Atlanta these days without tripping over a film or television set. The Georgia Department of Economic Development reports that film and television productions generated \$5.1 billion in economic impact, making Georgia one of the top three production centers in the nation.

All of this economic growth is largely driven by the state's tax incentive to the entertainment industry. Georgia provides a 20 percent tax credit for productions that spend \$500,000 or more in production or post-production in the state. Entertainment companies can also receive an additional 10 percent in tax credits by featuring Georgia's promotional logo in their credits.

The net result of this incentive is jobs and an increase in infrastructure being built to accommodate all of the productions wanting to work here. According to the Motion Picture Association of America, the motion picture and television industry is responsible

for more than 77,900 jobs and \$3.8 billion in total wages in Georgia, including indirect jobs and wages. In the past several years, major companies like Pinewood Studios and Screen Gems have built studios in the metro Atlanta area. And the demand for studio space in Atlanta is still growing.

Two veterans of the entertainment industry are among those stepping into the breach. Ed Richardson and Brian Livesay are founders and co-CEOs of 404 Studio Partners who are developing Atlanta Metro Studios, a venture that will provide more than 345,000 square feet of production space on the former site of Shannon Mall in Union City. Richardson is Louisiana-born, has been based in Atlanta since 1992 and has a 20-year history as a film and television producer. Livesay is a Californian with a rich resume in production design. *James* caught up with them to discuss their studio and the future of film and television in Georgia.

Studio co-founders
Ed Richardson and Brian Livesay
at the demolition site of the old Shannon
Mall in Union City, Georgia.

An artist's rendering of the Atlanta Metro Studios main entrance.



Jennifer Hazelton: Thanks for taking the time today, guys. So, those of us not in the entertainment business hear pretty often that more work would be coming to Atlanta if we simply had more production space. Is that what's really going on right now?

Ed Richardson: Yes, that's exactly what's happening. As a producer, I had a project looking to come to Georgia for 17 weeks that couldn't find room to shoot here. Everything was booked up. Then, I had another feature film that ended up going to Louisiana because there was no available studio space here.

Brian Livesay: There were more and more (productions) showing up. A major company came through town looking for places to shoot, and they left because there wasn't sufficient infrastructure available in Atlanta at the time. If you don't have the proper space to shoot, you have to go where the space is. The studios and producers are incentivized to work in Georgia. The tax credit is what gets them to look here. The foundational shift on where film and television is made is changing.

JH: So, clearly the tax credit has been a big draw for the industry. Is there anything the state can do to make the situation stable enough to draw more talent here, and perhaps eventually even encourage some companies to plant permanent roots in Georgia, rather than parachuting in and out for productions?

ER: I think our state leadership has already done exactly what's needed, which is to put the incentive in place and give it time to let the business grow. The fact that there is no sunset clause for the tax credit is a sign the state leadership believes in it to a point where people like us can have very real conversations about large land purchases and the very significant investment needed to build this infrastructure. I think they've done exactly what they need to do. We are talking to you because of their leadership.

BL: Our legislature stood behind it. It is not backing down. Governor Deal has said publicly if anyone tries to repeal it, he'd veto it—which is very reassuring. Taking advantage of the tax incentives is a very simple process. It's not a lengthy process to take advantage of the tax credit. It's very translatable to other parties. It's easy and quantifiable for productions.

JH: Right now, only productions or companies that spend more than \$500,000 on production or post-production in Georgia are eligible for the tax credit. Do you think the threshold should be lowered so less expensive productions can take advantage of it?

ER: It would certainly help smaller companies. There are a lot of commercial and promotional productions that can't get near the half-million dollar mark. It is what it is. The tax credit is geared towards larger productions, which I think honestly is a very smart move because that is what's going to create the most jobs and have the most economic impact.

BL: How Atlanta and Georgia have really done an incredible job with building a foundation is that we have the ability to build infrastructure to continue capturing that business. The more the production infrastructure grows, the more sense it makes to continue the incentive. I am not an economist. I can only speak for myself and say that I moved here from Los Angeles because of the incentive. I bought a house, had a baby and started a business leasing millions of dollars in equipment to the industry.

JH: It's less expensive to do just about everything in Georgia when compared to Los Angeles. Does that also contribute to attracting productions to the state? Or is everything just about that tax credit?

ER: I think people clearly come here for the tax credit, but they stay for the other countless benefits that Georgia specifically has to offer. For our studio facility, we have the benefit of being less than six minutes away from Hartsfield-Jackson Atlanta International Airport. But you also have a crew base that has been here for decades, and it's growing fast. You also have people in Georgia who are truly excited to have the business here. Aspiring actors are excited they may be able to be an extra. Others may be able to transition from a television career to the film business for the first time. Historically, to work steady in



film, you were most likely in California. So the idea that the entertainment industry comes here for the incentive, but, stays for the hospitality and the quality of life and the folks and resources that are here, it's great and it's true. Georgia is an amazing total package.

JH: We're seeing more and more infrastructure being built around Atlanta, including Pinewood, Tyler Perry Studios, Screen Gems, and your project. Is there enough demand so that all of these facilities can be successful? Or, could there be excess inventory of production space all of a sudden?

ER: There is absolutely an overwhelming demand, and there is absolutely a deficit when it comes to the production space.

JH: Do you guys have any sense of what the capacity of the market is for studio space and sound stages?

ER: I think the best way to say it is, right now, there are planes circling Atlanta looking to come here and film. And there is nowhere to land. We're building another runway with Atlanta Metro Studios. The facilities that are purpose built for filming large scale productions are currently booked far into the future, and that fact has us working hard with our partner Rooker to get the doors open as soon as is possible.

BL: The trend in Atlanta is that everything is filling up and staying filled. So, where are they going to make the movies that have been announced to come here?

JH: Let's refocus on Atlanta Metro Studios. What is your vision for your project? When you open your doors, what kind of experience should a filmmaker or production company expect?

ER: The idea that it's a new purpose built facility built by film and television production people for film and television production people. It is specifically being built for large-scale content creators. We intend to meet any desire or need they might have, from how the facility needs to work, the services that will be available, and the vendors that will be there—those are things we've been thinking about for the last two years and have been plugging away to get ready.

JH: Do the two of you think you have any sort of competitive

advantage because you've been in this market for a long period of time?

ER: No, I wouldn't call it a competitive advantage. I would say that we're certainly proud to be in the same market as the other companies already in operation. They have amazing track records and have done exactly what we're doing. They have believed in this market, they have invested in this market and we're happy to be in business down the road from them.

JH: The launch of this studio could be a game changer in both of your personal lives.

ER: The thing that is the touchstone for both of us is this: My chance to get into this business was an unpaid internship; Brian's was getting a job swinging a hammer. He was a furniture maker. He was a carpenter. So we both came in at the absolute bottom. My Mom and Dad took me as a kid in Louisiana to see *Star Wars*, and I still remember standing in the rain with my Dad and looking at that movie poster. That's the first moment that I remember ever wanting to be a part of something. That was the first time I remember my life changing—and coming out of there wide-eyed and wanting to see it again. This industry has already changed our lives for the better. We are working every day to find ways to make a positive impact on the lives of others in the Atlanta area. There is no reason the next great filmmaker can't come from Union City. But you can't open the door if you don't know the door exists. We're here to open the door.

JH: What would you say to other people who want to get into this business?

ER: If you want to work, it will happen. But you have to want to work.

BL: Answer your phone and say yes. If it's 6 pm on a Friday and someone needs you to come do something, you go do it. It's not a 9-to-5 business. First, open your mind to saying yes. It's a little bit of a leap of faith. You have to leap out of the airplane before the parachute opens. Our business is very much like that.

Jennifer Hazelton of Atlanta is a one-time CNN and Fox News Channel editor and producer.