



Netflix decision: 'It's good for everybody'

By Adrian Gomez | Journal Arts & Entertainment Editor
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Filmed by Netflix in New Mexico

<p>February 2015 'The Ridiculous 6' hired 200 N.M. crew members, 250 N.M. actors and background</p>	<p>September 2016 'Godless' hired 280 N.M. crew members, 30 N.M. actors, 2,350 background</p>	<p>March 2017 'Longmire' final season hired 200 N.M. crew members, 50 N.M. principal actors, 1,000 background</p>	<p>September 2017 'The Ballad of Buster Scruggs' hired 188 N.M. crew members, 18 N.M. actors, 800 background</p>	<p>May 2018 'Messiah' hired 500 N.M. crew members, 40 N.M. actors, 1,800 background</p>	<p>July 2018 'Walk, Ride, Rodas' hired 60 N.M. crew members, 20 N.M. actors, 350 background</p>	<p>June 2018 'Chambers' hired 180 N.M. crew members, 75 N.M. actors, 400 background</p>
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Source: The N.M. Film Office

The Emmy Award-winning series "Godless" hired 280 New Mexico crew members over the course of its production. The series was based at **Santa Fe Studios** and filmed on location in northern New Mexico. (Ursula Coyote/Netflix)

Netflix is ready to spread some roots in New Mexico with the purchase of Albuquerque Studios.

But the seeds for the relationship between the state and the streaming media giant were planted in early 2015 with production of Adam Sandler's comedy, "The Ridiculous 6."

Since then, Netflix has brought nine productions to the Land of Enchantment.

Within seven of the productions, 1,608 New Mexico crew members, 231 New Mexico actors and 6,700 local background talent were hired for production, according to the New Mexico State Film Office. The latest projects, "Daybreak" and "Rattlesnake," do not yet have employment numbers.

Because the productions hire locally, each is eligible for the 25 percent to 30 percent rebate as part of the New Mexico film incentive package. New Mexico was one of the first states to launch a full-fledged film incentive program in 2003.

The state currently offers a 25 percent rebate to film companies for most direct, in-state expenditures under 2011 legislation dubbed the "Breaking Bad" bill. Long-running television programs are eligible for an additional 5 percent credit – for 30 percent total.

The state also has a yearly \$50 million cap for incentives paid out.

Netflix is purchasing Albuquerque Studios for more than \$30 million, though an exact amount hasn't been made public. The deadline for the deal to be finalized is set for Tuesday.

The state is contributing \$10 million of Local Economic Development Act funds; Albuquerque is giving \$4.5 million of LEDA funds.

Because the city is acting as fiscal agent for the LEDA funds, the project needed approval by the City Council and was unanimously approved on Thursday.

As part of the agreement, Netflix commits to direct spending on its own productions in New Mexico of at least \$600 million in the first five years occupying the studio, and \$400 million in direct and indirect spending, which includes leasing the facility to other production companies, in the following five years.

SANTA FE § STUDIOS

The deal would also bring about 1,000 film and television production jobs per year.

The purchase is expected to cause a ripple effect that could benefit the other major studios in New Mexico – I-25 Studios, Garson Studios, **Santa Fe Studios** and Las Cruces Studios – as other productions seek studio space for their projects.

Albuquerque Studios includes nine soundstages, production offices and a backlot.

I-25 Studios, **Santa Fe Studios** and Garson Studios each has two soundstages. Las Cruces Studios has one soundstage.

Representatives of each studio said they welcome Netflix to the New Mexico film family.

"I think it's absolutely sensational," said Rick Clemente, CEO of I-25 Studios. "They have control over supply and demand, and they will schedule efficiently. The Netflix presence will give a stabilizing base, and it will spill over into what we do."

Clemente said having Netflix in the state won't take any business away from I-25 Studios.

"They have made commitments to existing shows to stay there and fulfill those contracts," Clemente said. "We do anticipate an uptick here at the studios. We've done all of our improvements here incrementally. Ten years ago, this was a vacant factory building. We've since turned it into a studio and have the stages to manage at least two series or two features."

Meanwhile, **Santa Fe Studios** has the longest history of working with Netflix.

The 2015 feature "*The Ridiculous 6*" was filmed there. Since then, the studio has been home base to "*Godless*," "*The Ballad of Buster Scruggs*" and "*Walk. Ride. Rodeo.*"

"Everything they've done thus far is amazing," said Lance Hool, **Santa Fe Studios** CEO. "Now they are going to be in Albuquerque and our hope is that there is enough business. We anticipate getting spillover from them, as well

as other people that want to be in New Mexico."

Hool said Netflix had also considered **Santa Fe Studios** when looking into establishing a New Mexico hub.



"Godless" was just one of the movies filmed in New Mexico in recent years. Existing movie/TV production companies in the state are preparing to welcome Netflix, which is buying Albuquerque Studios, to their community. (Ursula Coyote/Netflix)

The goal is to grow the film industry.

"There's a lot of demand for this," Hool said. "New Mexico should be the leader. They aren't the only player, there are lots of them. Amazon, Hulu, Apple are all giants. Then you have the traditional content makers like Sony, Viacom and Disney."

"It's good for everybody," Hool said. "We know Netflix really well and have been talking to them for a while to move here."

Hool said in order for New Mexico to stay relevant in the film and TV industry, it needed something like Netflix to move in.

"The most important thing is to have the (\$50M) cap removed," he said. "Netflix would absorb the cap in a second."

Jon Foley, Las Cruces film liaison, said a deal like this helps the film industry in the state grow.

"One of the biggest things is that it puts a bigger star on the map for New Mexico," Foley said. "It means a lot, especially when you are trying to get a production to come out here."



The Las Cruces film industry is in its early stages, but has already snagged a few films. It is currently housing production for the independent film "*Walking with Herb*," starring Edward James Olmos, George Lopez, Christopher McDonald and Kathleen Quinlan.

"I think the film industry has been grown the right way," Foley said.

Netflix has committed to spending at least \$2.5 million on capital improvements at the Albuquerque Studios facility, as well as to maintain and operate the facility for at least 10 years.

The Albuquerque site will be Netflix's first hub purchased in the United States. Earlier this year, Netflix announced it was establishing its first European production hub in Spain.

Netflix has changed the way viewers consume its content. A TV series season runs about 10 episodes, which is based on the model of AMC's "*Breaking Bad*," which had shorter, concise seasons.

Ty Warren, Netflix vice president for physical production, said that between the infrastructure and existing crew base in New Mexico, it was a win for the company to move here.

"Of course, we want to take advantage of the beautiful landscape, all of the locations that are in the area, for sure," Warren said. "Having state-of-the-art facilities like this here is super-exciting for us. Not every place has beautiful soundstages like this. (Expanding) will depend on the amount of shows we're going to do here. The facility is gorgeous as it is. Our plan is to go show by show and see how things evolve."