

The National

Hollywood's third home

by David D'Arcy
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With eight new sound stages and more planned, picturesque landscapes and a healthy rebate for filmmakers, New Mexico has become a major player in the movie industry. Its governor is working to keep it that way, David D'Arcy writes

Bill Richardson was among the hopefuls running for the Democratic Party's nomination for president in 2008. But he quit the race early and settled for another job – executive producer of his state's emergence as a centre for movie production, the third most important US film address after Los Angeles and New York.

As governor of New Mexico, a post he has held since 2003, Richardson has seen the construction of one film studio, with another on the way, in a state with fewer than two million people.

Thanks to a rebate system that returns money to producers, 126 features have been shot in the state since Richardson took office. He recently coaxed two branches of Robert Redford's Sundance Institute to leave Utah and set up in an idyllic ranch that the state purchased.

The film industry hasn't put Richardson on Hollywood's A-list of celebrities, at least not yet, but it has put the state's landscape on the big screen and it does employ thousands of New Mexicans.

In a relatively poor state, that's stardom.

The industry has also helped shield New Mexico's economy from the downturn that has staggered many states, including California, the nation's film capital.

New Mexicans in the movie business tell a story about Cecil B DeMille, the mogul who created Hollywood in the early 1920s.

DeMille despaired of New York as a place

to make films because of cost, congestion and unreliable weather. He boarded a train to California for his first trip West. More than two-thirds of the way there, DeMille got off the train in sunny Santa Fe. Gazing at the Spanish colonial city and breathtaking mountains, he said contentedly: "So we're finally here."

"No, Mr DeMille, not quite yet," he was told.

Had it been up to DeMille, Santa Fe, New Mexico's capital, might have been Hollywood. It isn't, but it really isn't far away – it is only two hours from LA by plane, a key reason for the state's surge in film production.

It also has breathtaking natural locations and brand new sound stages and the financial backers who make big-budget movies possible view its 25 per cent rebate as generous and well managed.



A scene from *No Country for Old Men*, a movie set in Texas but shot in New Mexico. Richard Foreman / Miramax Films

The economic impact from films in the past few years has been US\$2.7 billion

(Dh9.9bn), says the governor's office. *No Country for Old Men*, the Coen brothers' neo-western set in Texas but shot in New Mexico, won the Best Picture Oscar in 2008. *Terminator Salvation*, a \$200 million Hollywood extravaganza, was shot in New Mexico last year. Insiders say that Kevin Branagh's Marvel Comics epic *Thor*, with Natalie Portman and Chris Hemsworth, could be the state's next mega-feature.

Richardson, 61, inherited a film programme from his Republican predecessor, Gary Johnson, who instituted a 15 per cent rebate in 2002.

"Frankly, it was nowhere," he says. "The year before I took office we did less than \$10 million in production, which was terrible because New Mexico has a filmmaking history going back to the 1800s. Films were leaving LA but they were going out of the country – to Canada, Ireland, Eastern Europe, New Zealand."

Richardson, "the Guv" to his staff, raised the rebate to 25 per cent.

The Guv is a former ambassador to the United Nations and is best known outside the US as a diplomat and negotiator. (He prepped Bill Clinton's recent North Korea trip.) Raised in Mexico, he speaks fluent Spanish, as do 30 per cent of his constituents. Film and diplomacy, he finds, are similar.

"They expose us to each other and reveal our shared humanity on many different, often subtle, levels. They both strive to find common ground," he says.

The film production business is fiercely competitive, said Eric Witt, Richardson's deputy chief of staff, a former Hollywood executive whom movie people call the governor's film czar.

"Ours is a direct cash rebate," Witt says of one of the advantages of making a movie in New Mexico. Some states combine rebates with tax credits allowing places such as Michigan and Oklahoma to offset almost half of a film's budget.

"They're setting up their programmes as

loss leaders," says Witt. "For us it's a business. We need to make money off this thing, as well as employ our people."

Film has created some 10,000 jobs in New Mexico, estimates Jon Hendry, a Scot who runs the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts (IATSE), the motion picture craft union in the state. "We're a production centre, we're not a fad."

The rebate programme began as an incentive to film the postcard landscape. Officials were banking that the on-screen beauty would draw tourists to what the state's licence plates call "The Land of Enchantment".

Soon film producers were looking beyond westerns and western-themed stories and substituting New Mexico for Cleveland, Minnesota, Arizona, the Arabian desert, and even ancient Rome, as in this summer's *Year One* with Jack Black.

There are new sound stages in Albuquerque, the state's largest city, and "Once you walk inside, thanks to movie magic, it can be anywhere you want", says Nick Smerigan.

At his ABQ Studios, eight stages sit in boxy hulks on a barren mesa south of the airport. Mountains are to the East, a freeway to the West.

Smerigan invested \$91 million (Dh334m) in these sound stages, which opened in June 2007. Smerigan's clients have spent some \$340m (Dh1.25bn) at the studio since then. And that money ripples through the New Mexico economy.

"There's a lot of films looking to leave LA, and there's only one main driver. That is cost," said Jeremy Hariton, a senior vice president at ABQ. "The desire to go somewhere where they can put the same thing on the screen for less money increases every week."

ABQ's trophy project so far is *Terminator Salvation*. It required a freeway overpass and an 18-foot deep simulated section of



the Rio Grande river, which were built on ABQ's exterior lot. The crew also detonated a real petrol station near the city's airport, a potential nightmare for Homeland Security.

Outdoor explosions are near impossible in Los Angeles, says Smerigan.

"Here they were able to blow things up almost every day to see if they worked. They would just get on carts, go out to the mesa, blow something up and come back home. We call that ease of use."

The last film to wrap at ABQ was *The Resident*, a thriller starring Hilary Swank as a doctor who learns that her Brooklyn neighbours are stalking her through secret passageways. In Albuquerque, they created a grey Brooklyn apartment inside an ABQ box, complete with huge photo-panoramas of the lower Manhattan skyline by day and by night.

Jason Hool is another investor in New Mexico's film future. His family's firm is building **Santa Fe Studios** on 65 acres south-west of the state capital. "New Mexico is capacity constrained," he says, noting that Hollywood features have gone elsewhere when they couldn't be accommodated in the state.

The Hools hired the entertainment architect Gary Bastien to design the studios. Construction begins this year, with opening projected for 2010.

At Los Luceros Ranch, in a lush valley an hour north of the capital, Robert Redford's Sundance Institute has found a new home, or at least a second home.

The state bought the ranch last year for \$2.6m (Dh9.55m) and Richardson the diplomat then went to work, luring Sundance's programmes for Native American and Latin American filmmakers away from neighbouring Utah. Redford is building a house nearby. The Guv made welcoming the programme to New Mexico, with its native and Latin cultural roots, sound like liberating hostages.

The only Hispanics at the Sundance

Institute's Utah location, he says, were "the cooks".

"Bob and I have known each other for 20 years and have been political allies. He's had a long relationship with New Mexico going back to his shooting *The Milagro Beanfield War*," says Richardson.

Creating Sundance in New Mexico makes economic sense, says Gregory Nava, the director of *Bordertown*, which he shot in New Mexico in 2007.

"New Mexico lacks a range of options economically. Nobody's going to build manufacturing plants. Juarez [Mexico] is just a few hours away," he says, predicting that film will train a generation of Latinos for high-paying "green" jobs, and lure productions in Spanish.

There are sceptics, including Victor Nunez, the director of the recently completed *Spoken Word* about a young poet's return to his dying father that was set in and around Santa Fe.

Nunez notes that both Dallas and Wilmington, North Carolina, invested in sound stages in the 1980s with high hopes, and never flourished.

"Suddenly people will decide that it's not such a good deal, and go somewhere else," he says. "It's going to happen, but until that time, make hay."

IATSE's Hendry doubts officials will abandon Richardson's aggressive promotions.

"We could lose the whole business here if we lose the political will from the top, but I don't think any politician wants to lose 10,000 jobs."

Had Richardson somehow won the Democratic nomination and been elected president, Hendry says, film production in New Mexico would have suffered. "I'm absolutely convinced of that."

Richardson disagrees.

"I think production levels would have continued," he says. "We've worked very



hard over the past six years to get the industry to the point where it could take care of itself no matter which administration was in place. Besides, maybe I would have moved the White House to Santa Fe."

The White House, perhaps, but not Hollywood. Insiders warn that New Mexico

will remain attractive for film production – unless it evolves into a congested and costly mini-Los Angeles.

Richardson's challenge is to make sure it does not.

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