

PROPERTY REPORT

Studios' Space Crunch Fuels L.A. Boom

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The biggest building spree since the 1920s has taken hold in Tinseltown.

Hollywood's big movie studios are bursting at the seams as they churn out ever-more complicated productions for an ever-expanding number of cable-TV and other outlets. Now, a shortage of production facilities is attracting investors intent on striking it rich by building high-tech sound stages and leasing them back to the big entertainment companies.

Sound-stage construction is planned or under way in other places including Brooklyn in New York City and Arizona. But the building fever is running particularly high in and around Los Angeles: Many of the studios' existing hometown facilities date back 60 years and are no match for today's larger-than-life sets, spectacular pyrotechnics, computerized special effects and super-sensitive audio capabilities.

In the past two years alone, 25 sound stages projects have begun in the Los Angeles area. Some of them include Manhattan Beach Studios, a \$95 million project with 14 sound stages, and Los Angeles Center Studios, a \$105 million development with six sound stages. They both are the work of Irvine, Calif., architect Gary Bastien, who also has begun work on Icon Studios, a \$70 million complex with 10 sound stages, in Glendale, Ariz.

"A lot of people have jumped on the studio development bandwagon," says Michael M. Moore, president of the film and television production unit for Raleigh Enterprises, which operates 26 sound stages and leases mostly to independent studios.

The big studios haven't stopped building completely: Walt Disney Co. recently



Major Studios

- 1 Twentieth Century Fox
- 2 Paramount
- 3 Disney
- 4 Warner Bros. Studios

New Soundstages

- 5 Raleigh Studios
- 6 LA Center Studios
- 7 Manhattan Beach Studios

Outgrowing their existing facilities, major studios are turning to new soundstages

built two sound stages.

For sound stage builders, Los Angeles presents three major problems: location, location, location. A decades-old agreement between the big studios and their unions established a 30-mile zone, encompassing the area within a 30-mile radius of the big intersection at Beverly and La Cienega boulevards, east of Beverly Hills. If employees work outside the zone, entertainment companies must pay them higher wages and provide overnight accommodations—just as if they were on location in Paris. The zone was established because unions didn't want employees dri-

ving to remote locations, hefting heavy equipment and driving home, only to start again the next day.

It's a major challenge to find sites big enough inside the zone. Most new studio facilities are rising on sites formerly occupied by big industrial companies. The Manhattan Beach project, for example, is on land formerly owned by aerospace and defense contractor TRW Inc. The Los Angeles Center studios are in the former downtown Los Angeles headquarters of oil and gas company Unocal Corp.

Financing the Manhattan Beach Studios
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dios project is Shamrock Holdings Inc., an investment company owned by the Roy Disney family, on condition that a big tenant was found before construction began. News Corp.'s Twentieth Century Fox Television signed up in advance for a five-year lease on five especially large sound stages, plus office space, for its hit TV series "Ally McBeal" and "The Practice."

But in a sign of how hot the market is, Los Angeles Center Studios was purely speculative, financed by San Francisco-based Bristol Group Inc. It didn't have any prearranged tenants. "We've been fielding a lot of interest from all the major studios," says Steve Smith, partner at Smith Hrick & Munselle, the project's developer.

Other big Los Angeles land owners are suddenly getting interested in cashing in. California State University-Northridge, for example, has a 65-acre plot of land inside the 30 mile radius, part of which it

plans to lease to an investor who would build sound stages, computer graphics or animation facilities. The university hired sound-stage architect Scott Carter to conduct a feasibility study for building as many as 17 soundstages there.

Designing sound stages is a specialized business: They must have overhead trusses strong enough to hang a bus and air-conditioning systems powerful enough to bring down the temperature of blazing lights but silent enough to avoid whirring in the background. To accommodate rolling cameras, each stage has masonite floors built atop wood beams and sand, keeping them level and free of vibrations from outside traffic.

Sound stages can be double or triple the size they used to be, to accommodate bigger and more complicated sets. For TV dramas, many directors prefer to move from set to set, rather than wait for crews to shuttle them in and out of a smaller space. "It's a talent-driven business," Raleigh's Mr. Moore says.