

## How film studios are transforming two Queens neighborhoods

Pioneering soundstages in Long Island City and Astoria are seeing a return on their real estate investments as residential development booms



Photo: Buck Ennis. HOLLYWOOD EAST: Kaufman Astoria Studios has attracted workers and businesses to the area.

After nearly 60 years building sets for the film and TV industry, LeNoble Lumber decided to shutter its Hell's Kitchen facility and set up shop in Long Island City. Like many of the businesses currently flocking to the area, the firm wanted to be closer to the two production studios that have been fixtures in western Queens for decades. Now, on top of a booming production enterprise, those same studios are helping usher in a new wave of commercial and residential development.

"Studio pioneers, like Silvercup and Kaufman Astoria, clearly provided the impetus to make this area the hub of New York productions," said Matt Dienstag, co-owner of LeNoble. "It's the New York production version of Field of Dreams: They built it and we came."

That New York story bears close resemblance to a tale that played out 20 years ago in California, when Sony Pictures served as the linchpin in the renewal of Culver City by moving its Columbia Pictures studios to the well-located but down-on-its-heels Los Angeles suburb. Today, spurred by a boom in film and TV production, Kaufman Astoria and Silvercup studios have [upped their investments](#) in once-forsorn areas of western Queens that have helped attract small businesses, restaurants and arts groups making the neighborhoods more attractive residential destinations. Their influence, combined with the city's rezoning efforts, are causing the communities to be transformed by an influx of young couples and families.

This neighborhood used to be full of vandalized buildings," said Hal Rosenbluth, president of Kaufman Astoria. "Our goal wasn't just to build a movie studio. It was to revitalize a neighborhood using the studio as a base."

## Daily workers

The studios' fortunes started to improve in 2004, when the state implemented a tax incentive to [spur film and TV production](#), a pot of money that has since grown to \$420 million annually. More than 300 movies were shot in the state last year, and there are 52 prime-time TV series filming in the five boroughs, a 13% increase from the previous year, according to the Mayor's Office of Media and Entertainment.

Among the shows shooting at Silvercup are *Madame Secretary*, *Quantico* and *Divorce*, while *Shades of Blue*, *Orange Is the New Black* and *The Affair* are filming at nearby Kaufman Astoria. Between 200 and 400 people work on a typical television series, studio executives say. That translates to thousands of writers, costume and set designers, location scouts and production assistants, many of whom are well-paid union workers, flooding into the neighborhood every day.



Photo: Buck Ennis ACTION! Silvercup Studios brings out midafternoon foot traffic in an otherwise desolate area.

That activity has been a magnet for ancillary businesses that support the film industry. In 2013 Suri Bieler left West Chelsea and bought a 95,000-square-foot building near Silvercup to house her prop business. Another prop house, Prop N Spoon, moved to Long Island City five years ago, and LeNoble is looking to expand.

Employees of those businesses, along with the crew members working for the studios, have drastically increased foot traffic for local stores and restaurants.

LIC Market, an eatery two blocks from Silvercup, opened six years ago and gets roughly 20% of its business from the studio, said chef and owner Alex Schindler. "We get calls all day from Silvercup to cater big lunches for the crews," he said.

In early February the first Queens branch of the popular Australian café Toby's Estate Coffee opened on Jackson Avenue, a few blocks from Silvercup. And Eleni Goros opened a café called Sweet Scene near Kaufman Astoria in August.

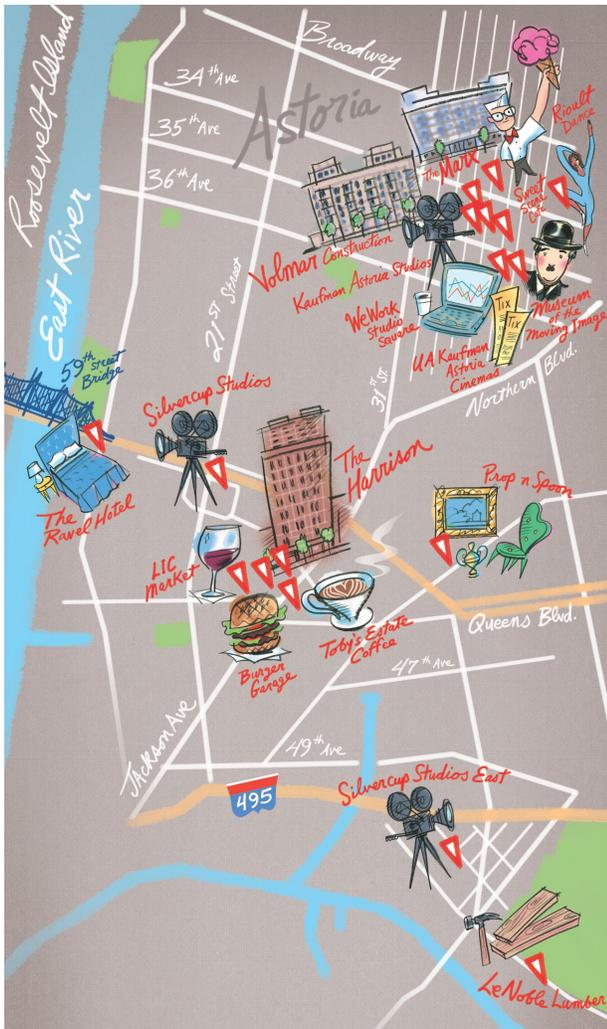
"The studio being here is obviously a huge plus," she said. "There has been a much younger crowd moving into the neighborhood and young families as well."

## Larger forces

Those families have been attracted to the area by a seismic change in the residential market that also has benefited the studios. Over the past decade rising real estate prices in Manhattan and Brooklyn have funneled renters, buyers and developers to Long Island City, part of which was rezoned in 2001 to allow for massive apartment towers that could be built more cheaply there than elsewhere.

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Because of all the activity, real estate prices are skyrocketing. The average price per square foot of residential space in the part of Astoria around Kaufman has jumped roughly 35% to \$1,050 in the past two years, according to Eric Benaim, chief executive of Modern Spaces, a real estate brokerage and marketer specializing in Long Island City and Astoria. In the Court Square area near Silvercup, the average rent has increased to around \$1,300 per square foot from about \$1,000 two years ago.

In several cases the studios are spearheading residential development. In addition to expanding their own facilities, Silvercup owners Alan and Stuart Suna are spending \$80 million to build The Harrison, a 27-story condominium—the pair's second in the area in the past few years. It won't be finished until June, and there isn't even a model apartment available to view, but 60% of the units have already sold. George Kaufman, owner of Kaufman Astoria, is behind the boutique condo across the street, The Marx. Five weeks after its December opening, its 33 apartments were sold out—many having gone through bidding wars.

Next to The Marx, Valyrian Capital and Volmar Construction are developing an 8-story, 64-unit building with underground parking, where apartments will rent for \$2,400 to \$3,400 a month. It is slated to open at the end of the year. "The studios were an attraction," said Peter Volandes, executive vice president of Volmar, "and the neighborhood is a good and safe place to live."

Photo: Stephen Salerno The new actors on the scene around Kaufman Astoria Studios include Sweet Scene café and WeWork Studio Square, which opened in the last year; Rioutl Dance NY, which just signed a lease; and The Marx condos, which opened in December. An as-yet-unnamed rental building is in development next to The Marx. Around Silvercup Studios, Toby's Estate Coffee just opened, and The Harrison condos are slated to open this year.

## *Will it last?*

[Despite the boom](#), studio executives caution that their success—and that of the burgeoning neighborhoods around them—is not completely in their control.

"If the New York state film and TV tax credit program goes away, so does at least 80% of the film and TV business," said Alan Suna. "All of the businesses that have facilities or service that industry will be imperiled."

Industry executives are hopeful that the Legislature in March will pass a three-year extension of the annual tax break—which would take it through 2022—as part of Gov. Andrew Cuomo's budget.

Still the neighborhoods' growth continues at a fast pace. On Feb. 2 Kaufman Astoria broke ground on two new soundstages at the corner of 34th Avenue and 36th Street—which will add more than 24,000 square feet of studio space. Last month it paid \$24 million for a 50,000-square-foot commercial building at 35-01 36th St., across from the studio's open-air movie lot. Kaufman Astoria plans to double its size and rent out the space to production companies, arts groups and others. In June the studio paid \$45 million for another nearby commercial building that houses a United Artists multiplex.

A new [WeWork branch](#), WeWork Studio Square, which opened a year ago, is the latest development to meet the needs of movie and TV production surrounding Kaufman Astoria: offices for creative types to collaborate on projects that might one day end up on the silver screen. "The area already had a coolness factor, but with WeWork coming in, it now has a kind of cool tech vibe," said Benaim of Modern Spaces.

Tristine Skyler, a producer and screenwriter working on a project with Scarlett Johansson, started renting an office from WeWork Studio Square in October. Skyler lives in Manhattan and said there are two WeWork locations just a few blocks from her apartment, but she wanted to be in the creative environment growing around Kaufman Astoria.

"They've created a contagious energy, and my productivity has soared," Skyler said. "It's New York's version of Culver City."

A version of this article appears in the [February 27, 2017, print issue](#) of Crain's New York Business as "Studios' next act".