

Filmport ready to roll

To shoot blockbusters, we needed a mega studio here, the film industry said. Now we're about to get that and more with Filmport. Will Hollywood come to Toronto?

On a wet spring day, Ken Ferguson is standing in a pile of sticky muck, mud sloshing off rubber waders. Behind him, looming over the Toronto waterfront like the glistening metal bones of a futuristic creature, are the makings of North America's largest movie soundstage.

"This is it," says Ferguson, president of Toronto Film Studios, one of the developers of the site, on reclaimed industrial land on the east-end waterfront. "This is as big as it gets."

At 45,900 square feet, the mega stage is large enough to accommodate the Greek Parthenon, and a *Harry Potter* movie or two. In an industry that has been hobbled by 2003's SARS scare, a soaring loonie, stiff competition from better tax credits in other jurisdictions and a lack of infrastructure investment, this is the boldest statement yet that the city intends to reclaim its tarnished crown as Hollywood North. A lot is riding on that muck underneath Ferguson's feet.

The mild-mannered engineer, along with Toronto mayor David Miller, will officially open the first phase of Filmport – Toronto's long awaited mega film centre that sits on 20 prime hectares of east-end waterfront area land on June 5. When it is fully built 10 years from now, Filmport is expected to include up to 3 million square feet of studios, theatres, retail, office and production space – a virtual theme park for Hollywood producers and their fans.

It's also something of a gamble. While Ferguson has been busy flogging the studio to producers in California and Toronto, there is no guarantee that Hollywood will come knocking.

And the timing could certainly have been better. A potential strike in June by the Screen Actors Guild is spooking producers into balking at commitments until there is a deal– which means, in the case of Filmport, a potentially empty studio lot come opening day.

"The whole idea of build it and they will come is a scary concept," says Ferguson. "This is a big leap of faith for everyone but we are confident this is what the city needs to attract business."

Toronto – strange as it may seem – has had few purpose-built studios just for movie making. Most indoor filming here takes place in converted warehouses, which aren't ideal. The city has also lost out on major productions in the past because of a lack of a mega stage, a studio large enough to hold a cast of centurions, or say, a battle scene with the *Fantastic Four*.

With the mega stage ready in July, the hope is that there will be a critical mass of sound stages and related services in one area that will put Toronto back on the movie map.

Surrounding the mega stage are several smaller soundstages, concrete block buildings that look more like a nuclear reactor facility than dream factory. But it's what inside that counts.

The walls are covered in what looks like acres of puffy white futons, pricey sound insulation that is music to a technician's ears. There are also miles of high-tech cable running through the walls for instant communications and slick office spaces in adjoining buildings guaranteed to satisfy executives with giant-sized egos and the budgets to match.

"There's no question it's an interesting time to be doing this, but I'm pretty optimistic," says Rose Corp. chair Sam Reisman, the media-shy majority owner of Filmport, whose partners include Ferguson, and Paul Bronfman's Conweb Group, owner of William F. White International, one of the largest movie equipment suppliers globally. "I really feel there is a demand out there for these kinds of stages and in giving filmmakers this kind of choice."

With a commanding 80 per cent interest in Filmport, Reisman has a lot at stake. The privately funded Filmport opens at a time when the industry is in serious decline. The irony is that while the annual Toronto International Film Festival continues to attract the biggest stars in the world, less of them have been coming here to actually film a movie.

But the downward slope in Toronto productions may have bottomed out. According to city hall's film and television office, production companies spent \$755.8 million in Toronto 2007 (including commercials and music videos), up from \$704 million in 2006, which was down from the \$900 recorded the year before. The peak was \$1.3 billion spent during 2000.

With every dollar spent in the city by a production crew, Toronto benefits in myriad ways as everyone from retail to restaurants to the lodging and hospitality industry gets a piece of the action. Tourism also gets a boost from the city being featured on screens around the world.

But international competition, including impressive new facilities built in cities as diverse as Sydney, Madrid and Cape Town has taken a big bite out of local business.

Another significant reason has been the decline of the U.S. dollar in relation to the Canadian dollar. That has had a severe impact on Los Angeles-based filmmakers such as Dan Heffner, the executive producer of the lucrative and gory *Saw* horror movie series, mostly shot on Toronto streets. *Saw V* just wrapped.

"Toronto is a great city, and I love making movies here, but right now it's a very tough environment," says Heffner. "At some point if it goes much higher, you end up looking for alternatives."

Which is why the city feels Filmport is so important.

Peter Finestone, the city's acting film commissioner, likens the emergence of the centre as opening a five star all-inclusive hotel in an area once dominated by three- and four-star properties.

"Filmport is crucial to the industry," says Finestone. "It places us among an elite group of cities. We may not be the cheapest place to do business anymore, but it says we're the best."

Filmport's Ferguson says the strategy is to reposition Toronto's film industry from the Movie of the Week business to try and go up the cinematic food chain for the \$100 million plus features and blockbusters.

"The big-budget films are less currency sensitive, if they have to be somewhere, they'll pay the cost for the best facilities," says Ferguson.

Certainly few facilities in North America can compare to Filmport's ultimate vision.

Will Alsop, the architect behind the whimsical crayon box design at the Ontario College of Art & Design's Sharp Centre is designing cool new office space in phase two. And Deluxe, the city's top post-production facility is also moving offices to the port lands.

While studios may occupy ultimately about 600,000 square feet, the vast majority of Filmport will be mixed use. Ferguson is hoping to attract restaurants, retail, offices, and even animation or film schools to set up shop in the area.

"I think there is an opportunity to have this convergence district, where we can have a creative centre. It's also a place where regular people can come down to be close to the movie business," says Ferguson.

Ultimately, Filmport, built on a former petroleum-storage area, is part of a larger vision by the city to develop the formerly industrial portlands in Toronto to build a vibrant community. Right now the job is to fill phase one. That includes 260,000 square feet of space with seven soundstages at a cost of \$60 million.

Ferguson says he is talking to many producers who are excited about the new facilities. But so far, no solid bookings have been announced. "The depth of experience here and the crews are phenomenal, we've built a really loyal team," says *Saw* producer Heffner, who hires all local crews. "But it's getting tougher to film here."

With the dollar jump in the last year alone, Heffner estimates it's costing an additional \$800,000 compared to *Saw IV* – representing about a 10 per cent increase in budget and a huge amount for a medium sized movie.

"In the '80s, you had Los Angeles, New York, Vancouver and Toronto. That was really it," says Heffner. "Now you've got a lot more choices as a producer."

"It's great that the city is attempting to do something, but the competition is more intense. Filmport is a good piece of the puzzle, but we'll have to see if it turns out to be the magic bullet."

Financial film futures

With a global credit crunch and the Ontario economy on the edge of a recession, getting financing for Filmport's future expansion may be an issue. But developers say they are committed to the 10-year project.

"It's a challenging environment, and the debt market problems have had an impact," says developer Sam Reisman, the majority owner of the studio.

South of the border, banks are being hammered in the credit markets as the economy has stalled. As a result, financiers have been much more risk averse and have been freezing credit to big projects globally.

"You tell a banker that you have a film studio, but you don't know who your tenant is going to be next month or next year, and that's not the answer they want to hear," says Ferguson.

Of 22 banks approached for the financing for the new Deluxe film production office, for example, only two were interested in the business, says Ferguson.

"It's certainly been challenging, we can't seem to catch a break," says the developer. "The business environment is making our job more difficult, but it certainly won't prevent us from building in the future."

Tighter credit may mean developers will have to sign more tenants before breaking ground, says Ferguson, who expects conditions to ease. It's not the first time that Rose Corp., the holding company that controls Filmport, has faced a tough challenge. It beat out far more established players in 2005 to build the complex.

Local company Rose Corp, the parent company of Filmport It beat out far more established players in 2005.

The deal was mired in controversy when competitors argued that Rose Corp. had received a sweetheart deal from the Toronto Economic Development Corp., with a 99-year-lease and a no-compete clause.

Filmport developers argued that the deal it was fair since they were taking all the risk by putting up all the capital privately to build the project.