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Studios Press On With Huge Red State Expansions Despite Looming Threat Of Abortion Bans

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Hollywood isn't shy about voicing its support for abortion rights, but even as many states with burgeoning film and television industries appear poised to ban the procedure, developers are forging ahead with large-scale studio campus projects — with varying degrees of confidence.



Courtesy of Woodvale/VizSource

Cinelease Studios-Three Ring in Covington, Georgia, is expanding, confident that an abortion ban wouldn't preclude the desire for Georgia production space.

"Nobody knows for sure what would happen [if Roe v. Wade is overturned]," said Ryan Millsap, the founder of Atlanta-based action movie production company Blackhall Americana. "But people are like, 'I'm just going to ignore it and hope it's not an issue.'"

Millsap also founded Blackhall Studios, which landed a \$500M investment from private equity firm Silver Lake this week to fund \$1.5B in global studio expansions, including 1.2M SF of new production space in Atlanta. Blackhall Studios, which Millsap sold last year, changed its name to Shadowbox Studios as part of the deal.

Silver Lake's cash infusion is just one example of investor confidence in states where abortion is likely to be illegal if the Supreme Court strikes down *Roe v. Wade* as expected, which could happen as soon as this month.

Georgia Gov. Brian Kemp has made clear he would push to prohibit abortions, but that didn't stop NBCUniversal from agreeing to a long-term lease this month to operate a 43-acre film and TV production facility for Gray Television at Assembly Studios on the northern outskirts of Atlanta. EUE/Screen Gems — where Netflix hit *Stranger Things* was filmed — last week announced plans to expand its Atlanta campus by 60K SF.

Texas is one of a handful of states with a trigger law that would automatically make abortion illegal if *Roe v. Wade* is overturned. It, too, has seen a new studio project kick off in the aftermath of Politico's leak of the Supreme Court draft opinion that showed a majority of justices would vote to allow states to ban abortion: Hill Country Group on June 8 announced it is breaking ground on a \$267M studio development between San Antonio and Austin that would be the Lone Star State's largest film hub.

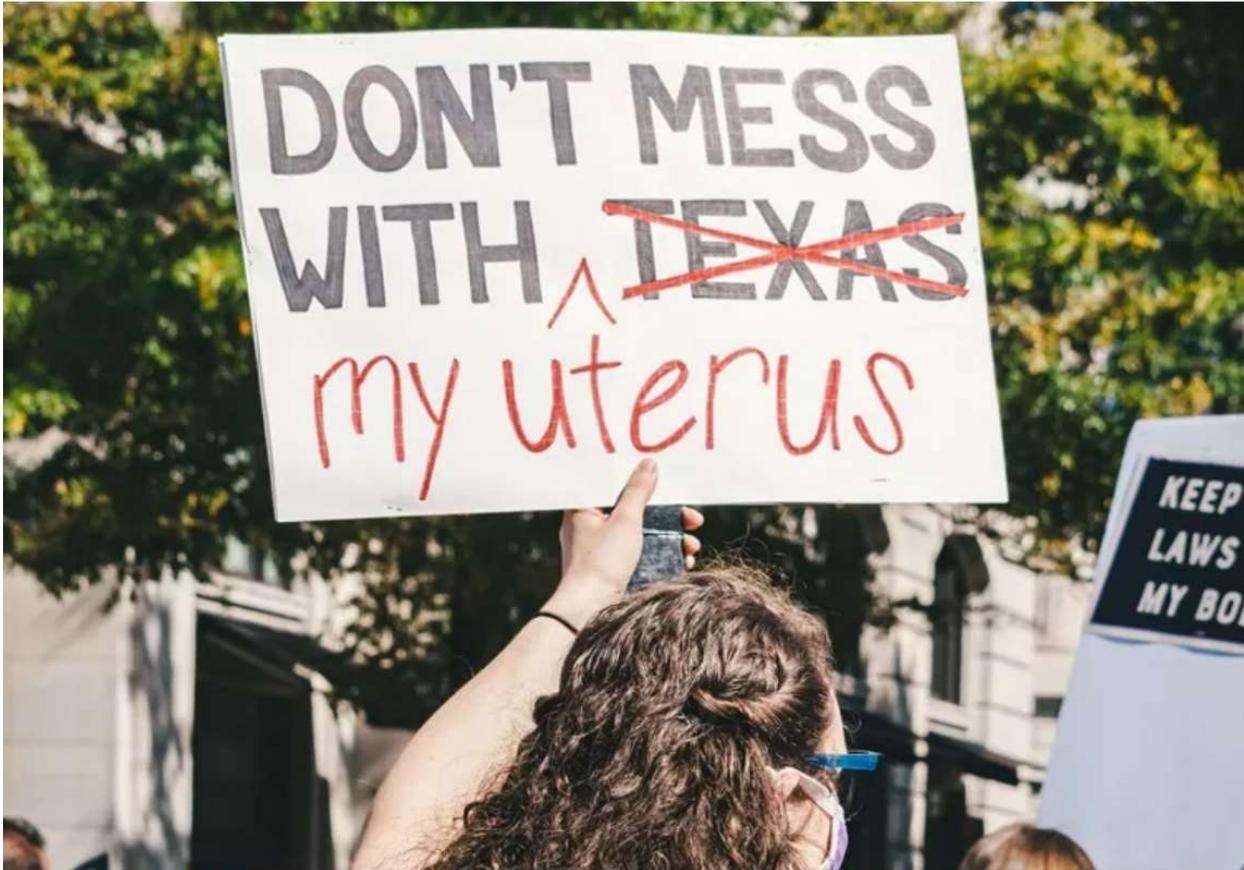
These new projects are happening, developers say, because the need for spaces to make new content is far outstripping the supply of soundstages and the concern over access to abortion.

"Demand for content is just at an all-time high," Hill Country CEO Cory McLoud told *Bisnow*. "Productions are renting out essentially warehouse space to film productions. And they are currently doing that here in Texas because there's no room available."

The film and video market globally is expected to reach more than \$273B this year, up from \$244B in 2021, an 11.8% compound annual growth rate, according to a report from The Business Research Co. The market is expected to top \$400B by 2026.

The explosion in demand for content, — which is still catching up after the pandemic delayed production, industry insiders said — has made studios desperate to find space, and deciding that they won't film in states where abortion is banned would constrain their business.

"What I do know for a fact is that Georgia right now has about 30% of the inventory of soundstages right now in America. How do you take 30% of the inventory off the market and still produce the content you need?" said Rahim Charania, the managing partner of Woodvale, which co-owns Cinelease Studios — Three Ring in Covington, Georgia.



Unsplash/Gayatri Malhotra

Texas is among the states with "trigger laws" to ban abortion if *Roe v. Wade* is overturned.

If Georgia and Texas are allowed to ban abortion, they would join as many as two dozen states with either trigger laws or lawmakers who have pledged to make the procedure illegal if *Roe v. Wade* is struck down. That would put studios that eschew those states in a precarious position as they compete for the eyeballs of a global population through new content.

“If you take away Georgia, Louisiana, Michigan, New Mexico, now you're not taking away 30%, you're taking away 45% [of the market]. So we're going to make half the amount of movies, and you as a consumer are going to deal with it,” said Charania, whose studio is also expanding after receiving an investment from CIM Group. “There's a war for eyeballs. If you don't have that new content, you will lose that war for eyeballs.”

Those production houses would have to weigh their need to produce content against the sentiments of their labor force.

The Screen Actors Guild-American Federation of Television and Radio Artists and the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and

Allied Crafts issued a joint statement in May, condemning the possibility of a potential Supreme Court ruling overturning *Roe v. Wade*.

“The dangers to women’s rights and health by the so-called heartbeat bills are an affront to the protections that women have had for decades. We are closely monitoring the legal environment around these laws and we will not stay silent in the face of this injudicious attack on women’s rights and health,” the statement read.



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Blackhall Americana founder Ryan Millsap, at a 2019 Bisnow event.

Last month, entertainment industry publication *The Wrap* reached out to all the major studios about their response to the potential of *Roe v. Wade* being overturned — only Sony responded, and it declined to comment. In April, the CEO of United Talent Agency, one of the big four agencies representing Hollywood actors and actresses, said it would reimburse travel costs for employees who have to travel for an abortion.

Georgia’s ever-expanding film industry has weathered boycott threats from Hollywood before. When Kemp signed a package of controversial election reform bills into law last year, many in the entertainment industry spoke out in opposition, but no significant productions left the state despite concerns at the time. In 2019, a number of major studios, including The Walt Disney Co.

and Netflix, threatened to boycott filming in Georgia if its controversial “Heartbeat Bill” restricting abortion went into effect.

While Georgia’s politics often clash with Hollywood’s, its lucrative tax credit program for productions filmed in the state has allowed it to gain ground on traditional film hubs like Los Angeles and New York with more progressive politics. It doled out a record \$1.2B in incentives last year, more than any other state, Variety reported.

“At the end of the day, will the dollar win or will the political feelings win?” said Anna Singleton, a theatrical agent for Atlanta-based Houghton Talent. “It is the tax breaks and such that have fueled our growth. I don’t know what will be the stronger ruling factor for those studios.”

Singleton said from her perspective, demand for talent to fill film and television productions in Georgia is still strong, despite the looming threat of the Supreme Court ruling.

“Everything feels normal to me,” she said. “It was really no different than the normal ebb and flow for the time of year.”

Another factor that is weighing on executives’ minds is the backlash directed at Disney in Florida after CEO Bob Chapek spoke out against the “Don’t Say Gay” law that restricts speech around sexual orientation in public schools, site selection expert John Boyd said. Florida Gov. Ron DeSantis and the state legislature dissolved the company’s special tax status shortly after Chapek’s comments.

“The multimedia industry tends to be more sensitive to issues like abortion,” Boyd said. “That said, a lot of companies just do not want to deal with this type of controversy. And other site selection factors can trump these kinds of concerns. Certainly, it did with NBC in Atlanta.”

When asked whether he was concerned about Texas’ abortion stance in the event Roe v. Wade is overturned, McCloud — who is developing the Hill Country studio and doesn’t have announced tenants yet — said he isn’t worried.

“When you go to the movies, [abortion rights are] not really taken into consideration,” he said.

When asked further about the issue, a spokesperson cut in, saying, “We will not really focus on speculative conversations.”

Millsap said traditional film hubs — New York, Los Angeles, Vancouver, London and Toronto — are land-constrained and tougher for developers to get project approvals than in emerging markets, which makes the Southeast a favorable place for studio expansion.

“Atlanta is the place where there is real estate to build on scale and meet the demands of production companies,” he said. “When you truly know you have a healthy productive marketplace is when you have an industry unaffected by politics and unaffected by incentives.”

Charania said Cinelease Studios is booked through the end of the year. When he starts negotiating leases for next year in the campus' expansion, he said he is hearing nothing to indicate the demand won't still be strong.

"The enthusiasm still has been as boisterous as it's been for a long time," he said. "I don't think that the Hollywood community would really punish such a large population of our workforce that lives off this industry because of the actions of a few politicians."