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In Michigan, Dream Factories Aim to Replace Auto Sites

By DONNA PAUL
Published: September 8, 2009

DETROIT — In the midst of a recession that has been particularly brutal in Michigan, a number of construction projects are on the verge of getting under way in a most unlikely business: the film industry.

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Fabrizio Costantini for The New York Times
Jimmy Lifton, left, and Gary Burtka, mayor of Allen Park, Mich., in a building that will form part of Unity Studios.

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Ron Lieberman/Raleigh Michigan Studios
An aerial view of Raleigh Michigan Studios in Pontiac.

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Raleigh Michigan Studios
An artist's model of planned development at Raleigh Michigan Studios.

The recent surge of interest was set in motion in April 2008, when Gov. [Jennifer M. Granholm](#) signed a 14 -bill package into law, which among other things provided a 40 percent tax credit or cash rebate for studios on their business tax returns in Michigan. An additional 2 percent rebate is available for films produced in 103 communities.

There is also a 25 percent infrastructure credit, which is applied against expenditures on construction of a studio and its contents, said Janet Lockwood, director of the Michigan film office.

Other states, including Louisiana and New Mexico, have enacted similar tax incentives in the last five years, in hopes of generating tax revenue and new jobs.

Linden Nelson, 49, chief executive of Nelson Ventures, a private investment company, has started Michigan Motion Picture Studios, doing business as Raleigh Michigan Studios, for \$75.8 million. Mr. Nelson, who will be the chief executive of the studio, has formed partnerships with entities controlled by [A. Alfred Taubman](#), the shopping center executive and former chairman of [Sotheby's](#); Raleigh Studios, a large independent film studio in [Los Angeles](#); Walbridge, a private construction company; and William Morris Endeavor, the powerful talent agency.

After looking at about 100 abandoned buildings, including an airplane hangar, the Pontiac Silverdome (the former home of the Detroit Lions football team) and vacant auto plants, Mr. Nelson and his partners chose a location within a former [General Motors](#) complex in Pontiac. The 22-acre site is surrounded by silent parking lots, barren sidewalks and rarely traveled roads.

The three-story, 369,000-square-foot building was built in 1999 for \$55 million, and 3,000 G.M. truck and bus engineers once worked there. Raleigh's goal is for a similar number of people to be employed at a range of film industry jobs.

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A master plan by the architects Harley Ellis Devereaux calls for construction of a second 185,000-square-foot building within 20 yards of the existing building. The new building will hold seven sound stages, ranging from 12,000 to 30,000 square feet. An existing annex with 22-foot-high ceilings, which was used as offices by G.M., will be converted into two studios to make TV shows.

Finishing labs, animation and executive offices will be housed in the main building. "Part of the appeal of the building was its condition," Mr. Nelson said. "We felt it was tailor-made for our purposes."

Raleigh Michigan Studios is hoping to have a groundbreaking later this month. The office building is to be ready for occupancy within 45 to 60 days after that, and the new stages are to be built in another nine or 10 months.

Another project that owes its existence to the tax incentive legislation is Unity Studios in Allen Park, Mich., where a groundbreaking was held in August. These newly established studios are to be headed by Jimmy Lifton, 54, a [Detroit](#) native, who has been president of [Oracle Post](#), a postproduction studio with California facilities in Burbank and Santa Monica, since 1981.

He plans to convert a 104-acre site in Allen Park into a full-fledged movie studio. Of those acres, 70 are already developed, including a 600,000-square-foot office building that was formerly occupied by the Visteon Corporation, a global manufacturer of automotive parts, with [Ford](#) as its largest customer. Until early 2005, 2,200 employees worked there.

Another 160,000-square-foot building that was started by Samir A. Danou, a local developer, but never finished will become soundstages and production offices.

The site, which was acquired for \$24.8 million, is to be transformed into Unity Studios over five years at a total cost of \$146 million, following a master plan by Hobbs & Black Associates of Ann Arbor.

Within the main building, the first phase is expected to be finished by the end of this year. It includes classrooms, a computer lab, a construction mill to build sets and four soundstages totaling 48,000 square feet. There will be a screening room, an array of mixing stages and editing bays.

Mr. Lifton is also creating the Lifton Institute for Media Skills, a state-licensed school for training "below the line talent," which in film parlance means technical jobs. It is expected to enroll 250 students.

As part of the master plan, a residential village is to be built during the final phases. It is expected to consist of multipurpose buildings with retailing on the ground floors and loft and town house residences. Mr. Lifton anticipates that people who work at Unity will live there, but the residences will not be limited to studio employees. "I wanted to put together a creative community, and I hope there will be a tax incentive too for people to live there," he said.

The site is at the intersection of several highways and is a 10-minute drive from the Detroit Metro airport and less than five miles from the renowned Ford Rouge plant, the giant 1930s-era factory.

Mr. Lifton sees it as inspiration. "Under one roof someone can come up with an idea and at the end there is a finished product," he said. "I like the idea of a soup-to-nuts operation."

Mr. Lifton said he expected the studio to turn out seven feature films "within the first year of operation" after the first phase of construction was completed.

The city of Allen Park, population 30,000, has formed an alliance with Unity Studios in hopes of spurring job creation. The land and buildings were purchased with \$31 million of bonds issued by the city of Allen Park. "There is zero money for start-up companies now," said Allen Park's mayor, [Cory Burke](#). "You need government help."

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... now, said Michigan's mayor, Gary Barta. ... need government help.

Another film-related project involves Michele Richards, 47, a Detroit native who lives in Los Angeles, where she is an executive producer of television and video games.

Her plan calls for a company to be called Wonderstruck Studios, which would create an \$86 million facility with four soundstages, screening rooms and postproduction facilities. She has been awarded an infrastructure tax credit of \$11.7 million.

The studio will specialize in full-service digital animation and visual effects. There will be 413 full-time employees who will produce feature films, television shows and video games.

Ms. Richards spent eight months negotiating a deal with the [MGM Grand](#), from whom she tried to purchase a former casino in downtown Detroit that has been vacant since late 2007. Last month, she withdrew from that deal and began looking at other sites in downtown Detroit.

"I am committed to staying in downtown Detroit," Ms. Richards said. She hopes to find a site and have work under way by the end of the year, with production planned to begin in 2010 with about 60 employees.

This article has been revised to reflect the following correction:

Correction: September 15, 2009

An article on the Square Feet pages on Wednesday about planned film studios in Michigan misidentified the developer of an unfinished 160,000-square-foot building in Allen Park, which is to form part of Unity Studios. Samir A. Danou, a local developer, began the project — not the Visteon Corporation.

A version of this article appeared in print on September 9, 2009, on page B6 of the New York edition.

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