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Posted: Sun., Nov. 17, 2002, 10:00pm PT

## 'T3' goes home to pump up local economy

### Pic's \$170 mil budget adds \$210 mil to L.A. economy

By [BILL HIGGINS](#)

HOLLYWOOD -- When Arnold Schwarzenegger, as the starring cyborg in 1984's "The Terminator," said "I'll be back," who knew he was talking about returning from Vancouver with the "T3" production crew in tow?

The 100-day shoot on "Terminator 3: Rise of the Machines" was originally scheduled to be split with 62 days in Vancouver and 38 in Los Angeles. (Plus extensive second unit shooting that would roll at the same time.) Then it all went south -- meaning the entire \$170 million budget would flow into the California economy.

According to Jack Kyser, chief economist at the L.A. County Economic Development Corp., a \$170 million film budget spent in L.A. generates an additional \$210 million in economic activity in the local economy.

Economists call this a "multiplier effect" and some businesses -- like moviemaking and aerospace -- are at the high end of the spectrum. This is because "it takes a lot for certain industries to get the product out the door and motion pictures are one of them," Kyser says.

"When you're doing a production locally you're purchasing goods and services in the local economy," he adds. "Caterers buy food, sets buy lumber -- it's a ripple impact. In this case, the pebble in the pond comes from a \$170 million pound rock, which has a very nice ripple."

Having this ripple reverberate in L.A.'s economic puddle rather than Vancouver's meant "T3" had to cut costs and adjust the budget. Intermedia chairman Moritz Borman, who helped bankroll "T3," jokes that "the savings we got from not having to schlep Arnold's gym to Vancouver made up the difference."

Schwarzenegger says the reason the production stayed in L.A. is "we basically all agreed no one wanted to go outside of the state. A: We all have families here. And B: There were too many people working on 'T3' who would not have had jobs if we had gone to Canada."

The "T3" star notes that in order to shoot the pic in California, \$8 million had to be trimmed from what was then a \$178 million budget. "What we did is we got together and said, 'What are the differences? How do we cut?' The unions? Me,

who gets \$30 million? The producers? The production? How do we give up something? And we were successful. Where there's a will there's a way."

### Political designs?

The Canadian press had speculated that one reason for the move to L.A. was Schwarzenegger's possible political ambitions. The return came in mid-February, which was early in the California gubernatorial race. The joke was that Arnold wanted to be "the Governor" -- and helping the local economy would look good on his resume.

Schwarzenegger answers: "No matter what move I make, whether working for the President's Council, or for Proposition 49, or because I sold my Ferrari because it broke down three times, someone says it's because I want to run for office. I don't care. I am the happiest guy to keep the production here. I'm happy to do something for children with Proposition 49 and I'm happy to get rid of the Ferrari."

For his part, Borman doesn't point to one overwhelming factor that made it economically feasible to shoot in L.A., noting, "It was the willingness of everyone who worked here to give us the best deal.

" 'T3' was such a large shoot, it had an impact on the bottom line of almost any company that worked with us because it was not small in every department. They had a much bigger incentive -- because of the volume -- to give us a bigger than normal discount."

As would be expected, the main group benefiting from the move was the California labor force. Andy Given, Intermedia's physical production chief, estimates that over 1,000 workers were hired, many of them in the Screen Actors Guild, Intl. Alliance of Theatrical Stage Employees and the Teamsters.

Besides having jobs, being employed in L.A. was also a lot more comfortable for the workers who would have commuted to Vancouver.

"People get to be home with their families instead of being away four or five months and that's a legitimate issue," Given says. "And then there's the saving of not having to travel a lot of crew and actors to Vancouver."

In the nonhuman area, the big economic winner was L.A. Center Studios, whose availability was a major reason "T3" could come back to California. The 20-acre facility, just west of the Harbor Freeway near downtown, had originally been built in 1958 as the Unocal headquarters. (The company vacated the site in 1996.)

### Full house

Center rents out the 12-floor office tower for filming, plus it has six almost new 18,000-square-foot soundstages. At one point, all the stages were in use by "T3" and there were never fewer than three occupied throughout the shoot. Plus they rented 25,000 square feet of office space. This was for eight months.

"We condensed things down for them to give them a well-rounded package of services," says Center co-owner Chris Ursitti. This included lighting and grip equipment, transportation, food service and security.

Center's L.A. location near downtown also saved money over being in Vancouver. "You don't have to make one place to look like another," Given says. "You shoot L.A. for L.A., you don't have to hide the fact you're in another city. When you're making a movie of this scale that gets to be kind of complicated."

Borman says that beyond Center and the jobs, the main beneficiary of keeping the production here was L.A. itself.

"Other people will think: if they can shoot 'Terminator 3' in town, let's have another look and ask how they did it. The city can point to a huge film -- the biggest ever greenlit by an independent company -- having shot in L.A. They have a very good

argument for someone going to Canada."

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