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TV and film productions can be lucrative tenants

Portland Business Journal by Wendy Culverwell, Business Journal staff writer

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Television and film productions such as "Leverage," "Grimm," "Portlandia" and MTV's "Real World Portland" can be a gold mine for area property owners willing to embrace short-term tenants.

<u>Cris Schulz</u>, president of <u>Portland Events & Logistics Inc.</u>, assists television and film production companies with the off-camera reality of filming in Portland. She works with vendors to house visiting crew members, organizes press conferences and wrap parties, leases airplanes for marquee actors and, naturally, helps identify and secure film locations like the Pearl District warehouse now being used by MTV.

Schulz told real estate professionals to embrace <u>Portland's booming film and TV production industry</u> as a new customer at the Oct. 11 luncheon for CREW-Portland, an industry association for real estate professionals.

Schulz said her biggest battle is convincing brokers and their clients to consider entering short-term deals with production companies. Property owners and brokers generally prefer long-term deals and stable tenants to the film crews who might only require a few weeks or months in a space.

"It really is a revenue stream for owners," said Schulz, who invited brokers to share their "weird" and "unusual" spaces as potential sites. Schulz said the budget-conscious industry always knows what it is willing to spend, making it easy for brokers to assess if a pitch will work.

"We're not in it to waste your time," she said.

MTV's Pearl District lease is a classic example.

<u>Amy Rodrique</u>, a production manager, was scouting for a loft-style space with great views that would seem like the sort of place people in their twenties would rent. MTV filmed the last edition of Real World in a luxury home in St. Thomas in the Virgin Islands. For 2012, it wanted to return to its 1990s era roots with a simpler, urban location its twenty-something cast might actually live in.

Rodrique said she was getting nervous about finding space with enough room to house both the cast and production crew when she toured the Peter's Office Supply building, 338 N.W. Ninth Ave., a mostly-empty retail-and-warehouse building long owned by the same family. The second floor was empty, with four brick walls and sweeping windows — exactly what she had in mind.

"So lucky," she said.

Peter's was no slam dunk.

The building wasn't available for lease. Instead, its elderly owner had it on the market to sell.

Her broker, <u>Steve Johnson</u>, a former professional basketball player turned commercial real estate broker with Re/Max Equity Group, was the listing agent who got the pitch for an unnamed TV show.

Johnson recounted his skepticism about pulling the building off the market for a short-term lease for an unnamed TV show.

Would it cost the owner money? Would a short-term tenant install cheap fixtures and furnishings that would cost even more money to rip out later?

His skepticism mounted when he found out MTV wanted to film its "Real World Portland" program there. He had visions of "wild crazy kids" tearing up the place.

Eventually, the two sides were able to overcome their differences and MTV inked a sixmonth deal for 17,000 square feet — 10,000 square feet of "living" area and 7,000 square feet for production.

MTV worked with an architect to design improvements that meet city codes and with the city of Portland to get the proper zoning changes.

With filming slated to wrap up later this year, Johnson said his client is happy and looking forward to having her picture taken with the MTV team.

Schulz said there will be more opportunities. <u>Oregon's tax incentives are reasonably healthy</u> and could be expanded and Portland is where producers want to be. Her current client list includes three "A list" actors who want to film here.

"This is a huge market that is getting bigger and bigger," she said.



Wendy Culverwell covers real estate, retail and hospitality.