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Santa Clarita Valley Economy Takes Hit from Strike

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Reports Saturday of a breakthrough in the Writers Guild of America strike were good news for Santa Clarita Valley businesses, many of which have seen revenue dip since the walkout began Nov. 5.

In some cases, the impact has been devastating.

"We're shut down in production," said Michael DeLorenzo, president of Santa Clarita Studios, which had all 10 sound stages booked with mainstream TV productions until the strike. Without fresh scripts, the studio has stopped production on shows that include CBS's "The Unit," FX's "The Riches," and HBO's "Big Love."

"Knight Rider," NBC's special re-make of the 1980s television series, has also stopped filming, according to DeLorenzo.

The studio in the Valencia Industrial Center has lost some \$1 million due to the strike, DeLorenzo said, and it's been forced to lay off workers in its lighting and grip departments. DeLorenzo declined to give numbers of those laid off.

"They will not be coming back until the strike is settled," he said.

A report from the Associated Press in Los Angeles late Saturday indicated an agreement had been reached on one of the biggest sticking points for the writers: compensation for projects distributed via the Internet. An agreement could be announced as early as next week, the report said.

Until the Writers Guild of America strike, Santa Clarita's bid to lure filming to the Santa Clarita Valley had built up a lot of momentum, said Jessica Freude, film analyst for the city.

In November, there were 37 permits issued for local filming, Freude said.

A month later, the number of permits had fallen to 17. Some filming in the SCV continues - mostly commercials and reality TV shows.

Freude said the city couldn't put a dollar amount on the revenue lost, but added, "We're very eager for the strike to come to some sort of resolution."

She said the film and TV industries keep 6,000 people in Santa Clarita working, making it one of the top local business segments.

During the 2006-07 fiscal year, Freude said, location filming generated \$21 million for the local economy.

Santa Clarita Valley businesses ranging from supply stores to catering companies rely, at least in part, on scripted-show production and are feeling the pinch of the strike.

Phillip Horlings, owner of Motion Picture General Store, which provides supplies for television shows, commercials and feature projects, said he has seen a "total slowdown" in business.

"Overall, it's been brutal for the little guy," he said.

He estimates that the strike has led to a loss of \$100,000 for his Valencia business.

But Horlings said he has been involved with the film industry since 1978 and is using his experience to weather these tough times.

"You have to be ready for them," he said, recalling the 1988 writers strike and other slowdowns in the film industry.

"There's always hope," he said.

Cheryl Johnson, co-owner of Mama's Munchies in Canyon Country, said the company normally splits its time between catering television productions and local events.

Before the strike, Johnson said she worked on a variety of productions, including "CSI," "Desperate Housewives," "Ugly Betty" and "Eli Stone."

"That's been very slow since Thanksgiving," she said. "Since then, we've basically put our energy into the community and businesses."

But Johnson said Mama's Munchies continues to do some productions, including music videos and other "little jobs."

Los Angeles County has seen a loss of 11,500 jobs, for \$650 million in lost wages, said Jack Kyser, chief economist for the Los Angeles County Economic Development Corporation.

Factoring in the strike's ripple effect on companies involved with the film industry, Kyser said there is a total impact of \$1.8 billion.

"It's hurting people in the overall economy," he said, noting there is a danger for people to lose their homes and cars because of lost earnings.

For Valencia screenwriter, director and actor Mark McQuown, the Writers Guild of America strike has meant he has to be very, very careful when submitting scripts or other material for review.

McQuown is a member of the Screen Actors Guild, not the WGA. But the actors guild has an agreement to honor the writers guild strike. He must avoid submitting material to one of the studios targeted by the WGA.

"They will take away your card," he said. "I'm just spending a little bit more time being careful."

As for his predictions about when the strike will end, McQuown said with the Academy Awards scheduled Feb. 24, more pressure is being put on both the guild and studio executives to come to an agreement.

So far, the WGA has refused permission for its members to participate in the Oscars.

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