

**Media Production Development Zone
South Side Studios Dallas, LLC**

**Economic Development Committee
May 6, 2024**



City of Dallas

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Overview



- Background
- Proposed Project
- Next Steps





Background: Media Production Development Zone Act

The Media Production Development Zone Act (Act)

- Approved by the State of Texas in 2009 (Chapter 485A, Texas Government Code)
- Administered by the Texas Film Commission
- Allows for a two-year sales and use tax exemption for the construction, maintenance, expansion, improvement, or renovation of a media production facility at a qualified media production location in a media production development zone
- Act requires City Council to approve a Zone (Media Production Development Zone) and specific projects (Qualified Media Production Location) for projects to be considered for state designation





Background: Media Production Development Zone Act

- At any one time, legislation allows for designation of:
 - 10 State MPDZs
 - 5 Regional MPDZs
 - 3 Qualified Media Production Locations per MPDZ
- Zone expires 5 years after the date the last qualified media production location was designated within the zone's boundaries
- Three existing zones designated to date:
 - Fort Worth (one TIF district designated as an MPDZ)
 - Austin (citywide)
 - Midlothian (citywide)

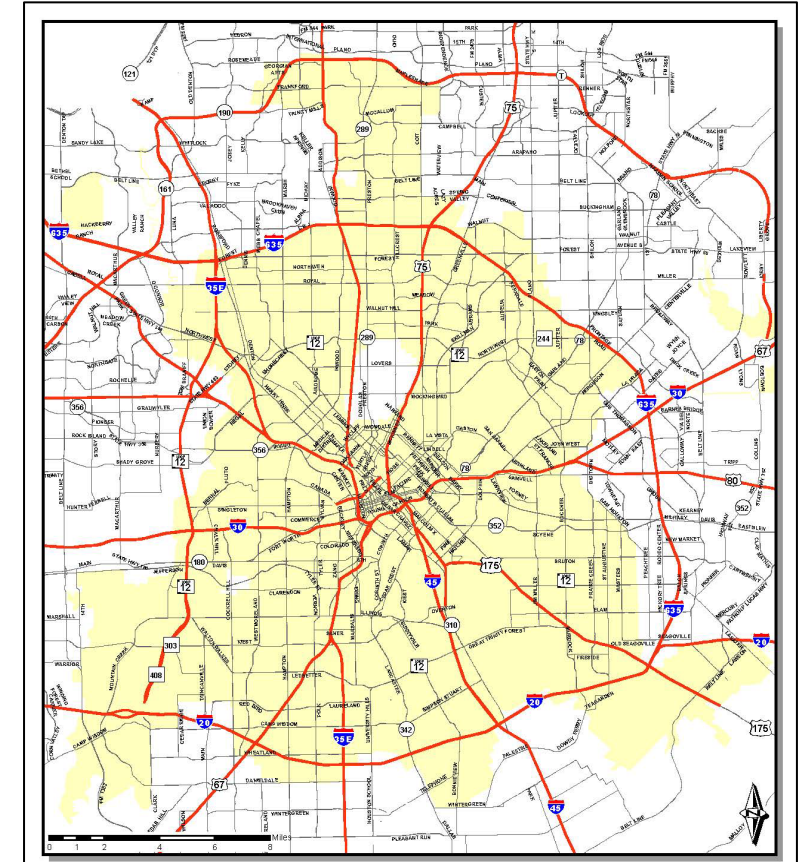


City Approvals



City Council will be asked to designation both the Media Production Development Zone (MPDZ) and a Qualified Media Production Location (QMPL)

- The MPDZ must have adequate workforce, infrastructure, facilities, or resources to support the production and completion of moving image product
- The QMPL must be within the designed MPDZ and be built, renovated or improved to serve as a media production facility

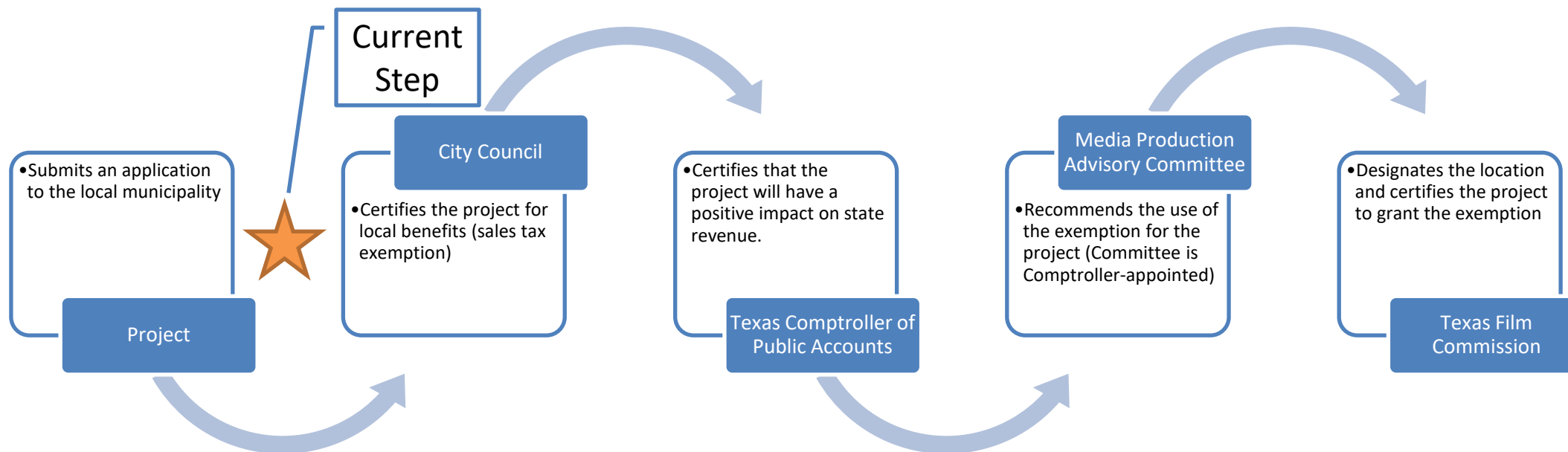


Proposed Dallas Media
Production Development Zone





Background: Process



- More detailed process map available in the Appendix



Proposed Project – South Side Studios Dallas, LLC (SSSD)



- Located at 2901 Botham Jean Blvd., Dallas, TX 75215 on 11 acres
- Existing production studio facility in south Dallas and Dallas' leading filming space for feature film and TV including Queen of the South (USA), The Chosen (TBN), Dallas (reboot) (TNT), and Prison Break (Fox)
- Existing facilities include the West Stage Building (approx. 70,000 SF) which contains stage space and production offices, and the Forest Building (approx. 50,000 SF) consisting of additional offices, a mill area, wardrobe storage, and prop shop



Proposed Project – South Side Studios Dallas, LLC



Project Owner: South Side Studios Dallas

- Joint venture (founded in 2023) between Matthews Holdings Southwest (owner) and Talon Entertainment Finance

Project: Renovate the West Building into a state-of-the-art, purpose-built Studio Production Facility consisting of 3 separate sound stages plus additional improvements in the Forest building

- Includes new roofs, soundproofing and HVAC; West Building will be renovated to create three stages totaling 43,035 sf, one with an LED virtual production wall installed, production offices, hair/make-up rooms, “green rooms”, and a commissary

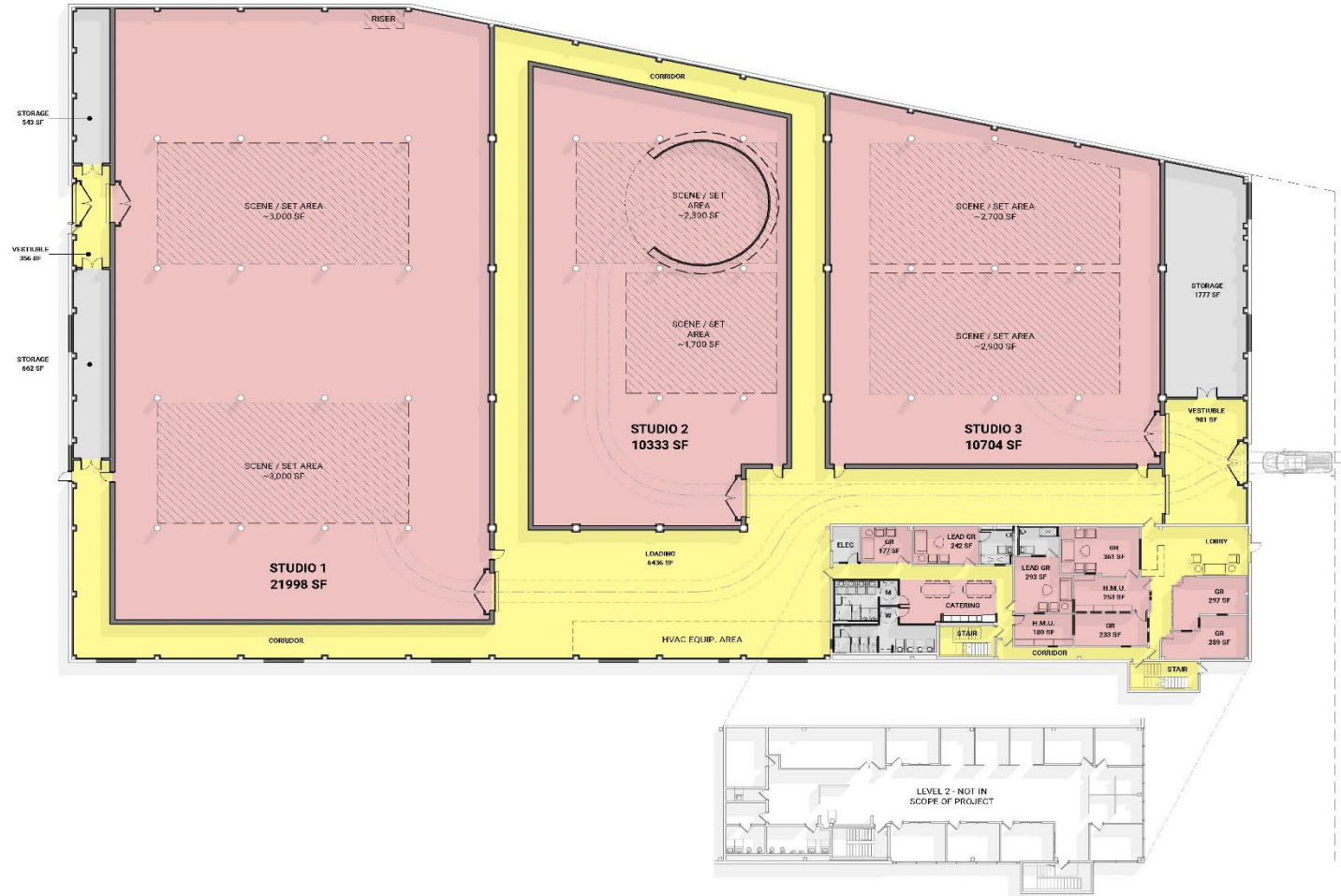
South Side Studios Dallas will serve as the studio's operator, overseeing the leasing of soundstages, production and post-production spaces and other support facilities



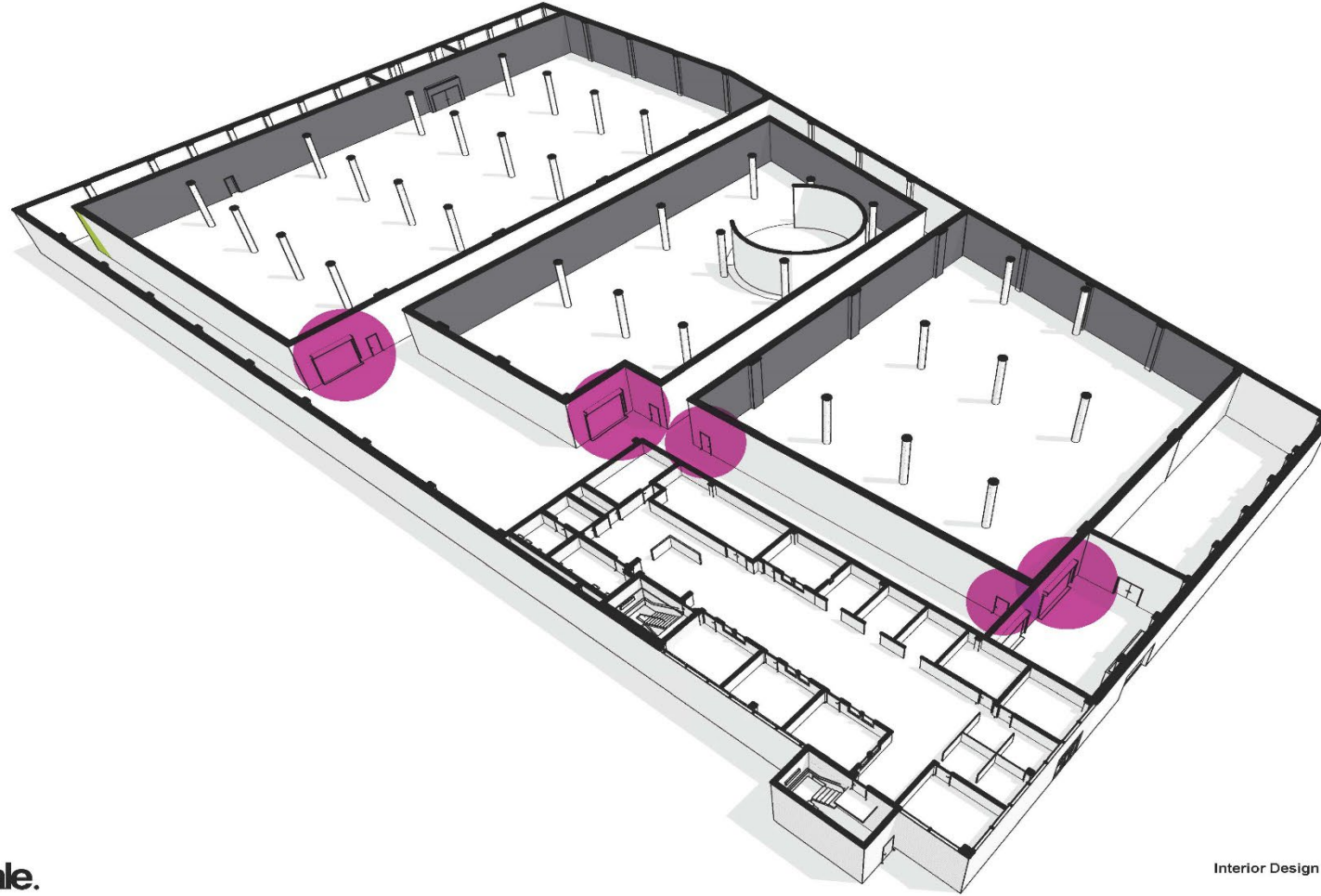
Proposed Project



- \$6.275M in renovations
- \$1.533M in furniture, fixtures, and equipment purchases
- Includes an LED virtual production wall and film and video production equipment to serve as rental inventory for in- and out-of-house productions



Proposed Project



parscale.

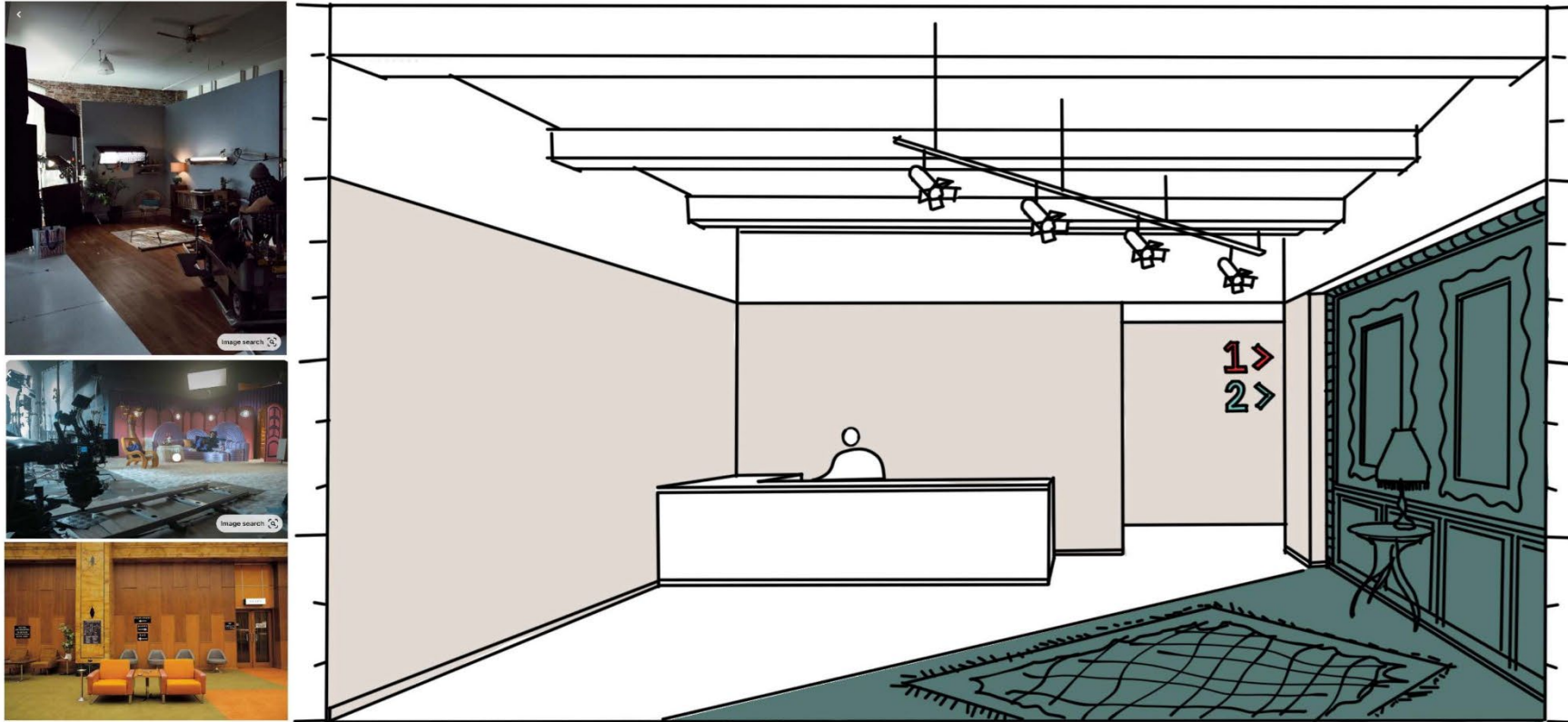
Interior Design | South Side Studios
2023-09-06



Proposed Project



"ON SET" CONCEPT



parscale.

Lobby Interiors Concept (Forest Building Shown) | South Side Studios
2023-08-30



Proposed Project – Proposed Incentive



- If designated as a Qualified Media Production Location, the state will issue the project a sales tax exemption for construction and materials related to the construction of the facility
- Estimated City revenue forgone from this sales tax exemption is approximately \$150,000
- The state's portion of the sales tax (6.25%) is also exempted (estimated to be approximately \$456,000)
- Per the economic impact study conducted by TXP for the application, the Studio increases regional economic activity by \$13.6 million, labor income by \$4.7 million, and employment by 86.6 jobs



Next Steps



OED staff recommends the following:

- May 22–Authorize designation of the City of Dallas as Media Production Development Zone No. 1 (whole City designation to facilitate any future projects seeking this approval)
- May 22–Authorize nomination of the property located at 2901 Botham Jean Blvd owned by South Side Studios Dallas, LLC as a Qualified Media Production Location within Media Production Development Zone No. 1
- Upon Council approval, the City submits documentation nominating South Side Studios Dallas, LLC as a qualified project to the Texas Film Commission



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Appendix: Timeline



MEDIA PRODUCTION DEVELOPMENT ZONE EXEMPTION PROCESS

