

# MASQUE STUDIOS UTAH



Park City, UT

# Masque Studios Utah

## Executive Summary:

THE KEY ATTRIBUTES OF A SUCCESSFUL ENTERTAINMENT COMPANY ARE THE QUALITY OF ITS PROJECTS, THE ABILITY TO MAKE FILMS ON TIME, ON BUDGET AND THE LEADERSHIP OF A STRONG MANAGEMENT TEAM COMMITTED TO THESE PRINCIPLES. IN THIS REGARD, MASQUE STUDIOS HAS THE REPUTATION AND THE EXPERIENCE REQUIRED NOT ONLY TO EXECUTE THIS STRATEGY, BUT TO BUILD A PREEMINENT BRAND IN INDEPENDENT MOTION PICTURE PRODUCTION.

# Work. Play. Repeat.

The Park City Tech Center is a world-class office and research technology park located in the breathtaking mountains of Park City, Utah. The PCTC's unique location offers easy access to the beautiful Wasatch Mountains, scores of high-end retailers, and a passionate community known for its highly educated and successful workforce – all while being only 30 minutes from Salt Lake City International Airport. Finally, you've found the perfect place for your business, where you can go from conference call to knee-deep powder in ten minutes



# Masque Studios Utah

## CORPORATE MISSION:

- To provide a dynamic, state-of-the-art motion picture production facility where Writers, Directors, Producers and Executives can collaborate, develop, shoot film, and complete all aspects of feature film-making ...every day.
- As stated by Steve Perry, Masque's motto, the core of its operating plan, is simple: *Discipline*
- Discipline is the driving force that allows the company to make intelligent decisions, and in turn, protect to a maximum Masque's own interests as well as that of its banking, equity and distribution partners. *Discipline* is a vital and repeating mantra that will make this production facility and the films that it produces lasting and profitable.

# Masque Studios Utah

## CREATIVE VISION:

- Masque Studios Utah has a strong vision, exemplifying a new paradigm for independent studio production facilities. Masque will run as a self-sufficient business with an eye toward the bottom line rather than as a cog in a larger media conglomerate. It will have the freedom and ability to steer its own course and make its own creative decisions. Masque has a unique operating philosophy and strategy toward filmmaking, distinctive in the entertainment industry, which will set it apart, creating sustainable competitive advantage and lasting brand recognition.
- Masque's solid foundation, based on the previous filmmaking success and experience of award-winning originator Steve Perry, will focus on creativity, employee development, manufacturing, and profitability. Masque does not intend to become the biggest film production studio, but rather the best-poised to thrive on opportunity, utilizing creative resources to successfully grow both organically and through strategic partnerships and alliances.

# Masque Studios Utah

## STRATEGIC VISION:

- To pioneer and build *the* next-generation, industry-leading, turnkey motion picture studio and digital post-production facility located in LEED-certified buildings within a green, sustainable, aesthetically inviting campus environment.
- This premier world-class center will attract major domestic and international projects and enable and enhance creative collaboration among writers, directors, producers, and executives. At the same time, it will streamline production, speed script to market, reduce costs, and boost film industry profitability.

# Masque Studios Utah

## **The Opportunity: Responding to Industry Challenges and Needs**

Both motion picture and television production will experience unprecedented growth commencing in 2015. The industry will have outgrown its current infrastructure and surpassed its ability to meet this surging demand, creating a pipeline of backlogged projects that directly affect corporate revenue and profits. In addition, the industry requires the lowest costs for labor, services, and facilities to survive and thrive in today's highly competitive environment. Given their current cost structure and the unlikelihood of necessary radical changes, Hollywood studios are—and will be—unable to achieve these needed cost savings.

# Masque Studios Utah

## THE SOLUTION:

- Masque Studios Utah offers a turnkey solution to address these industry challenges and imperatives, enabling it to capture a major share of new production and digital post-production work for the motion picture and television industries. It will design and construct a full-service, integrated “at-one-location” world-class motion picture and digital post-production facility with a campus-like atmosphere that includes:
- Four separate large soundstage buildings (with two stages each) that provide eight sound stages in all
- Latest state-of-the-art equipment and high-speed broadband access
- Executive and production offices
- Production design/art department
- Grip/electric/expendables
- Construction/mill and prop department
- Wardrobe, make-up & hair design
- Prosthetics lab and special effects
- Restaurant and catering
- Transportation

The site will cover several acres and feature a lake and beautiful landscaping with fully mature trees. Additional available space will accommodate future expansion.

# Masque Studios Utah

## SITE SELECTION REQUIREMENTS

- Demonstrated government understanding of the project's significance and economic value matched by a commitment to expedited facilitation (ribbon-cutting in 10 months) and a generous package of tax and other incentives
- Strong governmental support and promotion of the industry, including an attractive and competitive film production inducement program
- Lower labor, facility, and location production costs
- Close proximity to Los Angeles executives, directors, producers, writers, and actors
- A local creative and technical talent pool with extensive film production expertise
- High-speed broadband access
- Educational institutions that can train and turn out a highly skilled workforce dedicated to serving the industry
- A friendly, supportive, and accommodating business environment
- A service-oriented culture and strong work ethic
- An attractive quality of life, amenities, and strong educational system

# Masque Studios Utah

## **The Significant Benefits and Positive Economic Impact for the Selected Site**

- The addition of a highly coveted centerpiece—a world-class studio and post-production facility—that enhances the local film industry’s infrastructure, capabilities, capacity, and reputation
- The ability of local and state governments to showcase this prestige asset, touting it as a major economic success story and exploiting it in their economic development strategies and marketing efforts
- First-to-market advantage and strong competitive positioning to enable Masque Studios Utah and its local and state government partners to capitalize on the explosive growth in digital media and become the preferred provider of these services
- A major new investment fostering increased economic development and growth
- New construction that will help retain and create construction jobs
- Infusion of millions of dollars in annual industry work and direct spending that will have a significant positive economic impact locally and statewide
- A multiplier effect in the local and state economy that will further stimulate the motion picture/digital media/gaming, tourism, retail, construction materials supply, building and trades, and other industry sectors
- The retention and creation of hundreds of new high-paying jobs in the film industry, as well as in other professions and industries
- Formation of strategic partnerships with local high schools, colleges, and universities to train and provide a highly skilled, next-generation workforce that can meet industry needs
- Hiring of local graduates for rewarding careers and high-paying jobs in the film industry
- Public access to and use of facilities and conference center

# Masque Studios Utah

## SUMMARY

Masque Studios Utah is committed to investing in and executing this project on an accelerated timetable. It is seeking equally committed local and state government partners to provide a generous package of tax and other incentives commensurate with the economic value and impact this investment represents and the other significant benefits it offers. Moreover, it seeks partners that will pledge their full support and ensure the priority fast-track reviews, approvals, and facilitation the project requires for on-time, on-budget delivery and scheduled opening and operation.

# The Company

## KEY POINTS

- *Founder has proven successful track-record in film-making*
- *Award-winning architects on board to create a unique, inviting campus style facility, fully green and sustainable which will become LEED certified*
- *A progressive 3D Digital Media & Gaming Company*
- *State facilitation and incentives encourage the creation of a film-makers' complete film/television and educational community*
- *Independent management remains flexible to anticipate and act decisively on current trends in the industry*

# Masque Studios Utah

The Park City Tech Center is the designated site for the development of this property which will consist of constructing a world-class, campus-like motion picture production facility to include five separate large soundstage buildings, each consisting of two stages per building, giving Masque ten sound stages in all.

In addition to sound stages, the fully mature landscaped campus will provide various streams, waterfalls and ponds surrounded by separate buildings; executive offices, production offices, production design/art department, grip/electric/expendables, construction/mill, prop department, wardrobe, make-up & hair design, prosthetics lab, special effects, transportation, restaurant and catering.

All will be built to exacting standards utilizing the latest state-of-the-art equipment available. Building a campus-like atmosphere ensures a unique competitive advantage for the facility, enhancing the probability of attracting premier U.S. and International writers, directors, producers and media companies; which in turn improves the outlook for continued economic success for Motion Pictures in Utah.

# Masque Studios Utah

- Building “A” will contain two stages each at 24,000 sq. ft. respectively, and Building “B” will also contain two stages each at 24,000 sq. ft. The stages will be separated by a soundproof retractable moving door at the center. When open, this will allow buildings “A” and “B” to each become a 48,000 sq. ft. stage with a height of 56 feet to the grid when the center sound-proof door is in the “open” configuration.
- Building “C” will contain two stages each at 18,000 sq. ft. respectively. Buildings “D” and “E” will also contain two stages each at 18,000 sq. ft. The stages will also be separated by a soundproof retractable door at the center. When open, this will allow buildings “C”, “D”, and “E” to each become a 36,000 sq. ft. stage with a height of 45 feet to the grid when the center sound-proof door is in the “open” configuration.
- When completed, this will result in 204,000 sq. ft. of state-of the art functional stage space.
- The interior lighting grid will be set up in quadrants that lower to the ground. This will allow for faster set-up and take down of lights and minimize persons using the catwalk, making for a safer and more efficient working environment.
- The exterior walls of the sound stages are being designed to accommodate removable panels that can be configured in a variety of ways to become an exterior “back lot,” creating space for a period 1930’s New York Street or a “City of the Future,” for example.

# Park City Tech Center



## Project Vision

An urban style research campus in a mountain community, Park City Tech Center will offer office and research space in a cohesive, regionally distinct environment. Positioned to attract businesses from across the nation, the project will also contribute to state and regional initiatives to broaden the economic base. The research campus has the promise of being an economic generator for Summit County.

Organized on the top and slope of a ridge, the proposed buildings will have spectacular views and access to an open space network punctuated with aspen-filled draws stretching down the hillsides. Other amenities include convenient parking, regional bike and hiking trails, and supporting commercial facilities. Located on the east and west ends of the development are a regional bus station, county visitors center, expansion of county office complex, a church site and residences.

Sustainable and ecologically sensitive designs strategies – ideas of density and land conservation, multi-modal transportation, climate-sensitive building sites, open space connectivity, and functional naturalistic landscapes – from the basis of the campus organization. These guidelines give functionality to these ideas and provide details on their realization

# PCTC Site Context



The site is located in Kimball Junction near interstate 80 at the gateway to Park City, Utah. Just over twenty miles from Salt Lake City and the University of Utah campus, the project site provides a mountain community environment to capture expanding and new research activities occurring across the country. It is adjacent to both the High Ute Ranch Open Space Preserve and the Swaner Open Space Preserve, and downhill from the Utah Olympic Park, home to the Nordic Ski Jumps and the Luge, Skeleton, and Bobsled tracks.

# Masque 3D HD Digital Post

Masque 3D HD Digital Post will offer an array of creative editorial services and complete music recording. Masque 3D HD will supply producers with mixers, editors, assistants, computer generated imaging (CGI) technicians and the necessary equipment. Masque 3D HD Post will be able to, accommodate every facet of post production work including full 3-D technology, CGI rendering, special effects, music effects, ADR/Foley stage, coloring and completing the process with a digital intermediate (DI). Masque's digital non-linear editing and sound bays offer cutting-edge equipment and performance with enough storage to complete the biggest of motion pictures with 4k, uncompressed HD or SD.



# Masque 3D HD Digital Post

## **Masque Post will include the following attributes:**

- Two large 3D Mix Theaters - 2,800sq. Ft.
- Two medium 3D Mix Bays – 1200sq. Ft.
- Ten 3D Audio/Video Edit Bays – 200sq Ft.
- All 3D Audio/Video Rooms will utilize euphonix mixing consoles, ICON/DIGI Design Mixing Consoles, Pro Tools, AVID DS Nitris and AVID Media Composer and Adrenaline Systems, along with the latest Dolby Digital 7.1 Systems.
- ADR/Foley/Music/Live Room – 2000sq. Ft.
- ADR/Foley/Music/Control Room – 541sq. Ft.
- 500 Seat Stadium Style Conference Center, Theatre, and full working music stage\*
- Green Certified Data Center
- Machine Room
- Audio/Video Transfer Room
- Technical Equipment Shop
- Lobby and Reception area
- Conference room
- Full Kitchen and Lounge
- Various Executive and Staff Offices
- Fully Landscaped Campus Style Outdoor Patio Lounge, Dining Area, and Sport Court

# Masque 3D HD Digital Post

## **Masque Conference Center and Motion Picture Theater:**

- This stand alone building will be built to handle Motion Picture Screenings, Red Carpet events and be available throughout the trade to utilize. This includes a venue for the Sundance Film Festival to use to screen films that have been submitted each year. Further, this Theater will also be available to the local school community, the local Park City Performing Arts Center as well as other institutions needing a Class A facility to conduct meetings, seminars and other events.
- This outstanding and future architecturally award winning designed building will consist of an open post and beam theme, complimented by generous amounts of glass and natural stone. This open space will be immediately connected to our 500 seat 3D Motion Picture Theatre and will allow for an intimate entertaining area for hosting cocktail parties and awards ceremonies. The use of significant Glass, Stone, and Post & Beam Architecture will be oriented to take advantage of the elevated building site that overlooks 400 acres of dedicated open space with unobstructed views to the mountains of The Olympic Village, Park City & Deer Valley Resorts and beyond.

# Masque Studios Utah

## Disclaimer

Masque Studios Utah reserves the right to change, modify, add, or remove any portion or portions of the information provided in this package at the Company's discretion without notice.

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## PRO FORMA INCOME STATEMENT

Post Production Expenses/Income  
 Sound Stage Expenses/Income

	2016	2017	2018	2019	2020
<b>Revenue</b>					
<b>Television</b>					
1/2 Hour-12 episodes	\$ 1,098,000.00	\$ 1,098,000.00	\$ 1,098,000.00	\$ 1,098,000.00	\$ 1,098,000.00
1 Hour 24 episodes	\$ 2,916,000.00	\$ 2,916,000.00	\$ 2,916,000.00	\$ 2,916,000.00	\$ 2,916,000.00
<b>Feature Films</b>					
3 Films	\$ 11,412,500.00	\$ 11,412,500.00			
6 Films			\$ 17,825,000.00	\$ 17,825,000.00	\$ 17,825,000.00
Sound Stages	\$ 12,990,500.00	\$ 19,800,000.00	\$ 19,800,000.00	\$ 19,800,000.00	\$ 19,800,000.00
<b>Total Revenue</b>	<b>\$ 28,417,000.00</b>	<b>\$ 35,226,500.00</b>	<b>\$ 41,639,000.00</b>	<b>\$ 41,639,000.00</b>	<b>\$ 41,639,000.00</b>
<b>Expenses</b>					
Staff Payroll	\$ 1,155,752.00	\$ 1,190,425.00	\$ 1,226,137.00	\$ 1,262,921.00	\$ 1,300,809.00
On call staff payroll	\$ 493,200.00	\$ 493,200.00	\$ 493,200.00	\$ 493,200.00	\$ 493,200.00
Payroll Taxes	\$ 164,895.00	\$ 168,362.00	\$ 193,534.00	\$ 197,212.00	\$ 201,001.00
Employee benefits	\$ 412,238.00	\$ 433,533.00	\$ 498,349.00	\$ 507,821.00	\$ 517,577.00
Insurance	\$ 68,000.00	\$ 56,650.00	\$ 58,350.00	\$ 60,100.00	\$ 61,903.00
Interest Expense(or Sinking Fund)	\$ 1,277,138.00	\$ 1,277,138.00	\$ 1,277,138.00	\$ 1,277,138.00	\$ 1,277,138.00
Lease and CAM costs	\$ 186,005.00	\$ 186,005.00	\$ 186,005.00	\$ 186,005.00	\$ 186,005.00
Office expenses	\$ 30,000.00	\$ 30,900.00	\$ 31,827.00	\$ 32,782.00	\$ 33,765.00
Professional fees	\$ 150,000.00	\$ 150,000.00	\$ 100,000.00	\$ 105,000.00	\$ 110,250.00
Repairs and Maintenance	\$	\$ 20,000.00	\$ 22,000.00	\$ 24,200.00	\$ 26,620.00
Telephone and Internet	\$ 20,000.00	\$ 20,600.00	\$ 21,218.00	\$ 21,855.00	\$ 22,510.00
Travel, housing and entertainment	\$ 260,000.00	\$ 267,800.00	\$ 275,834.00	\$ 284,109.00	\$ 292,632.00
Utilities	\$ 36,000.00	\$ 37,800.00	\$ 39,690.00	\$ 41,675.00	\$ 43,758.00
<b>Total Expenses Post</b>	<b>\$ 4,253,228.00</b>	<b>\$ 4,332,413.00</b>	<b>\$ 4,423,282.00</b>	<b>\$ 4,494,018.00</b>	<b>\$ 4,567,168.00</b>
<b>Total Expenses Studios</b>	<b>\$ 1,616,160.00</b>	<b>\$ 4,095,436.00</b>	<b>\$ 7,962,936.00</b>	<b>\$ 7,962,936.00</b>	<b>\$ 7,962,936.00</b>
<b>Income from Operations</b>	<b>\$ 22,547,612.00</b>	<b>\$ 30,894,087.00</b>	<b>\$ 37,215,718.00</b>	<b>\$ 37,144,982.00</b>	<b>\$ 37,071,832.00</b>
<b>Other Expenses</b>					
Depreciation and amortization (additional fund)	\$ 1,460,220.00	\$ 1,460,220.00	\$ 1,460,220.00	\$ 1,460,220.00	\$ 1,460,220.00
Debt Service	\$ 5,544,000.00	\$ 5,544,000.00	\$ 5,544,000.00	\$ 5,544,000.00	\$ 5,544,000.00
Property Tax	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Income Tax	\$ 11,790.00	\$ 11,790.00	\$ 11,790.00	\$ 11,790.00	\$ 11,790.00
<b>Total Other expenses</b>	<b>\$ 8,016,010.00</b>				
<b>Net Income</b>	<b>\$ 14,531,602.00</b>	<b>\$ 22,878,077.00</b>	<b>\$ 29,199,708.00</b>	<b>\$ 29,128,972.00</b>	<b>\$ 29,055,822.00</b>