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Cuomo's \$15 Million High-Tech Film Studio? It's a Flop

By **Jesse McKinley**

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DEWITT, N.Y. — Of all the pronouncements that Gov. Andrew M. Cuomo has made about creating jobs in upstate New York, perhaps the most fanciful came in the state's decision to spend \$15 million to build a high-tech film studio in Onondaga County.

The studio — called the Central New York Hub for Emerging Nano Industries — would create at least 350 high-tech jobs, and would, according to Mr. Cuomo, effectively bring Hollywood to central New York.

“Who would have ever figured?” the governor mused at the announcement ceremony in 2014.

Almost nobody, apparently. Most of the governor's optimistic predictions have not yet come to pass. While construction of the film hub was completed last summer, the building sits essentially vacant, and the hub has exactly two employees who work full time, including a cinematographer, Huayu Xu, recently hired to manage and promote the project.

No films made it to the multiplex: Nearly two and a half years after the governor's announcement, the hub's anchor tenant, FilmHouse, has yet to release a production, and its president and other executives have been dogged by lawsuits, tax liens and seven-figure legal judgments.

The state's investment in the Central New York Hub, in many ways, embodies the Cuomo administration's pledge to revive the economy outside the New York City area, often by offering tax breaks and capital investments to lure or maintain businesses.

Mr. Cuomo, a Democrat, has strongly defended these efforts. And in the case of the film hub, the governor's office praised its early efforts, citing several productions that have used already the hub, employing hundreds of workers short term. Administration officials also argued that the governor's promises of hundreds of jobs was meant to reflect a seven-year buildup, and they were not meant to be full-time jobs.

“By definition, jobs at the film hub are temporary because they are based on the production of specific and finite projects,” John Kelly, a spokesman for the governor, said.

But the hub's slow start seems to raise more questions about the state's job-creation policies, and why the Cuomo administration paired with such a little-known company.

"We're just a small start-up company," said Michael Haggerty, FilmHouse's chief operating officer, that "just happened to be lucky enough to have the governor announce our company."



The film hub was built by COR Development, a frequent and generous contributor to Mr. Cuomo's campaign coffers. Heather Ainsworth for The New York Times

Mr. Haggerty, like some of the FilmHouse executives, has little previous experience in movies: He is a former Albany police detective.

The company's chief executive and president, Ryan R. Johnson, has a résumé filled primarily with low-budget independent films. But he has also dealt with legal and financial woes: There have been at least two judgments, alleging fraud or breach of contract, levied against Mr. Johnson, who sat near Mr. Cuomo and was welcomed by the governor during the initial announcement of the project.

All told, Mr. Johnson still owes at least \$1.6 million, according to public records and plaintiffs, as a result of those legal decisions, involving deals in which he vowed to place investors in major creative roles despite their having few professional film credits. Another suit, involving nonpayment of film crew workers, found him liable for \$100,000.

Even FilmHouse's physical headquarters are difficult to determine. The company's website suggests that it is based in a grand building in downtown Albany associated with the State University of New York Polytechnic Institute, the primary force behind the film hub and many of the governor's upstate economic plans. But the company has no office in the building.

The company's listed Los Angeles office does not exist; the address leads to a Sephora in a strip mall in Marina del Rey, Calif. The company's mailing address in New York seems more accurate: It traces to a small mailbox in a United Parcel Service store about six miles north of Albany. (The website lists it as "Suite 263," the P.O. box's number.)

The film hub, outside Syracuse, exhibited few signs of life on a recent visit; the parking lot was empty, as were most of its offices and studio spaces. It was built by COR Development, a frequent and generous contributor to Mr. Cuomo's campaign coffers.

COR was listed in a subpoena issued to the governor's office in late April in a federal investigation of the Buffalo Billion, the governor's billion-dollar bet on nanotech in that long-beleaguered city. The exact scope of those investigations is unclear, and no one associated with COR has been accused of a crime.

In an interview, Mr. Johnson defended his company, saying it had projects ready to go but suggesting the film hub still needed work. "The hub needs to finish providing, you know, just basic equipment and services and all that stuff that they don't yet," he said. "It's not fully operational."

Despite the hub's limited film output so far, SUNY Polytechnic has praised two productions connected with the film hub: a motorcycle drama called "American Dresser" and "Pottersville," a comedy that used the studio this year. "Pottersville," however, is not a production of FilmHouse, but rather of the actor Ron Perlman's independent production company, Wing and a Prayer Pictures.

Gov. Andrew M. Cuomo announced in 2014 that the Central New York Hub for Emerging Nano Industries would create at least 350 high-tech jobs.
Damon Winter/The New York Times



SUNY Polytechnic has said that Wing and a Prayer is the hub's second "anchor tenant" — an assertion repeated in a December report from the governor's office — but the hub bears scant evidence of the company. In a back room, several boxes of props and costumes from "American Dresser" were stored; in another office, a copy of Craft Beer & Brewing Magazine sat atop an otherwise empty desk. Josh Crook, an executive with Wing and a Prayer, said in a statement that the company was looking forward to coming back "for our next project," but made no reference to moving the company to DeWitt.

For its part, SUNY Polytechnic says the traditional meaning of "tenant" is misleading in this instance. "The hub tenants bring productions, jobs and investments to the region in exchange for tenancy and access to facilities during production," Jerry Gretzinger, a SUNY Polytechnic spokesman, said. "While there is potential for them to maintain day-to-day employees at the facility, it is not a requirement."

The university also noted that several past productions at the hub had each created at least 125 temporary jobs in addition to hiring over 100 extras, though such work sometimes pays little.

Mr. Johnson's indie-film credentials seem sound; his résumé includes producing credits like "The Heart Is Deceitful Above All Things," a 2004 movie starring Jeremy Renner; David Mamet's "Edmond" (2005); and "Chasing 3000," a 2010 Roberto Clemente drama with Ray Liotta. He also serves as an executive with Night Fox Entertainment, a company based in Omaha that was a producer on the well-received film "Z for Zachariah," in 2015.

All of which impressed Mr. Haggerty. "Ryan's a really creative guy. He's really hooked up in Hollywood; he knows everybody out there," he said. "And he's very well liked."

But in June Mr. Johnson was cited in a motion for summary judgment in State Supreme Court in Manhattan related to a 2012 case in which he and several former business partners were found to have defaulted on a \$150,000 promissory note after pledging to produce a film called “Sweetwater.” All told, Mr. Johnson now owes more than \$1.3 million — plus interest and legal fees in relation to that case — according to public records.

Adam Batz, the plaintiff, said Mr. Johnson had asked for the money, promising Mr. Batz that his wife — Claudia Carey, the film’s screenwriter — would direct “Sweetwater,” a teenage thriller set at a desert boot camp. Instead, Mr. Batz said, his investment disappeared.

“They were using my equity, instead of putting it toward the project, they were using it to cover their own expenses and to cover shortfalls they had in other projects,” Mr. Batz said, calling the endeavor “a shell game.”

Mr. Johnson also owes more than \$350,000 from two lawsuits associated with a failed 2011 project, “Mississippi Wild,” in which he was accused of not paying a group of union tradesmen as well as bilking an investor, Daniel Fainman, after promising him a lead role and a producing credit on the film, which was never made.



Light streaming through the windows of the FilmHouse. While construction of the film hub was completed last summer, the building sits essentially vacant.

Heather Ainsworth for The New York Times

“They completely scammed me,” said Mr. Fainman, 25, who gave Mr. Johnson and his partners \$253,000 for the film. Like Mr. Batz, Mr. Fainman said he had yet to receive any money from Mr. Johnson.

Mr. Johnson said his legal issues would be settled soon and disputed the facts, saying, for instance, that Mr. Fainman had threatened him, something Mr. Fainman denies. “I just asked for my money back,” Mr. Fainman said.

As for Mr. Batz, Mr. Johnson said he planned to make good “in the next month or three” but blamed the failed production on an unexpected delay related to Ms. Carey’s becoming pregnant.

Robert S. Giolito, who represented members of the “Mississippi Wild” crew, said he had obtained a \$100,000 judgment from Federal District Court in Los Angeles after Mr. Johnson reneged on a settlement agreement over unpaid wages. And in 2014, he filed the California judgment with Federal District Court in Syracuse to try to recover that money. “The minute we find him, we will attempt to make him make good,” Mr. Giolito said.

He added that he was amazed that the state went into business with Mr. Johnson, whom he described as “a very personable guy” who “owes a lot of money.”

But Mr. Johnson said he had paid Mr. Giolito’s clients, and that he was being sought for benefits for which he should not be liable. Mr. Giolito said he was not aware of “anyone getting paid by Ryan Johnson.”

Others on the FilmHouse team are also linked to debts, according to public records. Its chief strategy officer, Scott E. McIntyre, is an entrepreneur based in Ohio who owes the Internal Revenue Service more than \$1 million; its senior vice president, Kent W. Purdy, owes more than \$40,000 in state and local taxes. Attempts to reach Mr. Purdy for comment were unsuccessful. Mr. McIntyre said he was a part-time worker with the company, but did not comment on the lien.

SUNY Polytechnic seemed aware of Mr. Johnson’s legal troubles, but not troubled by them. “It is apparent that an occasional unsuccessful project and associated legal matters are not uncommon in the film industry,” Mr. Gretzinger said.

Mr. Johnson is still finishing up “American Dresser,” which was written and directed by Carmine Cangialosi, a 44-year-old actor with a résumé dotted with small parts in daytime soap operas (he played Lou the Hitman on several episodes of “Guiding Light”). But FilmHouse’s next two projects — a Southern romance called “The Divorce Comedy” and a tropical action movie called “Sea of Greed” — were “not location appropriate” to the Syracuse area, Mr. Johnson said.

“We go up there,” he said, “when there’s a movie to be made there.”

Noah Gilbert contributed reporting from Marina del Rey, Calif. Doris Burke contributed research.

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