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Utah's video game industry scoring big points, but trying to move up to the next level

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SALT LAKE CITY — Hunched over a laptop with a colleague, second-year computer science graduate student Brandon Davies focuses on incorporating animation into a video game he is developing to make enemy robot crabs move menacingly. The code is in the program, but the crabs just sit there.

Next to him, graduate student Laura Warner works on robot transformations in the game "Tilt's Robot Pinball Attack."

"I try to think how a robot form, with arms and legs, would fold up into a ball," she said. The game is about a little robot trapped in a pinball machine that's trying to destroy him.

Davies and Warner are students in the University of Utah's Entertainment Arts and Engineering video game development program, or EAE.

The program, ranked second nationwide, represents one part of Utah's flourishing video game industry that employs 600 people and generates about \$242 million in revenue annually, more than five times greater than that of Utah films.

"It makes a lot of sense to be here because of Utah's talent base," said John Blackburn, vice president of Disney Interactive Studio's Avalanche Software in Salt Lake City, which Disney acquired in 2005. "I think we've got the right work ethic. I think there are a lot of good things that Utah can leverage"

Just four years old, the program is training students for careers in the video game industry as programmers and graphic design artists, attracting attention from video game industry insiders.

Last year, the U.'s EAE program was ranked second in game development nationwide — out of 50 — by the Princeton Review. The top program is at the University of Southern California.

Utah's success is showing. So far the state has attracted several major video game studios, including Electronic Arts Inc., The Walt Disney Co.' Disney Interactive Studios and Epic Games Inc.'s ChAir Entertainment Group. In all, there are 17 game studios in Utah that provide about 600 jobs, according to the Economic Development Corporation of Utah. By comparison, the film industry provides 153 jobs that generate about \$42 million in revenue.

Still, industry executives said that while Utah is being closely watched as an up-and-coming market, it has yet to reach the "critical mass" as seen in Los Angeles or Austin, Texas. There isn't even a city in Utah that ranks in the top 26 U.S. cities for development according to the Entertainment Software Association.

"We're kind of on the edge of critical mass. We're right there on the edge," said John Blackburn, vice president of Avalanche/Disney Interactive in Salt Lake City.

Blackburn said Utah's base of talented designers and programmers created by the University of Utah and Brigham Young University has attracted studios.

Avalanche is known for creating the recent video game for Pixar's "Cars2" movie.

Scoring points in the competitive game industry

In addition to a healthy talent base, industry experts say Utah's quality of life and proximity to game studio bases in California make it attractive to employees.

"Talent is probably the biggest draw. The cost of living is cheaper [than California] and it's just a great place to live and there's a diverse number of activities to do here," said Donald Mustard, creative director and co-founder of ChAir Entertainment in Provo.

Now owned by Epic Games, ChAir created one of the most popular games for the iPad, "Infinity Blade." According to Epic, sales of "Infinity Blade" have cleared \$10 million and it was one of the top popular and grossing games on Apple's iTunes.

Mustard said ChAir is invested in staying in Utah. San Francisco and Los Angeles are just a one-hour flight away, which makes keeping a connection to Silicon Valley easy. Quality of life is a big issue.

"It used to be that game makers were in their 20s. People are now in their 30s and 40s and want to settle down and raise a family, and not really deal with a long commute," Mustard said. Utah provides a lot of positive elements to raise a family, plus a lower cost of living, he said.

Michael Pachter of Wedbush Securities, one of the nation's top video game industry analysts, said he can see why game studios are attracted to Utah.

"Quality of life, such as home and schools, really matter," Pachter said. Having a top video game education program at the University of Utah will also be critical for Utah's video game future. "Realistically game studios are in Southern California, Texas and Canada because there's big pools of talent in those places," he said.

So what does Utah need to push forward?

Pachter, Mustard and Blackburn said the reality is tax incentives.

"Ninety-five percent of game costs come from salaries," Pachter said. "If 30 percent of wages can come through tax credits, that makes it easier to make a game."

Blackburn said the reality is that other big game markets are more attractive because of the tax incentives local governments are willing to offer.

Mustard said he and his brother started ChAir with money from their own pockets, with no government help, but he said the market has become so competitive that it will take tax incentives to attract more studios, and thus more video game designers. Mustard said his company has helped the governor's office and state economic development officials identify industry needs.

One area in which Utah can help stimulate the local video game industry is to create an "economic cluster" program, said Economic Development Corporation of Utah CEO Jeff Edwards. EDCU has worked with the governor to reach out to outside game studios and find what would attract them to open offices in Utah.

"We are still a smaller player than Silicon Valley obviously," Edwards said. "We haven't reached critical mass yet."

Utah currently offers some tax incentives to game studios, but state officials are working on ways to compete with other markets.

Mustard and Pachter said the biggest competition is coming from Canada, which spends the most in public funds to entice game studios to Vancouver and Montreal.

Edwards said the state is studying a plan to set up facilities in Salt Lake City, where game studios can relocate to as a central game development park. The benefit would be to provide better Internet infrastructure and be centralized to other supporting technology companies.

Utah's power-up program

All experts agreed that the University of Utah's EAE program is the key to a video game market future. But what sets the program aside from other video game programs at other universities and trade schools?

The Princeton Review identified over 500 programs across the country that teach video game design in some fashion. Of those, 150 were evaluated and the top 50 were then ranked. Utah came in second.

Four years ago, computer science professor Robert Kessler said he was working with students on how to program using the Unreal gaming engine.

"That's when I started thinking about what we could do to prepare our students better," he said.

Kessler went to game industry officials and asked them what skills and experience they wanted to see in new graduates. "They all said the same thing. It's got to be interdisciplinary, and they have to know how to work together," he said. The program is currently aided by a special advisory committee of video game industry professionals.

Game designers generally come in two flavors: programmers who write the game code and graphics designers/animators who create the characters and backgrounds. Kessler said typically computer science students and arts students rarely mix, but in the video game industry, they work side by side.

EAE co-creator Roger Altizer said the U. avoided a mistake some universities made early on in their curriculum. "All over the country these game programs were popping up. They were teaching a little about programming and a little bit about art, but when they graduated there was no job waiting for them at the end of the rainbow because they didn't have enough experience to put them into a position," Altizer said.

Students either major in computer science or film/art. While they do take some cross courses, they maintain their major focus through to graduation. Computer science majors, for example, learn programming, artificial intelligence, networking and security while film/art students learn graphics, animation and 3-D modeling.

But the key is in their work. Students from both sides are required to work together on video game projects, as they would in a professional game studio.

"They have to learn to respect each other," Kessler said. "Check your egos at the door and lets figure out what's working and what isn't working."

There are roughly 150 undergraduate students in the EAE program. The program recently celebrated its first graduating class, but it remains to be seen how many will land jobs in the industry. Altizer said every Utah game studio is populated with U. graduates.

Every game students make is owned by them, and many are published on Microsoft's Xbox Live Arcade. Students then keep the profits and are encouraged to invest the money in starting their own game company. Altizer said the program's emphasis is in having students show employers that they can get things done.

"Because at the end of everything, the best game is a shipped game, no matter how talented you are," Altizer said.

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