Not all the expansion in the entertainment industry was in southern California. Filmmakers George Lucas and Francis Ford Coppola had established their Zoetrope Studios in San Francisco in the late 1960s. A decade later, Lucas began building Skywalker Ranch in the rolling hills of Marin County and opened his Industrial Light and Magic (ILM) visual effects house in nearby San Rafael. From the Lucasfilm studios came half a dozen of the highest-grossing movies ever made, including subsequent episodes of the fabulously successful *Star Wars* saga that ushered in a new era of special effects.

The perfect metaphor for the defense-to-entertainment metamorphosis of the early 2000s was the transformation of a portion of the San Francisco Presidio into a sleek new \$350 million movie-making center. Created by George Lucas, the Letterman Digital Arts Center not only was the most technically advanced filmmaking enterprise in the world, it ideally positioned Lucas to capitalize on the coming convergence of all entertainment media into a seamless digital universe. Lucas's visual effects wizards now could work in tandem with his computer game developers. As the new facility opened in 2005, Lucas explained, "We have the opportunity to do the best work in digital arts—cinema, visual effects, games, and animation."

The convergence of entertainment media came to be called "Siliwood," the joining of the high-tech multimedia expertise of Silicon Valley with the movie-making magic of Hollywood. Digital imagery, the hottest new technology, was used by ILM designers to create the first computer-generated three-dimensional character (a shimmering, snake-like creature) in 1989 for an underwater movie called *The Abyss*. This soon was followed by computer-generated robots in *Terminator 2*, full-size dinosaurs in *Jurassic Park*, and dead presidents in *Forrest Gump*. Pixar, a computer graphics company founded by Apple Computer's Steve Jobs and later acquired by Disney, won an Academy Award in 1996 for *Toy Story*, the first entirely computer-animated full-length feature film. The president of Silicon Graphics stated the obvious: computers now are "as ubiquitous in the entertainment industry as they are in the business world."

Producing computer-generated special effects for the movies was only one application of multimedia technology. Surfers of the Internet also relied on multimedia, as did business executives in far-flung locations who teleconferenced with colleagues without leaving their offices. Multimedia jobs required a unique combination of computer literacy and entertainment creativity; workers who possessed both commanded some of the highest wages in the entertainment industry. They also contributed mightily to the California economy. By 2004 the digital-based video game industry was generating \$10 billion in annual revenue, more than the annual haul from Hollywood box-office receipts. New releases of video games—such as the latest versions of "Grand Theft Auto," "Doom," "Halo," and "Half-Life"—were as eagerly anticipated as any feature film.

California's dominance of the entertainment industry was astounding. By the early 2000s, the state's major studios and independent filmmakers were producing more than 80 percent of all feature films made in the United States. The state also dominated the exploding worldwide film rental market; exports of California-made films, videos, and DVDs more than quintupled in the 1990s. Likewise, almost

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