

Aging theaters' film cut short by megaplexes

■ In Detroit, moviegoers can see first-run shows in just one moviehouse.

THE ASSOCIATED PRESS

HARPER WOODS, Mich. — Darryl Curtis, a regular at the AMC Bel-Air 10 cinema, was looking forward to taking his little girl to a Friday matinee earlier this month.

But to his surprise and dismay, the 38-year-old ice cream factory worker found out that the aging theater in a strip mall on Detroit's north side had closed in late September.

"Fridays and Saturdays, it'd be loaded," Curtis recalled while sharing Chinese food with 3-year-old daughter Destiny at the Eastland Center mall in suburban Harper Woods. "Lots of kids, lots of old folks there. That's not right, not to say nothing to nobody."

The Bel-Air is among a number of moviehouses to flee Detroit and its near suburbs in recent weeks.

Two theaters at the Eastland Center have also closed, as has the Norwest Theater in northwest Detroit. AMC Entertainment has closed another two suburban Detroit theaters since late 1999.

Kansas City, Mo.-based AMC is trying to recover from its poor performance in fiscal year 2000, during which it lost \$55.2 million.

The company lost \$16 million a year earlier.

"Volume had declined and they had become unprofitable," AMC spokesman Rick King said of the Detroit theaters. "We were better off putting our money into new buildings."

The loss of the Bel-Air and the Norwest leaves the nation's 10th-largest city with just one place to see first-run films — six screens at the Renaissance Center downtown.

Detroit's situation, while extreme, reflects a national trend in the troubled cinema industry.

Five sizable theater chains have filed for Chapter 11 bankruptcy protection this year, and others report that they are hurting. The latest came last week as Newton, Mass.-based General Cinema announced that it would slenderize its operation by shutting down nearly 400 of its 1,070 screens.

Overcapacity is one of the core problems faced by the industry. The number of first-run screens nationwide has more than doubled during the past decade to more than 35,000, which some analysts say is about a third more than what the market will bear.

In the past three years alone, the largest cinema companies have spent about \$3.5 billion to build sprawling "megaplex" theaters, which have as many as 30 screens.

Not only are the megaplexes bigger than their predecessors, they're also far more opulent. Sound is better and so are sightlines. Plush rocking seats, upscale restaurants and gourmet coffee bars are common.

Closing older theaters like the Bel-Air is seen as a way to funnel more moviegoers to the

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United Artists Theatre Circuit Inc.

sprawling megaplexes, upon which the cinema companies have bet their future to the tune of up to \$1 million per screen in construction costs.

"There's a major shakeout in the industry," said Scott Hall, director of real estate for United Artists Theatre Circuit Inc., which filed for Chapter 11 protection in September. "There's too many theaters out there now."

Gail Edwards, who heads General Cinemas, said last week that bankruptcy will enable the company to get out of unprofitable long-term leases. The company plans to shed its properties in Florida, Georgia, Louisiana and Tennessee in order to focus on the Northeast and Midwest.

The nationwide theater-building boom has begun to slow in the face of higher interest rates and the cost of acquiring land, said Kenyon Shane, vice president and chief operating officer of Loeks-Star Theatres, based in Grand Rapids, Mich.

"Everybody is kind of tightening up, being realistic about how much business they can do," he said.

For Darryl Curtis, the shakeout in Detroit severely limits his access to first-run films.

The Renaissance Center is more than 10 miles from home, and the nearest megaplex is a 15-mile trip.

"I guess I'll just have to rent movies," said Curtis, sitting a few dozen feet from the darkened Eastland 5, a steel security gate drawn over its lobby entrance.

Rich Pearce, another Bel-Air regular, said the 13-year-old theater may have lacked modern amenities, but it was reasonably priced and close to his home on Detroit's east side.

"I like a movie as much as anyone, but I'm not gonna spend an arm and a leg," said Pearce, 46.

Anthony Garland, president of the Grandmont Community Association, said he understands why theaters such as the two-screen, 1,100-seat Norwest near his home, have closed recently.

"It's just like buying a car. People want something more upscale — it was just outdated," he said of the Norwest.

To Garland, that means there's less laughter these days in the Detroit neighborhood where the Norwest had shown movies and sold buttered popcorn for 63 years.

"Everybody can't afford to go to the suburbs, (but) that's where the money is," he said. "Business makes people adjust."

College tuition outpacing inflation

■ A study reports education costs have risen less than 5 percent; the Consumer Price Index rose just 2.7 percent.

THE ASSOCIATED PRESS

NEW YORK — Outstripping inflation, the annual cost of a college education has risen to more than \$8,400 at four-year public schools and more than \$22,500 at private institutions.

The College Board reported Monday that in-state tuition and fees at public schools this fall average \$3,510 per year, an increase of 4.4 percent, or \$148, from last year. Room and board average \$4,960, up 5.1 percent.

At private four-year colleges, tuition and fees average \$16,332, up 5.2 percent. Room and board is \$6,209, an increase of 4.2 percent.

Chris Moore, 52, of Springfield, Ohio, said the family is running out of money for their son, who is in his third year at Miami University in Oxford, Ohio.

"We steered our son to a state school simply because we couldn't even afford to look at private schools," Moore said.

"But still, even at that, we're finding that the money's getting eaten up faster than anticipated."

Experts said college cost increases have been exceeding inflation for most of the past several years.

"Colleges and universities have a very difficult time controlling their costs," said Joni Finney, a policy analyst at the National Center for Public Policy and Higher Education in San Jose, Calif. "These institutions were underfunded in the early part of the '90s. But they've more than made up for lost ground."

Last year, college tuition and fees rose less than 5 percent, while the Consumer Price Index rose 2.7 percent in 1999. Through the first eight months of this year, consumer prices have risen 3.5 percent.

Only public two-year schools, chiefly community colleges, stayed below the current inflation rate. Tuition rose this year to \$1,705, up 3.4 percent.

Private two-year schools boosted tuition and fees to \$7,458, a 7 percent rise.

The College Board's figures reflect the costs for 6.4 million full-time undergraduates — 54 percent attending four-year public


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institutions, 27 percent at four-year private schools, 17 percent at two-year community colleges and 1 percent at private two-year schools.

A majority of students need grants or loans or both. Last school year, loans made up 59 percent of a record \$68 billion in financial aid. A decade ago, loans made up just over 41 percent of student financial help.

The College Board, a nonprofit organization that administers the SATs, surveyed more than 3,000 schools to find out undergraduate charges for 2000-01. The survey on financial aid was based on federal, state and school statistics from 1999-2000.




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