

Historic Senator Theatre to be sold at auction

Owner, \$90,000 in arrears on mortgage, says he's not ready to 'throw in the towel'

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The Senator Theatre, one of the last of the nation's once numerous art deco movie palaces and the only one still showing films in Baltimore, is to be sold at a foreclosure auction Feb. 21.

Tom Kiefaber, the Senator's owner, acknowledged yesterday that he is \$90,000 in arrears on a \$1.2 million mortgage he took out on the 900-seat theater five years ago.

"I'm extremely concerned that I'm about to lose my theater," said Kiefaber, 54, who also owns the two-screen Rotunda Cinematheque and whose family long ago owned dozens of movie houses in Baltimore.

FOR THE RECORD - A front-page article in the Feb. 6 editions of The Sun about the Senator Theatre incorrectly characterized a 1999 transaction between theater owner Tom Kiefaber and Baltimore City as a \$180,000 loan. A city spokesman confirmed that it was a grant.

The Senator, at 5904 York Road, with its plush seats, 35-foot ceilings and elaborate murals about the history of entertainment, is on the National Register of Historic Places.

Kiefaber, who has faced financial troubles with his theaters before, said 1st Mariner Bank, which holds his loan, believes the Senator "should change hands."

Eugene A. Friedman, the bank's in-house counsel, said that he would have preferred to avoid foreclosure but that Kiefaber has been in default since summer.

"Mr. Kiefaber is a man dedicated to his livelihood," Friedman said. "He's a very nice person to talk to. We wish it would have gone differently."

Larry Hofmeister, a lawyer retained by the bank to handle the auction of the Senator, said Kiefaber has time to make things right. "We're hopeful that Mr.

Kiefaber can reinstate the loan, to make it current," Hofmeister said. "We would be very happy if that happened."

Anyone interested in bidding on the ornate single-screen theater, built in 1939, might take note of the current economics of film exhibition, which dictate that it be centered in multiplexes that attract a steady flow of viewers to several films showing concurrently.

"How would you operate it?" James "Buzz" Cusack, principal owner of the Charles Theatre and the Senator's most avid competitor for independent movies, asked of a hypothetical new owner. "With that amount of debt, that's very difficult."

Either way, he said, the auction of the Senator is "a terrible thing."

"That is not good when something fails like that," Cusack said. "It must be terrible for Tom, personally, although he can usually find a way to bail himself out."

Kiefaber was less sure, but he implied that he might come up with a solution.

"I have not dedicated my life to preserving the Senator Theatre for the enjoyment of future generations only to throw in the towel at this stage," he said.

Still, Kiefaber said, he is battling the tides of modern-day economics.

'Bewildered'

"I'm bewildered by what's going on," Kiefaber said. "I feel like I've been walking a tightrope for 18 years."

Kiefaber was referring to the struggle to remain competitive since he purchased the Senator from his family's theater business, Durkee Enterprises, in 1989. The company was founded in Baltimore almost a century ago by Frank Durkee, Kiefaber's grandfather, and at one point owned more than 40 theaters, at a time when there were more than 170 movie houses in the Baltimore area.

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Durkee built the Senator, with a circular upper structure of glass blocks and limestone, at a cost of \$250,000. At night, fluorescent lamps behind the glass provided a multicolored lighting effect, according to Robert Kirk Headley Jr. in his 1974 book *Exit: A History of Movies in Baltimore*.

The theater had gold and silver curtains, damask walls and a circular lobby with terrazzo floors. It opened to the public Oct. 5, 1939, with Stanley and Livingstone, starring Spencer Tracy and Nancy Kelly.

City aid unlikely

City officials, who have come to the Senator's aid in the past, say they are unlikely to do so again.

Andrew Frank, deputy mayor for economic development, said last night that Baltimore Development Corp. gave the Senator a \$20,000 grant years ago for repairs that enabled it to showcase special effects in a Star Wars movie.

Later, the city, the state and the Abell Foundation funded a \$180,000 payment to the Senator, which sits across York Road from recently renovated Belvedere Square. The city's contribution was a loan that called for repayment from the theater's revenues, and it has not been repaid.

More recently, in 2002, the city, through its development arm, agreed to guarantee half of 1st Mariner's \$1.2 million loan to Kiefaber to renovate and reopen the Rotunda, which had been closed for more than a year under other owners, and to help shore up the Senator. Kiefaber also put up the Senator, his home and other real estate as collateral, he said.

Frank said it is unlikely that if the bank fails to cover its loan at the auction, the city will be liable for its share of the loan guarantee, \$600,000, given the other collateral available.

"I'm confident that it will not be the full amount, and I'm hopeful that it won't be a significant amount," Frank said.

'Sad turn of events'

In any event, said Frank, 40, who remembers going to the Senator as a child to watch movies, the proposed auction is "a sad turn of events."

"Mr. Kiefaber has worked tirelessly over the years to buck the trend toward multiscreen theaters," he said. "And, largely to the credit of Mr. Kiefaber, the Senator is an institution and an anchor in that community. It's a critical piece of real estate on York Road. It was always a treat to see a movie on the big screen at the Senator, and it still is."