

Maryland Business

& COMICS

A 2-wheeled car

C-1 uses gyroscopes to keep the motorcycle-like vehicle stable **PG 5**

Kid phones

Cases protect techie tots from doing damage **PG 3**



THE BALTIMORE SUN | TUESDAY, JUNE 19, 2012

Need small business loan? Try a small bank

New Web rating tool gives lesser-known community banks high marks



Eileen Ambrose

Small businesses needing loans should think small — bankwise, that is.

That's the finding of a new Internet tool that grades banks on their small-business lending.

Banking Grades, which measures loans in relation to deposits, gives As and Bs to many community banks but Ds or worse to some banking

behemoths.

In Maryland, for instance, M&T Bank received a C — one of the best grades for a larger bank — while SunTrust and PNC received Ds. Bank of America got an F. Ouch!

Meanwhile, lesser-known, smaller banks are taking home As. Those include the Harbor Bank of Maryland in Baltimore, Howard Bank in Ellicott City, Revere Bank in Anne Arundel County and Woodsboro Bank in Frederick County.

The big banks' reaction is not unlike that of a high school overachiever who for the first time doesn't get an A. They claim the grading system is unfair, and some even question the motives of the tool's creator.

But academics who work with small businesses say Banking Grades' results aren't surprising. Community banks often do a better job of lending to small businesses, they say, especially when it comes to modest loans that aren't cost-effective for the big players to make.

And really, should banks complain about being graded? After all, they use credit scores to grade customers.

Banks "are very happy to do it to someone else, as long as it's not done to them," says Ira Davidson, director of the Pace University Small Business Development Center in New York.

At the very least, Banking Grades can be a useful resource to help prospective borrowers find lenders.

"From that perspective, this thing is gold," says Roger Staiger, an adjunct professor at Johns Hopkins Carey Business School. See **AMBROSE**, page 4



BARBARA HADDOCK TAYLOR/BALTIMORE SUN PHOTO

Hundreds of thousands of people, like these shown Sunday, attended Sailabration events downtown and at the harbor. "I've never seen that many people at the harbor," said Tom Noonan, president and CEO of Visit Baltimore.

Sailabration leaves merchants happy

Event pumps spending into neighborhoods around harbor

BY LORRAINE MIRABELLA
The Baltimore Sun

Jimmy's Restaurant in Fells Point ran out of hot dogs, potato salad and macaroni salad and scrambled to replenish all weekend as hordes of hungry Sailabration visitors jammed the popular diner.

Even on Monday, as rain moved in after days of sunshine, the crowds kept coming on the last full day of the Star-Spangled Sailabration, which kicked off the two-year commemoration of the War of 1812.

"It's been the greatest thing to happen in the city as far back as we can

"It was great for Baltimore, and that spills over."

Allie Wolf, Harborplace shop co-owner

remember," said Jimmy Filipidis, whose father owns the restaurant on South Broadway. Filipidis estimated a 25 percent increase in business from the event compared with a normal weekend.

His sentiments echoed those of business owners and managers across the city Monday.

The weeklong event — with 40 visiting tall ships and naval vessels, plus air shows by the Navy's Blue Angels and other attractions — drew hundreds of thousands of people to Baltimore's waterfront and gave a boost to shops, restaurants, bars and hotels in areas well beyond downtown and the Inner Harbor.

Business operators and city officials said Sailabration showed the city at its best and appeared to have come off without a hitch.

Allie Wolf, co-owner of the Amaryllis jewelry store in Harbor East, thought she'd seen the biggest Harborplace. See **SAILABRATION**, page 8

Historic Park Plaza building restored after 5-alarm fire

BY STEVE KILAR
The Baltimore Sun

The five-story Park Plaza building in Mount Vernon is bustling again, less than two years after a five-alarm fire destroyed the historic structure's interior and displaced tenants — including Donna's, a popular cafe and coffee shop that will not be returning to the building.

"We were really clear from minutes after the fire happened that we wanted to be back in this space," said Roger Schulman, president and CEO of the Fund for Educational Excellence, a nonprofit organization that has been in the building for more than a decade.

Following a \$6 million renovation, the building started filling up again last month. See **FIRE**, page 4



KIM HAIRSTON/BALTIMORE SUN PHOTO

A fire in December 2010 gutted the inside of the Park Plaza building in Baltimore's Mount Vernon neighborhood, displacing numerous tenants including Donna's restaurant.

TOP WORKPLACES

Love where you work? Tell us more

The Baltimore Sun is seeking nominations for the region's Top Workplaces. Anyone can suggest a company — employees, interns, customers, even executives. It doesn't matter if the workplace is for-profit or nonprofit, privately owned or publicly held, but it must employ at least 50 people.

The Sun's partner, WorkplaceDynamics LLC, will survey employees of nominated companies to rank them. Winners will be announced at an event in late November and featured in a magazine to be published in early December.

Nominations are due by July 20 at baltimoresun.com/topworkplaces.

— Chris Dinsmore, business editor of The Baltimore Sun

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PEOPLE ON THE MOVE



■ **Amit Trasi**, who previously served as project manager and business systems analyst with the Maryland Zoo in Baltimore, was named project manager at AVF Consulting.



■ **Joy Ash** joins AVF Consulting as a NAV Implementation Consultant with over 12 years of nonprofit accounting and implementation experience.



■ **Ashley Hottle** joins Gorfine, Schiller & Gardyn P.A.'s small business department as a staff accountant. Previously, Hottle was employed at a local IT firm as a full-charge bookkeeper.



■ **Floura Teeter** Landscape Architects announced the promotion of landscape designer **Jeffrey Stump** to associate. As a landscape designer at FTLA, Stump has more than seven years of experience in landscape design.



■ **Floura Teeter** Landscape Architects announced the promotion of landscape designer **Jeremy Frederick** to associate. Frederick spearheads FTLA's work with green-roof technologies.



■ **Floura Teeter** Landscape Architects announced the promotion of **Scott Huot** to senior associate. Huot has more than 14 years of experience as a landscape architect, including three years with FTLA.



■ The University System of Maryland Foundation has named **Samuel N. Gallo** its new chief investment officer. Gallo is current managing director at Pricewaterhouse-

Coopers.



■ Prometric has named **Tresa Howington** as its associate vice president of client services. Howington manages client-centered relationships and operations for Prometric's health care business.



■ IWIF Workers' Compensation Insurance has announced that **Katherine Piunti** was recently promoted to claims director. In this role, she will oversee the day-to-day functions of IWIF's private claims units. Piunti joined IWIF as a senior claims adjuster in 2002.



■ **Jon M. Laria**, managing partner of the Baltimore office of Ballard Spahr, was elected to the Greater Baltimore Committee board of directors.



■ Long-time kinesiology faculty member **Jane Clark** will serve as the new dean of the University of Maryland School of Public Health for a two-year term beginning

July 1.



■ OmniTI, a provider of Web infrastructures and applications for companies, has announced that **Wayne Moore** has been appointed vice president of product. Moore will manage management team member for both OmniTI and Circonus, OmniTI's spinoff company, a provider of performance monitoring solutions.



■ The Y of Central Maryland has announced that **Lauren Manekin Beille** has joined the organization as annual campaign development director. In this newly created position, Beille will promote and support the mission and programs of the Y of Central Maryland.



■ The PNC Financial Services Group Inc. has named **Laura Gamble** regional president of the Greater Maryland Region.



■ **Sarah Piper** joined the ERM Annapolis office as a staff geologist working in the hydrogeology/CSM group. Piper has seven years of diverse experience in environmental assessment of chemically impacted sites and compliance.

New life for historic Mount Vernon building

FIRE, From page 1 marking yet another rebirth for the 170-year-old edifice at Charles and Madison streets, which housed Baltimore's 19th century elite and later served as a hotel and disco.

"We're just thrilled," said Schulman of his organization's revamped space. The Fund for Educational Excellence signed a five-year lease for the same fourth-floor location it had before the fire.

Flames engulfed the building in the early morning hours of Dec. 7, 2010. More than 100 firefighters were called in to fight the blaze, which took 12 hours to bring under control. A Baltimore Fire Department spokesman was not able to confirm the fire's cause Monday afternoon, though preliminary investigations concluded the cause was electrical.

The second through fifth floors of the 45,000-square-foot structure — the amalgamation of a red-brick mansion on the corner and an adjacent townhouse on North Charles — have largely been reoccupied by former tenants, said Dominic Wiker, development director for the property, which is owned in part and managed by principals of the Owings Mills-based real estate investment company the Time Group and its property management affiliate, WPM Real Estate Group.

"Tenants started moving back in at the end of April," Wiker said. "There's been a steady stream of folks between then and now."

In addition to the Fund for Educational Excellence, Maryland Capital Management, EML Partners, Ramer Equities and Zenith Health Care have returned to Park Plaza. Charlesmead Advisors LLC and Floura Teeter Landscape Architects are among the building's new tenants.

"We have these amazing views of the Washington Monument and the square," said Aaron Teeter, co-owner of Floura Teeter, which leased the entire third floor of the Park Plaza mansion — 4,500 square feet.

The landscape architecture firm, which outgrew its space in the Congress Hotel building a few blocks away on West Franklin Street, began looking for a new home about six months ago, Teeter said. The Park Plaza location allows the firm to double its floor area, he said.

The mansion at 800 N. Charles St. was built, starting in 1842, as a 25-room residence by a German merchant. In the 1880s, Arunah S. Abell, founder of The



KIM HAIRSTON/BALTIMORE SUN PHOTO

Several spaces in the 170-year-old Park Plaza building that formerly housed restaurants are currently without occupants.

Baltimore Sun, used it as an "in town" home. After Abell died in 1888, it was used as a private club until the early 1930s and then converted into a hotel, which it remained through the 1940s.

In each of the next four decades, the building changed hands and was redeveloped. It was used as a banquet hall, contained restaurants and housed one of the city's first discotheques.

In the 1970s, it was transformed into its modern, mixed-use state and was one of the first projects of the now-defunct Baltimore development firm Struever Bros. Eccles and Rouse, which renovated Park Plaza again in 1984.

The building "contributes" to the historic character of Mount Vernon, according to the city and federal government. That means its exterior cannot be changed without approval from the Baltimore Commission for Historical and Architectural Preservation.

About a third of the building remains unleased, Wiker said, with half the empty space on the upper floors. Two other restaurants — in addition to Donna's — that occupied retail space at street- and below-street level when the fire struck are not returning.

Donna's leaves behind 1,250 square feet on the corner of North Charles and Madison streets, though it might reap-

pear elsewhere in Mount Vernon, said Alan Hirsch, the restaurant's co-owner. The Park Plaza's owners and managers "tried very hard to make it work for us," he said.

"We're working on another location in the neighborhood, and we hope to conclude a deal within a month," Hirsch said. "Donna's is almost 20 years old, and our concept of what Donna's is has to evolve."

Indigma, an Indian restaurant that last summer moved across the street from the Park Plaza, will not reoccupy its former 2,400-square-foot storefront on North Charles Street.

The largest retail space, about 3,800 square feet, is on the building's below-grade floor and is accessible through the building's lobby, off North Charles Street. My Thai, that space's former tenant, will open soon in Little Italy's Tack Factory, next door to Heavy Seas Alehouse.

The prime prospects and most likely tenants for these three spaces are restaurants, Wiker said, but several stores have also been considering them for retail locations.

Baltimore Sun reporter Richard Gorelick contributed to this article. steve.kilar@baltsun.com twitter.com/stevekilar

Need a small loan? Try a small bank

AMBROSE, From page 1 School. "This could be a great source of learning about local funding."

Banking Grades' creator is Ami Kassir, chief executive of Pennsylvania-based MultiFunding, a broker that helps small businesses line up loans. Kassir also is a regular contributor to The New York Times' small-business blog.

"I'm creating a tool to help small businesses know where they are most likely to get a loan," Kassir says.

Banks issue their own small-business lending scorecards, but Kassir says these include loans made to businesses with up to \$20 million in annual revenues. Those can include companies with hundreds of employees, Kassir says — hardly the mom-and-pop enterprises most of us think of when we hear "small business."

Banking Grades uses the Federal Deposit Insurance Corp.'s definition of a small-business loan — an amount up to \$1 million. The site then compares the total value of these loans with the bank's domestic deposits.

Banks on average use about 76 percent of their deposits to make small-business loans, Kassir says.

So banks that devote 6 percent to 10 percent of their deposits for small-business loans receive a C from Banking Grades. To get an A, a bank must use 25 percent or more of its deposits for such loans. Banks that lend less than 3 percent of deposits receive an F.

Banking Grades uses national data, although you can plug in your city or county at bankinggrades.com to check

"From [a borrower's] perspective, this thing is gold."

Roger Staiger, Hopkins business school

lenders in your area. More than 70 percent of the thousands of banks listed on the website have As or Bs, Kassir says.

Big industry players blast Kassir's methodology, pointing out that many small businesses borrow more than \$1 million and those loans aren't counted. And, they claim, institutions with huge deposits would be hard-pressed to get a good grade.

"The math is flawed," says Scott Talbot, vice president for government affairs for the Financial Services Roundtable, which represents big banks. He adds that big banks last year committed to increasing small-business lending by \$20 billion over three years.

But Kassir counters that the whole idea of a bank is to collect deposits and then lend that money to businesses to create jobs.

He says smaller banks tend to have an edge because the decision-making is done locally, rather than by layers of people in far-flung states.

He praises M&T for empowering its employees to make decisions locally, and says the lender is the best of all the big banks.

M&T, which missed getting a B by less than one percentage point, isn't mollified.

It points out that it made nearly 7,500 new small-business loans last year and recently was named the top Small Business Administration lender in the Baltimore district.

Other big banks defend their records, too.

Bank of America says that in Maryland alone it doubled the dollar amount of new small-business loans in the first four months of this year compared with last year. PNC says its small-business loans nationwide reached \$4.1 billion last year. And SunTrust says it's committed to small-business lending.

But Howard Bank CEO Mary Ann Scully says Banking Grades' formula is a good proxy for small-business lending. Howard received an A for lending nearly 36 percent of its deposits to small businesses.

"Most regulators will tell you that it's not easy to lend money to small companies and that the small banks do the best job of really getting to know businesses so they can safely underwrite that," she says.

Small-business owners, you now have a new tool in your arsenal when hunting for a loan or credit.

Kassir's advice on using his website: "Start at the top of the best-ranked in your community and work your way down." eileen.ambrose@baltsun.com

Ambrose online
Find more Eileen Ambrose columns at baltimoresun.com/ambrose

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