



The three properties at the corner of Lexington and Charles streets downtown are valued at about \$2.1 million collectively.

## Century-old downtown buildings latest to land on auction block

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Ken Pippin hates to part with the three buildings he owns on a prime corner in downtown Baltimore, but he said he can't hold onto them any longer.

The former Central Savings Bank building at 1 E. Lexington St. is one of three buildings Pippin owns that are going on the auction block Oct. 12. The properties also include 5 E. Lexington St. and 113 N. Charles St.

"It's a great building," Pippin said. "I hate to give it up, but I don't have the time I need to spend with it."

Pippin put the properties up for auction because the buildings' manager — who also is his son — moved to San Francisco. Pippin divides his time between Baltimore, Sarasota, Fla., and Conway, S.C., where he owns two railroads. He bought the Baltimore properties for \$1.7 million in 2005.

Even before the auction, the buildings are getting attention from potential buyers, said Paul Cooper, a vice president at Alex Cooper Auctioneers, which is handling the Oct. 12 sale. You don't find many buildings at a busy intersection where the ground floor has 30-foot ceilings and marble walls, Cooper said.

"It's an interesting property," he said. "The first floor would be absolutely perfect for a restaurant."

The three buildings have a total of about 33,000 square feet with offices above what had been the bank's main floor. They date back to 1900 and are located just north of the Hotel Monaco and its B&O American Brasserie restaurant, and about a block south of Mt. Vernon's Charles Street restaurant complex.

One E. Lexington St. is 22,800 square feet and valued at \$1.4 million, according to state tax records. Five E. Lexington St. is 5,900 square feet and valued at \$395,600. The building at 113 N. Charles Street is 5,544 square feet and assessed at \$324,200.

In addition to a restaurant, the buildings are good candidates for a conversion from office space to apartments, said Michael Evitts, a spokesman for Downtown Partnership of Baltimore. The buildings are a short walk from the Fresh & Green's supermarket at Charles Plaza.

"That's a building that would be perfect for residential conversion," Evitts said. "It's right near a grocery store, and it's on a transit line."

# Anne Arundel joins fight for more hotel tax revenue

### County may hike share paid by online travel companies

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Name your own price? For online travel companies like Priceline and others that resell hotel rooms, that price could be going up.

A bill making its way through the Anne Arundel County Council could increase the tax burden on online travel companies doing business in the county.

The county executive's office, with support from the Maryland Hotel & Lodging Association, plans to introduce county council legislation that would apply the county's 7 percent hotel occupancy tax to the final price on a room sold by an online travel company. It currently charges the tax on the price the company initially pays for the room.

County government and hotel officials believe online sites are unfairly avoiding the county's hotel occupancy tax. They based the bill on similar legislation passed in New York State in 2010. The issue has led to court cases in Worcester County, Baltimore, San Diego and San Antonio.

"Our bottom line is that it is a tax on what [online travel companies] owe," said David D. Reel, president of the Maryland Hotel and Lodging Association.

If sites like Travelocity or Expedia currently reserve a room in Anne Arundel County for \$100 and re-sell it for \$200, they pay \$7 in sales tax. Under the proposed legislation, the company would pay \$14 for the county's hotel occupancy tax on the \$200 sale price.

The legislation is designed to increase the county's tax base while avoiding putting a burden on hoteliers, county officials said. But critics of the legislation say it could lead to higher prices for consumers and could portray the county as anti-business.

Anne Arundel County tried to raise its hotel occupancy tax rate to 10 percent in 2008. That bill was opposed by the county's hotel and tourism industries

## Room Rates

Hotel occupancy tax rates in Greater Baltimore.

County	Tax rate (%)
Anne Arundel County	7
Baltimore City	7.5
Baltimore County	8
Carroll County	5
Howard County	7
Harford County	n/a*

\* The county doesn't have a tax on hotel stays.

and ultimately was defeated. But county officials say this legislation is different, as they have worked with area hoteliers and the Maryland Hotel and Lodging Association throughout the process.

"We are very supportive of the idea of evening the playing field in respect to payment of the taxes," said Alan R. Friedman, director of government relations for the county executive's office.

The bill will be voted on at the Oct. 17 Anne Arundel County Council meeting. If passed and signed by County Executive John R. Leopold, the bill would become law in mid-November. Online travel companies would have a month and a half grace period before the changes would take effect Jan. 1.

Anne Arundel County took in more than \$250 million in revenue from hotel room sales in 2010, according to data provided by Smith Travel Research. The county received \$12.7 million in revenue from its hotel occupancy tax last year.

Baltimore City sued Priceline.com Inc. last September, claiming the online travel site should pay the tax on the final sale price of rooms. Priceline, which took in \$1.9 billion in revenue in 2010, eventually settled with the city for \$390,000. Worcester County last year settled with the hotel room resellers for an undisclosed amount.

Art Sackler, executive director for the Interactive Travel Services Association, said a higher tax burden on online travel companies could lead to higher prices for travelers. It could also lead those sites to steer potential business from Anne Arundel County to neighboring counties like Howard or Montgomery counties, Sackler said.



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