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## State Center attorney accuses governor of shopping development site

By: Adam Bednar Daily Record Business Writer June 26, 2017

The attorney for the developer of the troubled State Center redevelopment accused Gov. Larry Hogan of shopping the site to other builders, violating his client's exclusive development rights.

Michael Edney, a partner at Norton Rose Fulbright, made the comments during arguments in Baltimore City Circuit Court on Monday regarding a motion to compel the state to turn over documents related to the state canceling leases at the proposed redevelopment. The governor's actions, Edney said, were in violation of State Center LLC's exclusive development rights.



State Center. (The Daily Record / Maximilian Franz)

Following the hearing, Edney cited Hogan's decision to order the Maryland Stadium Authority to fast-track a study of a new arena at the site as an example of a potential violation of those exclusive development rights.

Assistant Attorney General John Kuchno objected to Edney's characterization that the Hogan administration is already pursuing potential new developers for State Center.

"To say we're shopping this around to other developers is just wrong," Kuchno said.

The accusation and rebuttal came during a hearing in Baltimore City Circuit Court on Monday. Judge Dennis Sweeney heard a motion from State Center LLC's attorneys to compel the state to turn over documents that could shed light on the decision process that resulted in the cancellation of the leases.

Sweeney ordered attorneys for the state and the developer to negotiate an agreement regarding the focus and amount of documents Maryland will turn over during discovery. Both sides agreed to attempt to informally negotiate a solution by July 10.

Sweeney also denied a protective order sought by the state against turning over the documents sought by State Center LLC's attorneys. The state argued it could not reasonably accommodate the size and the scope of the material being sought.

"The bottom line here is, I think, discovery should go on," Sweeney said.

The state and developer have been locked in a legal battle since the Board of Public Works voted in December to nix lease agreements for the proposed \$1.5 billion overhaul of the state office complex into a massive multifamily development with a grocery store. In defending the decision to kill the leases the Hogan administration cited concerns about the high debt associated with the redevelopment of the site.

Plans to redevelop the decrepit office complex in Baltimore's Madison Park community date back to administration of former Gov. Robert L. Ehrlich Jr. But the overhaul of the project was delayed by a lawsuit backed by prominent attorney Peter Angelos that challenged the procurement process used to select a developer.

In 2014, the Court of Appeals ruled the plaintiffs waited too long to challenge the procurement process. But disagreements about how to move forward with the project between the developer and the Hogan administration landed the project in mediation last summer.

Eventually the mediation process broke down and in December the Board of Public Works moved to cancel the project.

Tagged with: GOV. LARRY HOGAN MARYLAND STATE CENTER

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