



June 10, 2025

By Electronic Mail Only

AO-25-38

The Ethics Commission received an inquiry and request for advisory opinion from the Anne Arundel Economic Development Corporation (AAEDC) regarding two of their board members who have an interest in a development partnership that recently was awarded a Land Disposition and Development Agreement (LDDA) with the County. The AAEDC is a quasi-public corporation created by the County Charter and its “exclusive corporate purpose” is the operation of the county’s economic development program. See, Title 7, §3-3-101(1)(v) of the County Code. The County Ethics law further provides that employees, officers, and directors of the AAEDC are considered County employees subject to the County’s Public Ethics Law. See, §7-1-101(5) of the Ethics Code.

The County Executive recently awarded a LDDA to Sawmill Partners, LLC to redevelop land owned by the county located at 7409 Baltimore Annapolis Boulevard. The 13-acre portion of the County-owned site will be sold to the developers and is slated for redevelopment into the Villages at Sawmill Creek – a transit-oriented community that will support housing, multimodal transportation connectivity, and economic revitalization in central Glen Burnie. Sawmill Partners, LLC includes several local development companies, two of which are owned in part by board members of the AAEDC. ¹ The AAEDC will be monitoring and managing the progress of the project to ensure compliance and consistency with the LDDA, as well as implementing a grant of \$300,000 from the MD Department of Housing and Community Development for environmental remediation and demolition of the structures currently on the site.

The AAEDC has asked whether the two interested board members may: (1) stay on the Board of Directors of the AAEDC and recuse themselves on a case by case basis from any discussions, communications, oversight or any other participation in matters that may involve or in any way affect the Sawmill Creek project; or (2) whether the interested directors should resign from the Board once the LDDA is approved by the County Council and oversight on the project begins.

The two principal conflict of interest provisions of the Ethics Code involved are §§7-5-101 and 102. Those sections prohibit an employee from participating in a matter if:

(1) the employee or a qualifying relative of the employee has an interest in the matter distinguishable from that of the public generally and the employee knows of the interest; or

¹ The Commission did inquire into the RFP and LDDA award process and notes that the nine-member executive panel of the AAEDC that recommended the LDDA award winner to the county executive did not include the two interested board members or involve the AAEDC Board in any way.

(2) *any of the following is a party to the matter:*

(i) *a business entity in which the employee has a financial interest of which the employee reasonably may be expected to know;*

(ii) *a business entity of which the employee, or if known to the employee, a qualifying relative of the employee is an officer, director, trustee, partner, limited partner, member, or employee;*

§7-5-102 provides that an employee may not:

(1) *be employed by, have a contract with, or have a financial interest in:*

(i) *a person subject to the authority of the employee or of the employee's governmental unit;*

(ii) *a person who is negotiating or has entered into a contract with the County that is administered by the employee's governmental unit; or*

(iii) *an entity that is a subcontractor on a contract with the County that is administered by the employee's governmental unit; or*

(2) *hold any other employment relationship that would impair the impartiality or independent judgment of the employee.*

Based upon the foregoing, the Ethics Commission finds that the interested board members do have a conflict of interest with regard to the LDDA awarded to Sawmill Partners, LLC because of their respective financial interests in the related development companies. The Villages at Sawmill Creek project is anticipated to take 4-5 years to complete and will be under the oversight of the AAEDC the entire time. Furthermore, the AAEDC will be administering a grant of \$300,000 for the benefit of the project from the Maryland Department of Housing and Community Development and will likely be seeking other grants and benefits to the County managed project over the duration of its construction term. The Commission is of the opinion that it would be insufficient for the two board members to simply recuse themselves from Sawmill project matters because the AAEDC will be involved in making other decisions likely to have an indirect effect on the Sawmill project, such as deciding budget issues, competing projects, and procedural issues. Because the Sawmill project is anticipated to take 4-5 years, it is impossible at this juncture to anticipate every potential conflict that will arise. For these reasons, the Commission believes it would be in the best interest of the County for the two interested board members to resign from the Board of the AAEDC, at least while the Sawmill project is underway.

Anne Arundel County Ethics Commission