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Under Fillmore deal, county would pay Lee to comply with regulations

Live Nation-operated music hall planned in Silver Spring hailed as economic boon

by Erin Cunningham | Staff Writer

The agreement signed Thursday between Montgomery County and the Lee Development Group over the long-awaited Fillmore Music Hall in Silver Spring requires the county to pay the developers to comply with some county codes.

Under the agreement, the county would reimburse Lee Development for any costs it incurs as a result of regulations put in place between now and the time ground is broken on a future project, said Steven Silverman, director of the county's Department of Economic Development.

"They would still have to comply with future regulations," he said, referring to Lee. "But we would owe them some money."

Bruce Lee of Lee Development Group said part of the deal included some assurances that the company would be able to "develop under today's rules in the future."

Lee Development donated the land for the music hall as an amenity in exchange for land-use allowances for a future mixed-use commercial project. Officials had been promising an agreement for months.

Silverman said he expects a proposal for the Fillmore and the Lee Development's office/hotel project to be submitted to the Montgomery County Planning Board soon.

Planning Board spokeswoman Valerie Berton said the board, which was not involved in the Fillmore deal, had no comment on the agreement.

Silverman said he does not expect the Planning Board to reject the proposals, "but it's possible." Part of the agreement announced Thursday includes contingencies protecting both sides in the event the board rejects the proposals.

"We'll have to go through the normal Planning Board process," Lee said. "Hopefully, we can see an expedited process so we can get under construction as soon as possible and get the Fillmore's doors open here."

County Council President Philip M. Andrews (D-Dist. 3) of Gaithersburg said the council supported the project and the agreement reached Thursday.

"I commend [County Executive Isiah Leggett] for getting the job done," Andrews said. "The council is glad to see it. I think everyone wanted to see [the project] move forward."

Once construction of the music hall is complete, Lee Development will donate the land, worth \$3.5 million, to the county. In return, the company gets assurances that it will be able to develop an adjacent property, county spokesman Patrick K. Lacefield said.

The County Council has approved provisions that provide protections from changes in the county's land-use laws for the Lee Group's future project on that adjacent property.

Lee said the economy will drive a decision on when to begin that project.

"Right now, as you can see, projects are being shelved right and left," he said.

Generally, an amenity like a music hall would be provided once a developer starts a project. In this case, the county gets the amenity up front, Lacefield said.

The property that would house the Fillmore, the site of a former J.C. Penney Co. store, has been vacant for 18 years.

Under the agreement, Montgomery County receives the property at no cost. The project preserves the historic facade of the site on Colesville Road.

The county and the state already have committed \$4 million each toward the project, which would bolster economic development, Lacefield said.

"I think the idea is basically, if all goes well a year from now, we could break ground," he said.

Construction could take a year, meaning the Fillmore could open in late 2011, he said.

Lacefield said the project would make a profit for the county, starting in its first year of operation.

"This is a moneymaker, not a money-taker," he said.

The county would own the music hall, which is not expected to need an ongoing public subsidy.

Dan Cohen, who helped launch the citizen advocacy group Silver Spring Forward, said the project would be a "shot in the arm" to the downtown.

"This is a big piece of the puzzle for the economic development of Silver Spring," he said.

The new music hall would be run under contract by Live Nation, a California-based live events and music promotion company.

A call to Live Nation was not returned.

Under the terms of the agreement, Lee Development also provides for management services for the construction of the facility, a \$500,000 value.

Staff Writer Douglas Tallman contributed to this report.