

Fillmore Music Hall deal finalized in Montgomery County

Washington Business Journal - by [Sarah Krouse](#) Staff Reporter

Lee Development inked a deal Thursday with Montgomery County that would give the county land for a 32,000-square-foot Fillmore Music Hall in exchange for its approval of a future mixed-use development directly behind the venue.

The deal — six years in the making and unprecedented in the county — would give Montgomery County \$3.5 million worth of land for the venue in downtown Silver Spring, a donation that would serve as the required “public use space and public amenity” from Lee for its future project.

Under the agreement, Lee will provide free management services for the construction of the 1,000-seat hall, a \$500,000 value.

Beverly Hills, Calif.-based Live Nation is under contract to run the hall, which will front Colesville Road and preserve the historic façade of the 1949 J.C. Penney store that once occupied the site.

The state of Maryland and the county will each kick in \$4 million towards the cost of building the new, county-owned facility. There will be no long-term public subsidy.

The county anticipates that the bond issues will cost about \$355,000 annually, but that sales, income, fuel, beverage and other taxes as well as rent will bring in \$1.07 million each year for a net annual profit of \$712,000.

According to the county, the value of Live Nation’s improvements to the building as well as its ongoing maintenance work will net another \$951,000 annually.

The two- to three-story music hall, once eyed by the Birchmere and 9:30 Club, will host up to 2,000 people for standing-room events and join the emerging arts corridor along Colesville Road that is already home to the Round House Theater and the AFI Silver Theater.

Lee has not yet finalized plans for the project it will build directly behind the development between Georgia Avenue and Fenton Street, but told the Washington Business Journal during the negotiation process that it wanted to be sure to get the same approval for its project in the future that it would if the development was before the planning board today.

The Fillmore site has been vacant since Lee demolished the interior portion of the building that was vacated in 1989.