

Music hall funding deferment won't disrupt state

Montgomery County, landowner still in development project talks

by Janel Davis | Staff Writer

February 22, 2008

State and county officials were unfazed Thursday that a Montgomery County Council committee decided to defer \$2 million for a Silver Spring music venue that has faced intense questioning from opponents.

“There is overwhelming support for a music venue here and an economic development project,” said Patrick K. Lacefield, spokesman for County Executive Isiah Leggett (D). “We’ve signed the lease and are working on the land donation agreement. This is a project that is going to be.”

Before the project can be, members of the council’s Planning, Housing and Economic Development Committee want land use issues associated with the company donating the land for the project resolved before the committee votes on whether to allocate the county’s remaining portion of the venue’s funding.

The money would be part of a deal to renovate the old J.C. Penney building on Colesville Road in downtown Silver Spring into a music venue. Already, the county and state have set aside \$2 million each toward the project. An extra \$2 million was included in Gov. Martin O’Malley’s proposed fiscal 2009 budget, which must be approved by the legislature.

But Lacefield’s confidence was countered by uncertainty from Gary Stith, director of the Silver Spring Regional Center.

At Wednesday’s meeting of the Silver Spring Citizens Advisory Board’s Commercial and Economic Development Committee, Stith said the county was “very concerned” about the PHED deferral.

If the council doesn’t move forward quickly, state officials will look at “recapturing those funds,” and that the state needed more of an indication that the county was going to be releasing its portion of the funds, he told the audience.

Does the council’s deferment hurt the project in Annapolis?

Not at all, said Sen. Rona E. Kramer (D-Dist 14) of Olney.

“I think the key is to have a commitment from the county and they’ve shown their willingness to commit,” said Kramer, who sits on the Senate’s Budget and Taxation Committee.

The county delegation has already approved a provision that would allow for a special class of liquor license for entertainment venues of this type and the bill has already been heard by a House committee.

Lacefield called the council’s decision “due diligence.”

“They are always going to look at stuff and ask questions and make sure they are headed down the right path,” he said. “It doesn’t really faze us because we feel we’ve got good support on both ends. All other things being equal we might have wanted them to go ahead and vote for it, but I don’t really see it as a problem.”

In addition to the land use issues, state funding was also discussed at the PHED meeting. The state portion of the funding will come from bond bills, which are among the most competitive funding sources the state has.

“Someone, somewhere, in the course of discussion said that we wanted to see if the state was prepared to fund it and that wasn’t part of my concern,” said Council President Michael J. Knapp, who proposed the deferment plan.

“The bulk of the land use part was what I was intent on,” said Knapp (D-Dist. 1) of Germantown. “I am not as concerned about the state money. Our \$2 million had nothing to do with that. I just wanted to make sure we know what the land use stuff is.”

Councilwoman Nancy M. Floreen agreed with Knapp about the state funding, and said the council did not decide to withhold its funding, but rather delay action on it.

“We decided to take it up later in the budget. We just didn’t decide on it, we didn’t withhold it,” said Floreen (D-At large) of Garrett Park. “We just decided not to complete the conversation.”

For a full commitment, PHED members want the Lee Development Group, which owns the land, to secure approval for its plans from Leggett and the Planning Board.

“What I took from it is that they are deferring it until they get more information from the executive branch,” said Bruce Lee, president of the Lee Development Group. “We’re still full steam ahead.”

The company would like the land donation to be deemed a public amenity for a future development project the company plans to undertake. Provisions for the project have yet to be completed. Lee said the company’s proposal for assurances for the project have been consistent throughout the county’s negotiations with Virginia-based Birchmere and Live Nation.

“A separate [zoning text amendment] has been done for two years. We’re waiting for the county executive to agree to the final agreement,” he said. “It’s like a shoe; it’s just with a different foot going into the shoe.”

What the council needs is them to close the deal, said Councilman Marc Elrich (D-At large) of Takoma Park.

“I don’t view it as dire and I don’t think that we undid what they were trying to do,” he said.

Since Leggett announced the county’s preliminary and subsequent lease with Live Nation, questions have arisen about the process used in securing a music promoter and about provisions in the lease.

A council staff report at the PHED Committee noted that rent increases outlined in the lease to be paid to the county by Live Nation are low and that the county should share in revenues as with other county projects.

“The staff report says this is not a good deal,” Elrich said. “I’m having a hard time accepting it. I haven’t said I wouldn’t accept it, but it bothers me. I didn’t care who the vendor was, all I cared about was the money.”

County administrators say that every project is different, and that rents to be collected from the venue are better than originally proposed with the Birchmere.

Seth Hurwitz, president of Bethesda-based concert promoter I.M.P. which has made attempts to woo the county into reopening negotiations, had little to say about the deferment.

“At this point, we can merely wait on the sidelines and hope that due process comes through in the manner that it is supposed to,” Hurwitz said.

Staff Writer Agnes Jasinski contributed to this report.