

County Council divided on Live Nation deal

Elrich raps lack of good jobs; Floreen says it's OK to have fun

by C. Benjamin Ford and Agnes Jasinski | Staff Writer

Montgomery County Council members were divided Monday on the announcement that Live Nation would open a music hall in Silver Spring.

Councilman Marc Elrich (D-At large) of Takoma Park said from what he has seen of the deal, it is “terrible” for the county and he intends to look at Live Nation’s deals with other communities.

“There are no high paying, quality jobs associated with this,” Elrich said. “It’s basically bringing in bouncers and wait staff. We’re talking about Montgomery County, to masquerade this as economic development is ridiculous.”

But Councilwoman Nancy M. Floreen (D-At large) of Garrett Park said the deal could fill a niche for the county.

“Silver Spring continues to be a work in progress,” Floreen said. “This is a piece of that. But there are a lot of details to be sorted. This is just the beginning.”

Floreen said she did not know if the county could have obtained a better deal with another promoter. She said she respected County Executive Isiah Leggett’s and Chief Administrative Officer Timothy Firestine’s negotiating.

“I really do trust their judgment,” Floreen said.

On Friday, Leggett signed a lease with with Los Angeles-based Live Nation to bring a Fillmore music hall to the former J.C. Penney site on Colesville Road. If construction and approvals go as planned, the venue could open in 2010.

“This is a huge step. We’re very excited, because not only are we getting a huge cultural boost to downtown Silver Spring, but we’re going to put more people on the streets, more people in the restaurants,” county spokesman Patrick K. Lacefield said Friday.

Elrich called the county’s process flawed and that the county should have opened it up to bids for use of the facility to bring in the best deal for the county.

The deal could provide a needed solution to provide the county with a needed venue, Floreen said.

“I think it’d be OK for us to have some fun in Montgomery County,” Floreen said.

“Hopefully this will get us there. I do go to the Rams Head in Annapolis and I’d love to be able to go to Silver Spring instead,” said Floreen, who saw Aaron Neville at the Rams Head last month.

Council President Michael J. Knapp (D-Dist. 2) of Germantown said the council is expected to be briefed by the administration on Jan. 29 about the deal and the process behind it.

“There is potential concern on what we’re on the hook for, how much this is going to cost us?” Knapp said. “From a general perspective, the council is supportive of some kind of entertainment venue going in there. There are concerns about the process. There’s still a pretty big contingency about the parcel itself.”

Lacefield said the original letter has significant differences from the signed lease. Most significantly, Live Nation no longer has an option to purchase the property. The lease is valid for 20 years, with two five-year options to renew.

“We decided we’d rather own it. Now, we’ll not only get the income from the economic activity that it’ll be generating, but also own that asset from now on,” he said.

The lease agreement also includes a promise from Leggett to appoint a community Silver Spring Arts and Entertainment District Advisory Committee that will advise the county of residents’ concerns regarding the project and arts and entertainment venues more generally.

Since the nonbinding letter of intent was signed, Bethesda-based concert promoter I.M.P. had tried to woo the county into reopening negotiations, claiming the process did not consider other companies that might provide a better deal. County officials, however, refused, saying that although the letter had been labeled as nonbinding, the county would not abandon its good faith effort.

The deal includes \$4 million apiece from the county and the state, and a \$3.5 million land donation from the Lee Development Group, which owns the Penney site. Live Nation will be responsible for paying for utilities and outfitting the building. Any cost overruns will also be paid by Live Nation, or the company will have to ensure through engineering that the project remains within budget, Lacefield said.

Lacefield said the next step would be working with the Lee Development Group to close on a contract to finalize the land donation, and begin getting approvals from Park and Planning.

Lee Development President Bruce Lee said he was “absolutely thrilled” by the news, and the prospect of incorporating the music venue into future plans for the site.

Lee said his company still needed to iron out details on the land transfer. Lee Development wants protections from the county to be able to build on the site one day, he said.

The county and state have already designated \$2 million apiece for the project; the remaining funds are included in both Gov. Martin O'Malley's (D) and Leggett's fiscal 2009 capital budgets.

Douglas M. Duncan had left office in 2006 after trying to work a deal with the Birchmere to open a music hall at the site. Leggett cut off negotiations shortly after taking office, saying the deal with the Birchmere was no good for the county.

"I believe Birchmere took too long to solidify the deal and some of the requests that they made may have been questionable at this point," said former Sen. Ida G. Ruben of Silver Spring, who sponsored state legislation designating Silver Spring as an Arts and Entertainment District, in which artists and property and business owners are eligible for tax incentives.

"If it was a bona fide deal [Leggett] would've pursued it," Ruben said.

Alan Friedman, co-leader of Silver Spring Forward, a group that was a long-time supporter of a music venue in downtown Silver Spring, said he was pleased to see that a citizen advisory group appointed by Leggett was included in the lease.

"It looks like it should be a profitable venture," he said. "It seems like it's going to be very good for the AFI Silver Theatre, and the restaurants in downtown Silver Spring. The county's going to get a valuable asset that's also going to allow Silver Spring to grow."

Bethesda-based I.M.P., which operates the 9:30 Club in Washington and the Merriwether-Post Pavilion in Columbia, had sought a chance to run a music hall at the Penney's site.

"It's important that people understand that this is not a done deal, that it can't be a done deal unless the Council approves it," I.M.P. spokeswoman Audrey Fix Schaefer said. "So now, all the effort is on that process."

Staff Writer Sean R. Sedam contributed to this report.