

Montgomery Council Approves Fillmore Tax Break Measure

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The Montgomery County Council signed off on legislation yesterday that is expected to provide an estimated \$800,000 in tax breaks over 10 years to the operators of a planned music hall in downtown Silver Spring.

Without debate, the council voted 8 to 1 to approve the measure, which would extend a property tax credit to new buildings used for arts or entertainment in parts of Silver Spring, Wheaton and Bethesda.

The largest credit expected under the measure, according to the council's legislative attorney, would go to music producer Live Nation, which struck a deal with the county in January to open one of its Fillmore venues at a former J.C. Penney store on Colesville Road.

Diane Schwartz Jones, an assistant chief administrative officer to County Executive Isiah Leggett (D), said the measure was proposed to track changes in state law to allow credits to apply to new construction, not just renovations for artists or arts and entertainment venues.

"Live Nation was not on the radar screen," she said. "This is what we want to do to encourage arts and entertainment in general."

The only two projects the county is aware of that would be eligible for the credits are proposed condominium units to be occupied by artists in Bethesda and the Fillmore.

Jones said the \$80,000-a-year in property tax credits should be viewed in the context of the \$1.1 million in annual state and local revenue the Fillmore is anticipated to generate.

The \$13.5 million project relies on \$8 million in taxpayer funds -- \$4 million each from the state and county -- in addition to a \$2 million investment by Live Nation.

Council member Valerie Ervin (D-Silver Spring), who voted in the majority yesterday, said the credits would help solidify Silver Spring as an arts destination.

Council member Roger Berliner (D-Potomac-Bethesda) was the lone opponent. "I did not believe a viable entertainment project in that corridor needed a subsidy," he said.