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Council suspends money for music hall

Committee says state must pledge to pay its share for Live Nation

by Janel Davis | Staff Writer

A County Council committee decided Tuesday to hold back \$2 million for the Live Nation deal in Silver Spring until the state portion of the funding has been secured.

The money would be part of a deal to renovate the old J.C. Penney building on Colesville Road into a music venue. Already, the county and state have set aside \$2 million each toward the project.

But after County Executive Isiah Leggett signed a deal with Live Nation, questions surfaced about the process.

The Planning, Housing and Economic Development Committee decided to withhold \$2 million that would have been included in the budget that takes effect July 1.

The deferment does not have to go to full council. Once the other parts of the deal come through, PHED can vote the money up or down.

At Tuesday's meeting, PHED members were quizzing Leggett administration officials about the deal. "By not standing up for this project, you're giving the state the wrong message," Leggett aide Diane Schwartz Jones said.

The state portion of the funding will come from bond bills, which are among the most competitive funding sources the state has.

PHED members also want the Lee Development Group, which owns the land, to secure approval for its plans from the Planning Board.

Council President Michael J. Knapp (D-Dist. 2) of Germantown made the suggestions. Council members Marc Elrich (D-At large) of Takoma Park and Nancy M. Floreen (D-At large) of Garrett Park agreed.

Leggett aides also questioned whether all the necessary approvals could be accomplished in time to include the project in next year's construction budget.

So long as the other portions of the deal were met, the council would have time to make budget deadlines in May, council members said.

Some council members have opposed the deal, accusing the Leggett administration of negotiating a back-room deal without the benefit of seeking other offers from other music promoters, particularly the owner of the 9:30 Club, Seth Hurwitz, who lives in Bethesda.

The county and state would put in \$8 million and the county would receive the vacant J.C. Penney department store, valued at \$3.5 million, for free from the developer as part of the project.

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, Leggett spokesman Patrick K. Lacefield said.

Staff Writer C. Benjamin Ford contributed to this report.