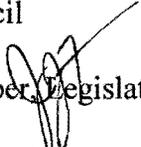


Council Worksession

MEMORANDUM

March 10, 2010

TO: County Council

FROM: Justina J. Ferber  Legislative Analyst

SUBJECT **Cost Sharing – PDF No. 720601 (CIP Page 28-5)**
Silver Spring Music Venue – \$4,000,000 – State Aid
FY11 Capital Budget & FY11-16 Capital Improvements Program

- **The PHED Committee recommends (Councilmembers Knapp and Floreen in favor and Councilmember Elrich not voting) approval of \$4,000,000 in State aid for the Silver Spring Music Venue project in the Cost Sharing PDF as submitted.**

Silver Spring Music Venue – \$4,000,000 – State Aid

This PDF includes funding of \$4,000,000 to appropriate state aid for the Silver Spring Music Venue project. The total County contribution to the project of \$4,000,000 was appropriated in FY08 and FY09 – \$3,850,000 through the Economic Development Fund and \$150,000 County matching contribution for furniture, fixtures and equipment.

The Silver Spring Music Venue project provides for the J.C. Penney site at 8656 Colesville Road in Silver Spring to be converted into a Live Nation Fillmore brand entertainment venue. Lee Development Group will donate the land to the County and the County will own the concert hall. Live Nation will lease the hall from the County. The J.C. Penney historic facade will be preserved.

Funding

State bond bills authorized the creation of a state debt of \$4,000,000 to serve as a grant to the County for the construction, reconstruction, repair, renovation, and capital fixtures for the Silver Spring Music Venue. The bond bills required the County to provide matching funds of \$4,000,000.

Funding Sources

State of Maryland	\$4,000,000
Montgomery County	\$4,000,000
Live Nation	minimum \$2,000,000
Lee Development (land)	\$3,500,000
Including LDG contribution of development management	

Process

An agreement has been reached between the project developer and the County. The lease agreement between the County and Live Nation was reached in 2008.

Plans for the project were submitted to the Park and Planning Commission the first week in March 2010 with the probability of a public hearing this summer. Groundbreaking would be scheduled in October 2010 with construction completion expected in September 2011 and a fall of 2011 opening.

PHED Committee Recommendation

The PHED Committee recommends approval of the \$4,000,000 appropriation in state matching funds for the Silver Spring Music Venue in the Cost Sharing PDF as submitted by the Executive.

Attachments: Cost Sharing PDF – **Silver Spring Music Venue** – \$4,000,000-©1

Cost Sharing: MCG -- No. 720601

Category
Subcategory
Administering Agency
Planning Area

Culture and Recreation
Recreation
Recreation
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 12, 2010
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	21,493	3,171	5,172	13,150	5,650	1,500	1,500	1,500	1,500	1,500	0
Total	21,493	3,171	5,172	13,150	5,650	1,500	1,500	1,500	1,500	1,500	0

FUNDING SCHEDULE (\$000)

Contributions	150	0	0	150	150	0	0	0	0	0	0
Current Revenue: General	6,603	3,171	1,182	2,250	0	250	500	500	500	500	0
G.O. Bonds	6,890	0	140	6,750	1,500	1,250	1,000	1,000	1,000	1,000	0
Long-Term Financing	3,850	0	3,850	0	0	0	0	0	0	0	0
State Aid	4,000	0	0	4,000	4,000	0	0	0	0	0	0
Total	21,493	3,171	5,172	13,150	5,650	1,500	1,500	1,500	1,500	1,500	0

DESCRIPTION

This project provides funds for the development of non-government projects in conjunction with public agencies or the private sector. County participation leverages private and other public funds for these facilities. Prior to disbursing funds, the relevant County department or agency and the private organization will develop a Memorandum of Understanding, which specifies the requirements and responsibilities of each. In FY11-16, this project provides for arts facility financing to ensure an available source of funding for capital improvements for County arts organizations.

COST CHANGE

Increase due to the addition of Arts facility financing and State Aid for the music venue in Silver Spring.

JUSTIFICATION

The County has entered into or considered many public-private partnerships, which contribute to the excellence and diversity of facilities serving County residents.

OTHER

Economic Development:

The State approved \$4,000,000 in State Aid for the music venue in Silver Spring. The County's required match is \$4,000,000 and \$3,850,000 is currently programmed. The Venue Operator has agreed to purchase certain furniture, fixtures and equipment for the project; \$150,000 of which will be used as the required County match. An agreement between the development partners and the County has been executed. The project is currently in the design phase. Necessary land-use approvals will be sought, after which time the project will move into the construction phase.

Grants:

For FY09, County participation is for the following projects in these amounts:

Aunt Hattie's Place, Inc: \$250,000

Boys and Girls Club of Greater Washington: \$250,000

CASA de Maryland, Inc: \$150,000

CHI Centers: \$50,000

Institute for Family Development Inc., doing business as Centro Familia: \$75,000. The organization must demonstrate to the County's satisfaction that it has commitments for the entire funding needed to construct the project before the \$75,000 in County funds can be spent.

Jewish Council for the Aging of Greater Washington, Inc: \$250,000

Montgomery General Hospital: \$500,000

Nonprofit Village, Inc.: \$200,000, and

YMCA of Metropolitan Washington and Youth and Family Services Branch: \$200,000

For FY10, County participation is anticipated for the following projects in these amounts:

Aunt Hattie's Place, Inc.: \$100,000. Disbursement of FY09 and FY10 County funds is conditioned on the owner of the property giving the County an appropriate covenant restricting the use of the leased property to a foster home for boys for a period of ten years from the time the facility commences to

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP																																																			
<table border="1"> <tr> <td>Date First Appropriation</td> <td>FY06</td> <td>(\$000)</td> </tr> <tr> <td>First Cost Estimate</td> <td></td> <td></td> </tr> <tr> <td>Current Scope</td> <td>FY11</td> <td>21,493</td> </tr> <tr> <td>Last FY's Cost Estimate</td> <td></td> <td>8,343</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Appropriation Request</td> <td>FY11</td> <td>5,650</td> </tr> <tr> <td>Appropriation Request Est.</td> <td>FY12</td> <td>1,500</td> </tr> <tr> <td>Supplemental Appropriation Request</td> <td></td> <td>0</td> </tr> <tr> <td>Transfer</td> <td></td> <td>0</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Cumulative Appropriation</td> <td></td> <td>8,203</td> </tr> <tr> <td>Expenditures / Encumbrances</td> <td></td> <td>4,145</td> </tr> <tr> <td>Unencumbered Balance</td> <td></td> <td>4,058</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Partial Closeout Thru</td> <td>FY08</td> <td>0</td> </tr> <tr> <td>New Partial Closeout</td> <td>FY09</td> <td>0</td> </tr> <tr> <td>Total Partial Closeout</td> <td></td> <td>0</td> </tr> </table>	Date First Appropriation	FY06	(\$000)	First Cost Estimate			Current Scope	FY11	21,493	Last FY's Cost Estimate		8,343				Appropriation Request	FY11	5,650	Appropriation Request Est.	FY12	1,500	Supplemental Appropriation Request		0	Transfer		0				Cumulative Appropriation		8,203	Expenditures / Encumbrances		4,145	Unencumbered Balance		4,058				Partial Closeout Thru	FY08	0	New Partial Closeout	FY09	0	Total Partial Closeout		0	<p>Private organizations State of Maryland Municipalities Montgomery County Public Schools Community Use of Public Facilities Department of General Services Department of Economic Development</p>	
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Recommended

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