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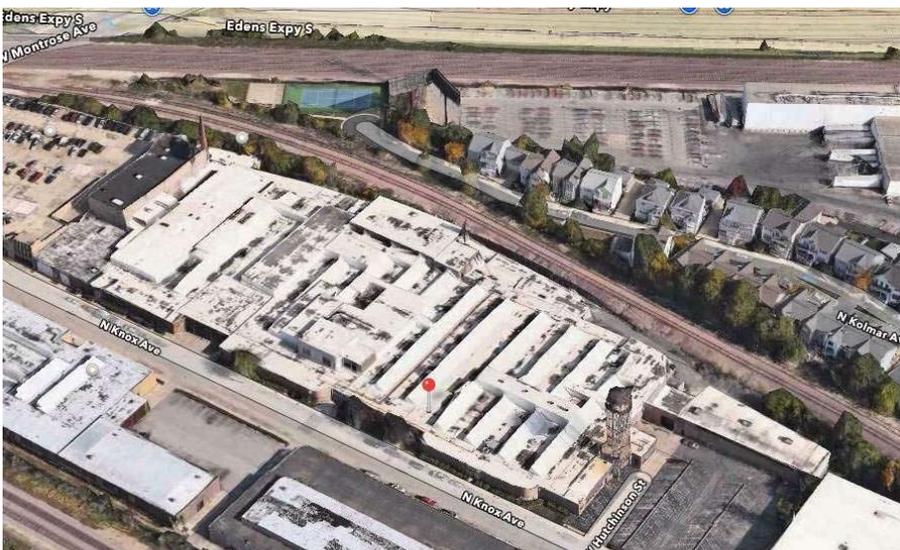
A New Startup Incubator For Chicago's Music Ecosystem

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A new startup incubator aimed at helping to create an all-in-one creative ecosystem for the music industry: That's the mission of a space called [2112](#) in Chicago, slated to launch in June. It's also set up as an L3C.

The 20,000-square foot incubator will be housed in a super-sized 160,000-square foot studio complex called Fort Knox Studios. Located in an old industrial park, the building was once occupied by a television-set factory. Co-owners Kent Nielsen and Dan Mahoney, musicians and former [entrepreneurs](#), opened the place up three years ago as a venue where bands could practice and managers, entertainment lawyers and others could work, all in the same creative environment. It now includes 92 rehearsal suites and office space for booking agents and others in the [business](#) end of things, according to Scott Fetters, 2112's director.

What Fort Knox's founders felt was missing, however, was a space for nurturing music, film and creative technology [startups](#). So they decided to turn some of their enormous property into an incubator, providing cheap office space, as well as access to mentors and programs, such as an artist in residency program, through which a musician can build an entire team—manager, lawyers and so on—with incubator tenants.





An aerial view of Fort Knox

Also, incubator tenants will have access to capital, and that's where the L3C or low-profit, limited liability structure comes in. The corporate status, which is aimed at social enterprises, will allow 2112 to act as a fiscal sponsor for members—that is, to receive grants on behalf of members. And that could open the door to public sector partnerships, according to Fetters.

More about the L3C: Among other features, it potentially is a way to attract Program Related Investment (PRI) capital from foundations. It's also different from the Benefit Corporation, which is another corporate form for social enterprises.

Other funding for 2112 startups will come from partnerships with crowdfunding platforms, as well as private investors. Fetters also is working with Illinois' [Small Business Advocacy Council](#) to schedule a pitch session for investors; that would specifically be a forum for what Fetters calls “creative tech” companies. And eventually the hope is to put together an internal fund for financing startups. Also, there will be a digital platform through which companies can connect with a pool of investors.

Like most incubators, as opposed to accelerators, startups don't have to stay for a set time frame. But there will be regular reviews to make sure tenants are progressing.

Fetters plans to launch with 50 tenants; he's aiming for 200-300 by 2016. He can't provide specific names, but he wrote in an email: “We do have a number of confirmed members including tech start-ups, music businesses, and film entrepreneurs. Anchor tenants include educational institutions and international brands.” Perhaps he'll be able to provide specifics when the launch date approaches.

And why 2112? Apparently, Nielsen and Mahoney wanted a four-digit name, because they intended to model the enterprise on 1871, another Chicago incubator. Also, according to Fetters, it refers to the fourth studio album by the Canadian rock band Rush, a favorite of Nielsen's.

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