

Getting the band together at giant North Side studio complex

By Steve Hendershot March 21, 2015

Chicago is home to what claims to be the world's largest music studio. Called Fort Knox Studios, it's in an industrial park along the Kennedy Expressway in Old Irving Park. There's just one catch to its superlative: The title refers not to revenue, hours in use or hit records produced but to square footage. By the same measure, America's biggest city is Jacksonville, Fla.

Co-owners Kent Nielsen and Dan Mahoney don't intend to remain the music industry's Jacksonville for long. The way they see it, their 140,000 square feet are more than enough to become Chicago's answer to Nashville's Music Row.

"Chicago is ideally positioned to become one of the foremost music cities in the country," Nielsen says. "If we can create an environment where music businesses and music-aligned businesses are working together every day, not only can we catch up, we can develop something that no other city has."

Fort Knox—the name is a play on its Knox Avenue address—occupies a former television-set factory. Using private financing, Nielsen, 35, and Mahoney, 50, began in 2011 with practice rooms for bands. There are 80 such rooms, at \$425 and up per month, along with a handful at hourly rates. Today, 60 bands are on the waiting list. Next came a suite of professional studios, which Fort Knox custom-built for sound engineers such as Kim Moore, whose 4 Moore Studios is based there.

"Everything in that room is perfect," says Moore, who moved in in 2012, pays \$1,450 per month in rent and charges \$700 a day to record bands.

In 2013, Nielsen and Mahoney opened a high-end studio for touring bands to work out the kinks in their large-venue productions. That operation, called Icon Pro Studios, charges clients \$800 a day and has hosted Jennifer Hudson, Kings of Leon and Devo, who rented the space last summer before opening for Arcade Fire at the United Center.

Ray Amico, Devo's tour manager, was surprised to find a professional-grade tour-prep studio in Chicago. "And it was humongous," he recalls. "Just humongous."

Each audio room is an independent structure that shares no walls, studs or even ceilings with another room. The pair also installed a custom HVAC system and doors weighing hundreds of pounds. To further soundproof rehearsal studios, crews hung three layers of drywall in each, or over 3,000 sheets per room.

ONE-STOP MUSIC SHOP

By 2014, Nielsen and Mahoney had managed to put about 70,000 square feet to use. This spring, once work is completed on the next 35,000 square feet, Fort Knox will introduce about 20 offices for managers, promoters, entertainment law-yers, production companies and other music-related businesses. The offices' rents start at \$550 per month, and the idea is to create a shopping-mall effect where the bands that rehearse and record at Fort Knox will be able to access professional services necessary to advance their careers.

Meanwhile, two schools are building classrooms within the complex, one for stagehands and set designers and the

other for classical-music instruction.

Nielsen and Mahoney also are planning an incubator for music, film and arts/tech hybrid startups that will pay \$200 per month in rent and receive access to industry mentors. The startup space will be modeled after River North tech incubator 1871, and while similar tech-focused environments are now common around the country,

Nielsen thinks this will be the first to focus on the arts.

“Rising artists need a facility like this so desperately,” says Eric Sheinkop, president of Chicago-based Music Dealers, which helps independent artists place their songs in commercials. “The largest barrier of entry to the music industry is simply a lack of resources and a foot in the door.”

But whether there's demand for all these facilities is another matter. The recorded-music industry is losing sales to everything from digital piracy to online streaming. Revenue has fallen by half since 1999, to \$7 billion in 2013. (On the other hand, Fort Knox is profitable, its owners say, though they decline to disclose financial numbers.)

One 1871 co-founder thinks Fort Knox will live up to its billing. “This is more than an experiment,” says Dan Lyne, who helped launch 1871 when he was a World Business Chicago exec. He now is a senior vice president at real estate firm CBRE. “The arts can be a monster economic driver for our city.” He also says Nielsen and Mahoney are the right men for the job: “They're building out a world-class environment. Everyone who goes up there comes away saying, 'Wow!' ”

Nielsen and Mahoney both have backgrounds in apparel: Nielsen owned a self-named menswear line, while Mahoney ran Apparel Sourcing, a wholesaler that supplied sleepwear to retailers that included Target. The similarities end there. Nielsen listens to electronic music and wears suits along with his Kent Nielsen-branded neckties, while Mahoney is a hard-rock drummer who wears black T-shirts and a soul patch.

The two met in 2009 while sharing a rented practice room on the West Side, and soon Nielsen pitched the idea for Fort Knox to Mahoney. “He's the big-idea guy,” Mahoney says, “and I'm the one with an operations background who can run a business.”

Even with all its new facilities, Fort Knox will have gobs of empty space. Nielsen might fill a portion of it with a 7,200-gallon fish tank to shelter two black-tip reef sharks. “The motto of rock 'n' roll is 'If 1 is good and 2 is excess, go for 10,'” he says.
