

Baltimore Music Preservation, LLC Business Plan

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Baltimore
Music
Preservation

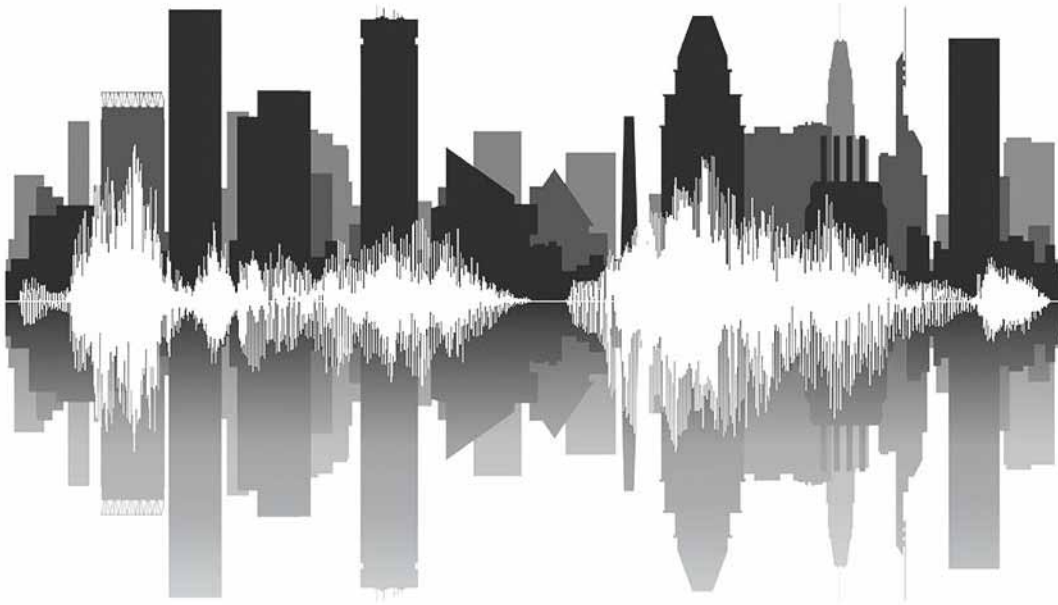
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OBJECTIVE

The mission of Baltimore Music Preservation, LLC, (BMP) is to foster and advance a vibrant, diverse musical arts culture in Baltimore through the establishment of a multi-use facility. The incubator will offer musician-based services including (but not limited to) rehearsal and recording studios, media duplication lab, music education programming and job training, public performance space, and equipment sales and repair.

Recent development in various buildings across the city have displaced Baltimore's musical arts community, thus disenfranchising a resourceful population that contributes a large part of the city's cultural wealth. BMP seeks to permanently re-home musicians, ultimately supporting the development of neighborhood economies.

Goals and Guiding Principles:

- Provide affordable resources for musicians to grow their talents and projects
- Enable musical experimentation through building creative networks
- Encourage desegregation of Baltimore's arts community
- Develop artist-owned and operated businesses
- Elevate Baltimore's reputation as a city that attracts new music and well-known talent.

For more about BMP's mission, company profile, and press archives, please visit bmoremusic.org

BMP's long-term goal is to maintain a safe, welcoming and inclusive performance space to benefit of both tenants and community members.

WHO WE ARE

BMP has a holistic plan for its music incubator based on 10+ years managing music studios and a public music venue in Baltimore. Market research, demographics, and deep roots in the arts community have informed a conservative business model that reduces investors' exposure to risk. 30+ musicians are already wait-listed for studio rentals.

Mike Franklin, Joshua Christy Schlepner and Caroline Devereaux all bring different strengths to the BMP team, and will direct specific aspects of the incubation space.

10 YEARS OF EXPERIENCE

Caroline, Josh and Mike, all artists in their own right, met as tenants in the Hour Haus in Station North, a rehearsal and performance space that ran for over 25 years. Mike and Josh established a music festival based out of the building, and gradually transformed the space into a multi-use neighborhood asset. The Hour Haus was shuttered in August 2015 when the building was deemed unsafe for the business and the landlord was unwilling to address the issues. Baltimore Music Preservation, LLC was formed to establish a much-needed permanent creative space for musicians.



Birth Defects performing at Ratscape, 2015. Photo by Megan Lloyd.



Hour Haus 2015. Photos by Dan Goodrich, c/o Baltimore City Paper.

MICHAEL FRANKLIN: TECHNICAL LEAD



Mike Franklin, a formally-trained as an audio engineer, acted as the de-facto manager (“den mother”) of the Hour Haus music space for twelve years. His responsibilities included keeping studios occupied, coordinating use of the public space, and tracking rental payments. Mike is looking forward to moving his professional recording studio to BMP’s incubator. His knowledge of sound engineering and studio design will guide layout and construction of the new facility.

Mike graduated from Towson University with a Bachelors in Electronic Media and Film, and gained a certificate in Recording Engineering and Studio Techniques from Omega Studios in Rockville. Along with professional music recording, and sound engineering for venues across the city, Mike also plays drums and guitar.

CAROLINE DEVEREAUX: BUSINESS MANAGEMENT & RENTAL COORDINATOR



Caroline Devereaux, with over twelve years of non-profit management under her belt, is capable of coordinating a multi-faceted incubator. She will insure that the incubator functions as a whole to meet its broader goals. Her purview will include rental management and strategic partnerships, as well as development and general business management. Caroline brings to BMP established connections with Baltimore arts organizations, non-profits, and local stakeholders.

Caroline has a Bachelor of Arts from UMBC, and worked in film production before migrating into non-profit management. Her mission is to grow the business and create three full-time jobs for herself and her partners.

JOSHUA CHRISTY: MARKETING & BOOKING



Josh’s keen understanding of the music community guides BMP’s mission, and will determine the functions of the incubator so that it best addresses the needs of musicians. Joshua books local and out-of-state bands for performances all over the city and has developed a waiting list of 30+ bands for BMP’s rental studio spaces. Joshua and Mike produced Ratscape, a 3-day music festival that coincided with Artscape for the 4 years that it ran.

Joshua’s knowledge of bar and restaurant businesses will be put to excellent use should BMP choose to pursue a liquor license. He tends bar in one of Hampden’s most popular hot spots, allowing him to build even more connections with established and emerging artists.

MARKET ANALYSIS

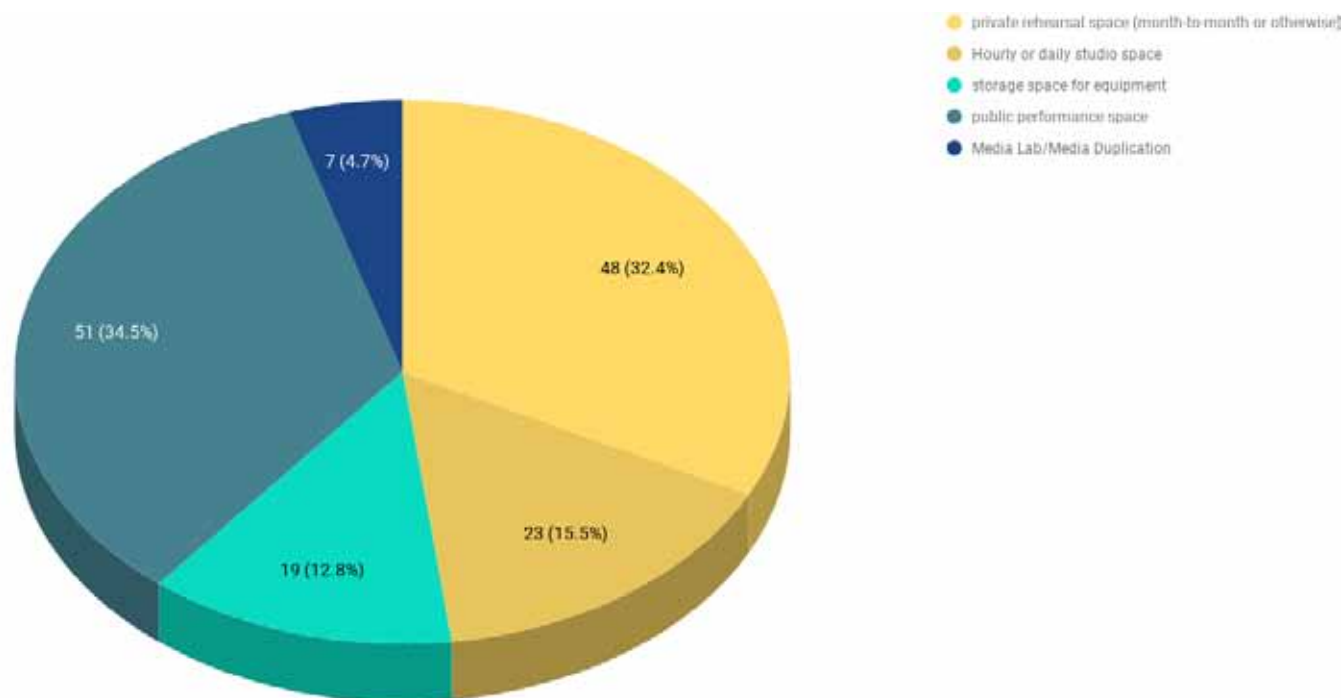
In the last 8 years, most musicians' spaces that existed in Baltimore have been lost to property re-development and the associated rent inflation. We lost the G-Spot on Falls Road, Fox Industries in Hampden, and Hour Haus in Station North. Studio 14 is slated for demolition in favor of transit improvements (when/if the Red Line is created). The last remaining music studios in Remington are scheduled for redevelopment in 2 years. We estimate that 50 - 60 tenants have already been forced to move out, and are looking for new rental opportunities in central Baltimore.

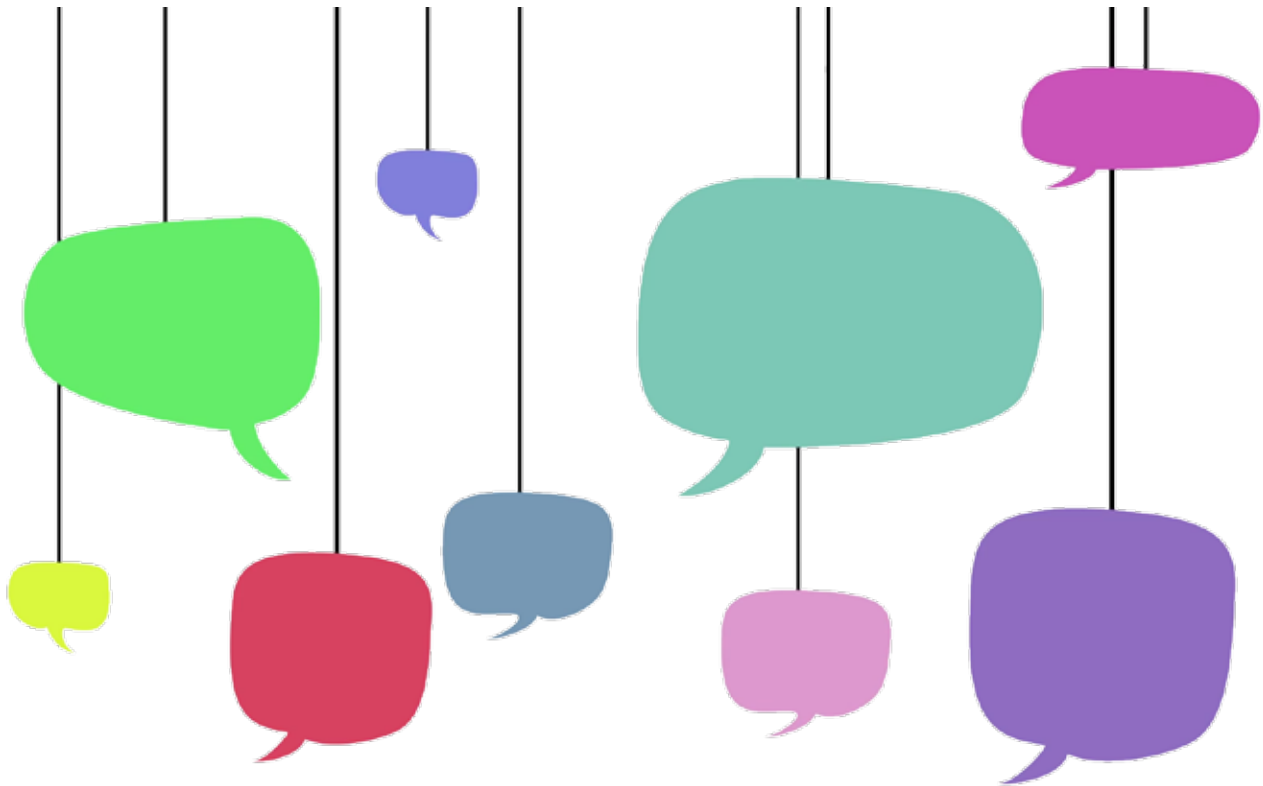
Existing monthly music studio rental models include just four practice studios in Remington, each renting at a comparable rate (\$350/month). Other spaces are located far afield, in neighborhoods including Highlandtown, Morrell Park and Essex, effectively excluding many artists in northwest Baltimore. BMP will offer rehearsal spaces at similar (if not more affordable) rates that include the incubator's value-added features.

We can provide a list of 30 local bands that require practice space, storage, and performance space.

“Make The Case” Survey Responses

BMP published a survey on social media in January of 2016 that asked musicians what sort of space they need. It received 80 responses within the first 48 hours of posting:





“Make The Case” Survey comments:

- “It’s tough making the case to stay in this city if you want to grow as a musician. But we have so much potential to grow as a city and community if only we support each other. More space! More music!”
- “Baltimore desperately needs a space such as this. With so much potentially beneficial property available within the city, finding a place where artists can come together to create for themselves, for their neighbors, for their community is key to improving the quality of life for so many! Support this venue and support community through art!”
- “...the city needs something like this. Would patronize.”
- “Baltimore needs more affordable options for bands/artists to have a space to create (I currently pay \$350 a month for a really small room in one of the worst areas in Baltimore). I will always support these notions and look forward to seeing what the Baltimore Music Preservation ... comes up with moving forward.”
- “This is an awesome project!!”
- “Hell yeah!”

OPERATIONS OVERVIEW

The core of the incubator's business plan is to create and maintain multiple, diverse revenue streams. This will allow flexibility for development: as a lean start-up, BMP can capitalize on its ability to innovate within the framework of an incubator; BMP's unique combination of agility and acumen will allow it to swiftly mitigate changes in the market and capitalize on success by compounding efforts where they are most profitable.

The facility will be divided into the following areas of use: monthly studio rentals, hourly studio rentals, recording studio, public venue space (available for private rental), retail space, media duplication lab. Additional space can be used for workshops and classroom space, and community programming. The incubator is poised to attract long-term tenants: a screen printing business, restaurant or bar, instrument repair professionals, and the like.

TECHNOLOGY

BMP comes to its new space able to provide all necessary music and sound equipment, from performing to recording and mastering, to duplication. With the exception of a small annual fee for a website, BMP keeps costs down by utilizing free, open source software, such as Google Drive, Mint, and Google Analytics, to name a few.

FINANCIAL GOALS

BMP expects to achieve a 20% growth rate each year for the first 3 years, thereby almost doubling its annual income by 2021. According to Professors Yvonne Randle and Eric Flamholtz at the UCLA Anderson School of Business, 15 - 25% is considered a rapid growth rate in the spectrum of American start-up businesses.

NON-PROFIT APPLICATION

BMP is open to partnerships with non-profit entities and is considering non-profit status itself. As a 501(c)6, we will qualify for arts funding (federal, state and city), community revitalization grants where applicable, placemaking grants, and many others. At very least, we will be applying for B-Corp status after a year of operation.



ANCILLARY REVENUE STREAMS

Membership Dues (to be included with monthly studio rental or purchased separately)

- Discount on monthly common space rental
- Discount on storage space
- Use of Duplication Lab
- Discount on printed merchandise packages
- Discounted rate on venue rental
- Improved rate on consignment sales
- Drinks (with club liquor license)

Liquor License, or inclusion of a partner/tenant with liquor license.

- Average beer and liquor mark-up is 3x wholesale.

Event Rentals (Market Analysis can be made available.)

- Private Parties/Weddings
- Meetings
- Film Festival/Film Nights
- Monthly Community Flea Market
- Annual Antique Fair

Educational Programming (associated fees and grants)

- music lessons
- music history
- sound engineering
- home recording workshops
- Women in Rock - lectures and women-lead work groups

Job Training & Internships (associated fees and grants)

- sound recording
- sound engineering
- small electronics and instrument repair

Advertising, sponsorship and strategic partnerships.



BUILDING REQUIREMENTS

SPACE REQUIREMENTS

USE	SQUARE FOOTAGE PER ROOM	NUMBER OF ROOMS	TOTAL SQUARE FOOTAGE
studios	300	10	3000
Venue + green room & bar	1500	1	1500
recording studio	400	1	400
duplication lab	300	1	300
storage	100	4	400
retail	1000	1	1000
classrooms	300	1	300
offices	200	3	600
TOTAL PROGRAMMABLE SQUARE FOOTAGE			7,500

- I-MU or alternate appropriate zoning for public assembly/live entertainment.
- Because sound insulation is a priority, BMP can operate out of less sought-after properties: properties that are adjacent to heavy/noisy traffic, next to vacant lots and vacant buildings, and/or buildings without many windows are all preferable for our business.
- Structural isolation from neighboring business and residences will contribute to sound baffling. Heavy brick, concrete or cinder block buildings, and underground levels are desirable.
- Adequate electrical capacity to meet the demands of our tenants.
- ADA compliant, preferably off-street/ground-level access.
- A drive-in loading bay, or other easy equipment load-in area.
- Secure parking. Because musicians often transport expensive equipment and use the building at all hours, we would like a gated lot.
- Working HVAC system. Not only will comfortable temperatures make the venue and studios more desirable and easier to rent out, but much the equipment in the space is temperature-sensitive.
- All members of BMP are Baltimore natives. We are firmly dedicated to preservation of historic architecture, and retaining the aesthetic of our historic neighborhoods. We would prioritize high-quality internal and external improvements/maintenance, including pursuing grants and historic tax credits and working with CHAP for facade restoration that beautifies the neighborhood and respects the building's past.
- In order to keep spaces affordable to all musicians no matter what their level of income, the building should rent at \$1-5 per square foot.
- We do not require high-end finishes. Our mission is to keep the space affordable to all artists. We also celebrate Baltimore's history of DIY creative spaces, which are becoming increasingly rare.

IMPACT PROJECTIONS

A music incubator holds potential not just for musicians to elevate their craft, but also for the surrounding community to benefit from a unique business.

- **Helping Other Businesses Thrive:** When musicians are cultivated and encouraged, there are more opportunities for performances, local activity and tourism.
- **Using Underutilized Spaces:** Because sound insulation is a priority, BMP can operate out of less sought-after properties (ie. those without many windows, adjacent to traffic or vacant lots. See Building Features, pg 10.) BMP will coordinate programming for vacant lots and other outdoor spaces.
- **Activate the Block:** With a street-level public venue, retail, and workshop spaces, BMP's business will activate its block, and bring activity to the streets around it.
- **Provide Arts Access:** Reduced hourly and instrument rental rates for young musicians will increase access to resources.
- **Safer Streets:** Musicians' studios are used 24-hours a day; musicians come back from playing shows at 2 and 3 a.m. This brings round-the-clock foot traffic and increases the number of eyeballs on the street.
- **Increased Security:** With large amounts of valuable equipment in their rental spaces, musicians are invested in keeping neighborhoods safe. While they tend to be laid-back and welcoming of all walks of life, they generally adhere to a "see something say something" mentality.
- **Encourage Local Exploration:** As one of the main drivers of social activity, music is one of the best ways to encourage discovery of new neighborhoods and businesses. People who come out to see live entertainment stop for a meal beforehand, or stay out at neighboring bars afterwards.
- **Economic Benefits:** Travel to shows is often done on public transportation or with ride sharing apps, thus creating another indirect benefit to the city and businesses.
- **Diverse and Inclusive Art:** Of all the art forms, music is the most accessible and inclusive. Baltimore's art culture continues to be divided on racial lines; through music, people come together and enjoy common interests. This is not a quantifiable benefit to communities, but it is surely felt and valued. BMP will work with artists and organizations to develop programming that is diverse and inclusive.
- **Community-Minded:** BMP plans to combat gentrification through workshops, discounted space rentals and events that include the surrounding residents of the community and address needs in the neighborhood. Our company will work with the neighborhood association, community organizations/businesses and local stakeholders to insure that the incubator space is an asset to the wider community, in addition to musicians.
- **Making Baltimore a More Attractive Place to Move:** When a city is synonymous with arts support and an active creative culture, people want to move there. Attracting young entrepreneurs, and resourceful artists will help stabilize neighborhoods and grow Baltimore's tax base.