

Manufacturing incubator headed to \$32M Ashland Avenue office

mHUB is expecting TIF money to ease the cost of its new digs

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240 North Ashland Avenue and Peppercorn Capital's Phil Denny and mHub ceo Haven Allen

mHub hatching a plan to move to the Fulton Market District.

The five-year-old nonprofit advanced manufacturing incubator is under contract to buy a vacant 80,000-square-foot building at 240 North Ashland Avenue for more than \$32 million, Crain's reported. The organization will relocate from River West.

mHub will go before Chicago's Community Development Commission next week to request Tax Increment Financing money to assist with the purchase and building out the new space. If it moves to the planned manufacturing district, it will join another incubator focused on manufacturing as Industrial Council of Nearwest Chicago occupies more than 400,000 square feet four blocks west of mHub's potential new home.

Seller Phil Denny of Peppercorn Capital purchased the property in 2013 for \$13 million. It was recently appraised at \$18 million. The building has been vacant since Crate & Barrel left in 2019.

mHub and Mayor Lori Lightfoot's request for TIF funding could garner criticism as that money is typically set aside for projects that can breathe new life into blighted areas throughout the city. TIF districts collect property tax revenue above a set threshold for a 23-year period. They are designed to aid in redevelopment by securing funds for businesses who can't raise enough capital on their own.

The company's lease at 965 West Chicago Avenue is set to expire next year. The 63,000-square-foot space is a former Gonnella Baking building that Google redeveloped into a testing lab for Motorola Mobility in 2013.

The three-story Ashland Avenue building where mHub is looking to move is almost a century old and originally served as a machinery manufacturing and distribution center for the Cameron Can Company. It's an ideal space for mHub's mixed manufacturing needs.