

VACANT *to* Vibrant

Niles and UltraCamp Team Up
to Restore Downtown Gem

BY LISA DONOVAN

NILES
pop. 11,430





UltraCamp owner Daniel Ashley points out design details as Richard Huff, Niles city administrator, Lisa Croteau, DDA Main Street Program manager, and Jason Payne, UltraCamp employee, look on.



Stephanie Reno had her heart set on the long-vacant Gallery Building for years. She just knew that its location in the heart of downtown Niles would be the perfect spot to expand her SLR Pilates studio. She would even tease Lisa Croteau, manager of the Niles DDA Main Street Program, that she should lease it to her. Then one day last year, Croteau told her the building had been sold and the new owner was looking for tenants. He would even renovate the space to meet her needs.

Reno's dream was coming true.

So was Daniel Ashley's.

With help from the city of Niles, Ashley is transforming the Gallery Building into retail space and the new headquarters for his growing tech company, UltraCamp.

"I can tell you without a doubt that without the city's assistance, this project never would have happened," said Ashley, who started the company in 2000 during his college days in Maryland. "They worked hard on financial issues like grants and tax credits, which were critical to getting this project off the ground."

GRADUATING FROM HOME WORK

For several years, Ashley had been searching for a new company home, but he was running into as many twists

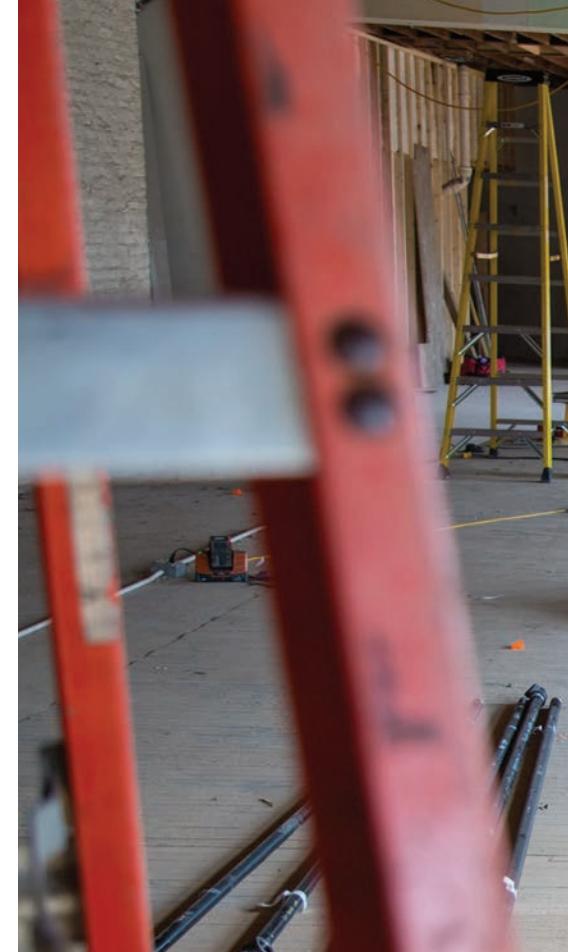
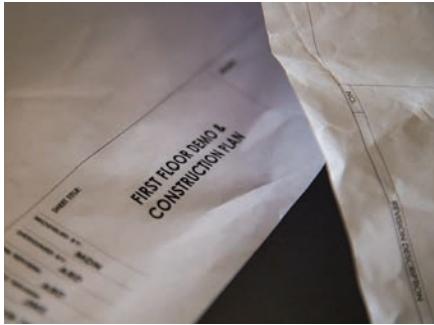
and turns as a camp trail through the woods. When Ashley launched UltraCamp, office space wasn't even on his radar. He and three employees were happily developing online camp management tools from the comfort of their homes.

But by 2009, things had changed dramatically. Ashley had moved to Niles for its wonderful housing options and proximity to family. Around the same time, his business was taking off and adding employees, so the work-from-home model was presenting challenges. Now, he said, an office scenario was sounding like a good idea to keep everyone on the same page. So they rented office space from the City with an eye toward eventually obtaining their own building.

Enter Plym Park. Ashley came up empty in his search for an existing building that would accommodate his company's growth and the office environment he wanted to create. That brought the option of building UltraCamp's headquarters from scratch into view—and an attractive view it would be on the site he purchased next to the city's Plym Park. He hired an architect and got him busy drawing up plans for the ideal office space.



SLR Pilates (left) is up and running in the freshly remodeled first floor space, a far cry from the building's pre-renovation state (below). The second floor (right) will soon be a showcase of modern, open-concept office space.



That's when the real twists and turns came into play. Despite the success of Ashley's company, getting the building project off the ground turned out to be quite challenging on two fronts: financing and appraisal value.

"For cloud-based services like ours, we don't make concrete things so the value of our company isn't something you can see. It's data and services. Banks don't view it as collateral," said Ashley. "The second challenge—in many respects the nail in the coffin—is that appraisal values for commercial buildings are much less than the cost of construction. In fact, the appraised value of our finished building was 40 percent less than the cost of construction."

NILES SPRINGS INTO ACTION

Niles city officials had not been sitting on the sidelines during this process. They were well aware of the success of Ashley's company and the struggles he was facing to find a suitable company home. "We were keeping track of them, going to banks with them, and we kept thinking we'd get over the hump. We didn't, but Daniel stuck with us," said Richard Huff, Niles city administrator.

That's when Huff suggested the Gallery Building, which was showing the ill effects of sitting dormant for an extended period of time. Several years earlier, the building had come up for auction in a county tax sale and Croteau appealed to city officials to purchase the site. It sat on a primary downtown corner and ran the risk of falling into the hands of an out-of-town buyer for a low ball price. City council agreed. They paid \$120,145 for the building, fixed the leaky roof, and spent several years searching for an appropriate buyer. In 2015, UltraCamp appeared to be the ideal candidate.

"When you visit their office, you quickly see that they think out of the box," said Huff. "When you think of the Gallery Building, you need someone with that ability."

"They were waiting for someone to come along who had a plan and a means to accomplish it," said Ashley. "They were trying to be selective about who they were going to put in that building."

Now a new plan was set in motion that began with a land swap. UltraCamp deeded their Plym Park property to the city and in return got the keys to the Gallery Building. But the city didn't

stop there. They worked hand-in-hand with Ashley to help him overcome the double challenges of financing and low appraisal values.

The appraised value of the Gallery Building with all the planned renovations came in at \$600,000, but it was going to take \$900,000 in construction costs and about \$150,000 in office equipment to get to the finish line. That's a huge gap, requiring Ashley to dip significantly into business and personal funds.

But the city stepped up to help bridge the divide. They loaned UltraCamp \$60,000, gave them \$40,000 from an anonymous donor for roof repairs, and provided them with a \$59,000 façade grant from the DDA Main Street program, which was used as a match for a \$210,000 grant from the Michigan Economic Development Corporation. In addition, the city was instrumental in helping Ashley obtain historic preservation tax credits through the State Historic Preservation Office. Those credits will help him recoup about 15 percent of his investment in the building.



"Without historic district tax credits, you end up investing more in the building than it's worth," said Ashley. "Those credits are key in getting old buildings renovated and useful."

FROM FADED TO FABULOUS

Now, construction is in full swing. Reno's first floor pilates studio opened in November and she has already signed up 245 new clients. She credits the studio's increased visibility over her former second floor location and the beautifully renovated space.

"In my long-term goals, that would have been the studio I designed in 5-10 years, but it happened much quicker," said Reno. "I always said that corner was the best spot. For us to have it, we're extremely grateful."

The UltraCamp space on the second floor is still a work in progress, with an anticipated completion date of late summer. But it won't be your average cookie-cutter office space. Ashley, with input from his staff, has plans for an open concept with lots of diversions to make the work environment inviting.

Some of those diversions include a rock-climbing wall in the 35-foot high atrium and a family wellness center complete with a weight room, exercise equipment, trampoline, and a foam pit for kids. He wants the office to be a family-friendly place where employees can bring their children during school breaks.

Justin Rhode, support specialist for UltraCamp, is very excited about the new building. Not only did he help design the rock-climbing wall, he also assisted with demolition and laid some flooring for the pilates studio. "I think our work environment will be enhanced with the cool family atmosphere," he said. "And the location is awesome—close to the park and the downtown coffee shop, pizza places, and other businesses."

Ashley has his eye on the bigger picture. "I hope that by cleaning up and raising the quality of our business space

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that we can be a test case to show the community how it can be done," he said.

Huff is confident that Ashley's project will indeed have a positive ripple effect on the community. "His \$1.2 million investment will have a significant impact on raising property values, so we hope to see increased investment," said Huff. "We're already seeing interest by Daniel in other downtown properties."

Croteau concurs. "A lot of the value in what Daniel is doing is about the future of Niles. Our hope is that other people will want to invest and do similar cutting-edge things." 

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