



Member FDIC

# Intelligence

News from Drake Bank

May, 2017



## Fifteen Years and Counting!



Rick Gobell, President  
rgobell@drake-bank.com

It's hard to believe that Drake Bank is celebrating its 15-year anniversary. It seems like only yesterday the idea of Drake Bank was conceived by a group of local entrepreneur business owners.

We opened our doors officially in May, 2002 with six employees, a beautiful newly renovated 5,000 square foot office space, new computer systems and no customers. Like any new business, it was a very anxious time for our new bank with many unanswered questions. Among the most critical were:



- Will our new bank fill a need overlooked in our market?
- Will our promise to deliver a superior service be believed?
- Will our focus on small business banking be broad enough?
- Will we achieve the growth and profitability we promised our stakeholders?

The answer to all the above was a resounding "yes!" Despite the anxiety and a few "bumps" we have grown the Bank to \$100 million, increased the Bank's loan portfolio from zero to \$87 million, expanded our employee base to 21 and generated a very respectable return for our shareholders.

I believe there are three reasons why Drake Bank has achieved its goals. First, our banking professionals are empowered to do their jobs. Second, we operate with a "can-do" attitude. And, third, we make even the smallest business client feel big.

In anticipation of continued growth we recently launched an entirely new website and are in the process of renovating and expanding our office. Watch for a celebration to be announced, soon.

Thank you for being our customer. And, thank you for making the first 15 years such a success!

## New Commercial Lenders!



Andy Klassen is our new Vice President, Commercial Lending. He comes to Drake Bank with 20 years experience in banking. Besides his experience as a banker, Andy has developed an understanding of small business financial needs as a consultant directly to finance professionals, commercial real estate developers, health care providers and other small business sectors. Andy has a BA degree from St. John's University.



Daniel Batten has joined Drake Bank as AVP, Commercial Lending. Previously, he was a banker at another community bank in the Twin Cities area and a managing partner in Batten and Beasley, PLLC, a firm that practiced in the area of business law, acquisition and sales, real estate transactions and bankruptcy. Dan has a Juris Doctorate from the University of Gonzaga School of Law in Spokane, Washington, a BA from the University of Minnesota and a graduate of the Minnesota Bankers Association Commercial School of Lending.

## A Perfect Launch of our New Website!

**WELCOME TO DRAKE BANK**

Drake Bank is a community bank focused on helping businesses prosper. Our approach is to eagerly meet client needs while building personal, trusting relationships. It works!

Of course, we also provide the best in personal banking services to our business clients, their employees, and our neighbors. We play a meaningful role in the development of our communities.

**Bring your ideas to us!**

We have the lending power your business wants!

New features. More information. Easy navigation. A stunning flyover of St. Paul. Free ads and Offers for our client businesses. It's all new and it's all for you!



Due to rising costs, Drake Bank will join with most other banks in charging for printed, mailed statements.\* If you have not taken advantage of our electronic banking services, this would a good time to sign-up for online banking, bill-pay, direct deposit, mobile deposits and more. **This includes enjoying electronic statements!**

We would be happy to help you make this happen! Just call (651) 224-5000 for assistance!

\* Beginning in June, 2017 there will be a \$5 charge per statement for mailed statements.

**FREE**  
DRAKE BANK BUSINESS CLIENTS CAN HAVE A  
**FREE AD ON OUR WEBSITE!**

Send an email to [customerservice@drake-bank.com](mailto:customerservice@drake-bank.com) and request information. We design a custom ad for your approval. And, it's all FREE!

## Big Plans for St. Paul's Riverfront

This is an edited and abbreviated article written by Frederick Melo of the Pioneer Press and printed with permission.

Drake Bank has monitored and reported on other proposals for redevelopment in St. Paul, including revitalizing Fourth Street and developing the River Balcony. We have a vested interest in such possibilities and want to keep our clients aware of future opportunities for participation. Rick Gobell commented that there is no doubt that the riverfront is destined for a major development.

Where West Publishing once stood in downtown St. Paul, a Phoenix-based developer envisions fine dining, a boutique hotel, high-end office space, 300 market-rate housing units, a long-awaited "river balcony" promenade and 2,000 parking stalls descending from the bluff.

All in all, it's a \$225 million retail-hotel-residential-office-parking project that will likely require a host of private lenders and financing partners who share the vision of Don Cardon, a former Arizona Department of Commerce director. On Tuesday, April 18th, the Ramsey County Board of Commissioners gave Cardon and his team six months to study the market and put together financing and a timeline for the project's major phases. A master development agreement could be ready by the end of summer, with construction underway next year.

Ramsey County officials have waited almost 15 years to see the development community embrace the former site of the adult detention center and the Ramsey County Government Center West buildings. The site has been off the tax rolls since 1992.

The developer would buy the nearly 5 acres of county-owned land and fully return them to the tax rolls. County officials emphasized

they are not offering tax increment financing, a type of loan paid back through property tax dollars.

Cardon plans to persuade banks and private investors to come aboard for the full package or "critical mass." That's instead of lining up financing for single components, such as a hotel, to test the market and build confidence in later aspects of the development.

The new development would create a corridor to the county's Union Depot transit hub in Lowertown and jump-start construction of St. Paul's long-awaited "river balcony," a 1.5-mile pedestrian promenade.

Partly at the city's request, Cardon wants to open up space at St. Peter Street and Market Street to create a better sight line from downtown to the riverfront, and establishing vertical links such as staircases or elevators near Market and Wabasha streets to connect visitors to grade level at Shepard Road.

In downtown Phoenix, his team's \$800 million CityScape project spans more than 20 restaurants, high-rise housing and retail. He said CityScape required private equity and financing agreements with 19 banks. Construction could occur from 2018 to 2021.

More information about the county's riverfront work is online at [ramseyriverfrontproperties.com](http://ramseyriverfrontproperties.com).





# Spotlight on Padelford Riverboats & Inver Grove Storage



*Along the Upper Mississippi every hour brings something new. There are crowds of odd islands, bluffs, prairies, hills, woods and villages--everything one could desire to amuse the children. Mark Twain 1886*

Gus Gaspardo, owner of the Padelford Packet Boat Company invites everyone to "step on board" his boats anchored on Harriet Island in St. Paul!

Gus started working for the Company in 1984 while in college. One might say that he never stepped ashore again!

He worked his way to the "top deck" and purchased the Company in 2016.

Gus does not forget the "amusement of children" that Mark Twain cited. Early each season his company offers a "Big River Journey" for school children and their teachers.



The Jonathon Padelford

The company began with a single vessel, the Jonathan Padelford. Built in 1969, the Padelford is an authentic sternwheeler. Two years after completion the Padelford was taken to a shipyard in Lemont, IL where it was cut in two and a 20 foot section was added at midship. Two boats have joined the fleet: a side-wheeler called the Anson Northrup, and the Betsy Northrup, a passenger barge pushed by Ugh the Tug.

Their prime season is June, July and August when their full time staff of 10 increases to 75 as many college students enjoy one of the most unique summer-time jobs, anywhere!

During the summer months the boats make noon and afternoon sightseeing cruises, evening dinners plus special themed Saturday evening dinners including the Beer & Bacon and Rib Dinner cruises.

When asked about Drake Bank, Gus said the "Drake Bank offers incredibly personal service and pays so much attention to detail." He added, "I would not have been able to buy the company without the assistance of Bill Lesher and Rick Gobell."

Drake Bank appreciates Gus and his company in the same way!

Go to [www.riverrides.com](http://www.riverrides.com) to learn more about their fun cruises!



More and more households are finding that they simply do not have room for all the things they have accumulated. That is just one reason Inver Grove Storage is growing and doing so well. But, Larry Koland, co-owner, knows that the market for extra space is changing.

In 2003, when Larry and his partner, Jerry Kotzenmacher, bought a vacant Amoco gas station near Concord and Highway 52 in Inver Grove Heights they remodeled the building and began offering outside storage for RVs/boats plus container storage for items needing weather protection. A basic storage facility met the needs of many people.

Then, in 2014, they saw an opportunity to buy a storage facility located at 9735 South Robert Trail. At the time, the owner was seeing an occupancy rate of about 60%. Larry and Jerry only saw opportunity! They bought, increased the occupancy rate to 100%, and made plans to add climate-controlled storage for a changing market.

Nationally, services for self-storage and moving are expected to reach \$71 billion in revenues in 2020. Advances will be driven by increased mobility, nationwide, and from the lack of storage space in many US homes.



Garrett Koland by the mammoth facility scheduled to open soon.

The new 32,000 square foot facility with 330 units will open late Spring. Besides being climate-controlled, it will feature TV monitors, high security, 24-hour access and, according to Larry, unbeatable prices!



Larry Koland (right) with son, Garrett, standing by his 1994 Ferrari 348, one of three he has rebuilt.

Larry is a retired US Air Force engineer who has had tours in Afghanistan and Iraq. He splits his time between Minnesota and Atlanta where he is employed by Delta Airlines. His son, Garrett, is the Office Manager of the storage company. Jerry Kotzenmacher lives in Inver Grove Heights and is employed by the Minnesota Department of Transportation.

"We started banking at Drake Bank with Dave Mennen," said Larry. "When Dave passed away Rick Gobell promised us that their great support and service would continue. And, it did! Bill Lesher became our banker." Larry added, "we like the small bank feel, the attention and advice we receive and the Bank's help with financing our new facility!"

You can reach Inver Grove Storage at [www.invergrovestorage.com](http://www.invergrovestorage.com) or by calling 651-686-7191.

# Free Seminar & Lunch!

## 6 Big Things that will Move your Business

Learn about a proven system used by more than 600 companies of all sizes to...

- produce more revenue growth
- generate greater profits, and
- deliver a better balance of life to company owners and leaders.



Space is limited  
Registration is required

Call 651-224-5000 or email  
[customerservice@drake-bank.com](mailto:customerservice@drake-bank.com)

Wed, May 24th, 2017

Joseph's Grill  
140 Wabasha St. So., St Paul  
Lunch 11:00 am  
Seminar 11:30 to 1:00 pm

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60 East Plato Boulevard  
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NEWS

Rick Gobell in Washington, D.C.

Rick Gobell, President of Drake Bank and Chairman of the Independent Community Bankers of Minnesota was in Washington D.C. in early May to discuss critical issues facing community banks and the communities they serve. Among other topics, he joined other bankers to express concerns over the excessive regulatory burdens that limit a bank's ability to serve customers, make loans, and create jobs.

Rick attended sessions with House Financial Services Committee Chairman Jeb Hensarling and Treasury Secretary Steven Mnuchin plus had meetings with both Minnesota senators.



Rick Gobell

Senator Amy Klobuchar

OR CURRENT RESIDENT/BUSINESS



### Please Excuse our Mess!

We are expanding our lobby to serve you better. Until we are done and located in our final spaces, it will be banking as unusual! Thanks for your patience!

### Menudo 5K Fun Run & Walk!

Drake Bank was pleased to help promote and participate in the Menudo 5K Fun Run & Walk on May 6th. Special thanks to our staff members who represented Drake Bank at this event!



### Welcoming Two New Tellers!

Sarai Orrostieta came to Drake Bank in January as a full-time teller. She is active in fund-raising and is very involved in her church. She also attends Century College as a part-time student.

Robert Tieso has been a part-time teller since March. He was formerly employed at Anderson Window and is a graduate of North Dakota State University. In addition to serving as a teller, he shares responsibility for maintaining the new Drake Bank website.



**DRAKE BANK**  
Where small business is big!

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