

# MidCountry plans downtown office, new HQ



Minnetonka-based MidCountry Bank officials say the downtown Minneapolis office they are getting ready to open in February at Eighth Street and Marquette Avenue shows they are serious about business banking. (Staff photo: Bill Klotz)

## Veterans will lead business loan office

BY MARK ANDERSON  
Staff Writer

Minnetonka-based MidCountry Bank lifted its profile a little higher Friday, raising a new sign at Eighth Street and Marquette Avenue in downtown Minneapolis — the site for an office it will open in February.

MidCountry entered the Twin Cities

market in 2004 with a pair of acquisitions, but it has grown slowly and been a quiet presence since then. The bank has tried to turn that around in the last 18 months, adding bankers and business lines. MidCountry also will move its headquarters to an existing building at Interstate

# MidCountry

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494 and Highway 169 in Bloomington in early spring. The bank will lease 17,415 square feet in the headquarters at 7825 Washington Ave. S. It will vacate 11,200 square feet at its current headquarters in the Woodhill Office Plaza at 14525 Highway 7 in Minnetonka.

“What we want to say with this [the move into downtown Minneapolis] is that we’re serious about business banking, and we don’t want to be the best-kept secret in local banking anymore,” said Robin Roberts, senior vice president at MidCountry.

If the downtown launch succeeds in bolstering MidCountry’s business banking it won’t be because of a new shingle hanging above the sidewalk, said several other community bankers who have been close to the downtown market. Success will depend on the bankers in the new office, in the Investors Building at 733 Marquette Ave., and their knowledge of the downtown market.

Edina-based Crown Bank made a similar downtown Minneapolis move in 2005 when the five-year-old bank opened its second office. Crown chose a high-profile corner at Sixth and Marquette.

The investment made sense for Crown, said Chief Executive Officer Peter Dahl. He and his Minneapolis office president, John Crinklaw, were downtown market veterans from their years with Bank Windsor, which had offices in the IDS Center before being acquired by Associated Bank in 1999.

For Dahl and Crinklaw opening downtown was a return to the old neighborhood.

“The market here was immeasurable for us; there’s such a high concentration of

professionals,” Dahl said. “That was the market we knew from our time at Windsor.”

And the market responded to Dahl & Co.’s arrival: Crown’s assets grew 77 percent, to \$233 million, in the two years after its downtown opening.

One of Crown’s chief competitors in those days was Excel Bank, which also had offices in Edina and downtown Minneapolis

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until it was acquired by M&I Bank in 2007.

Some of those bankers are back to compete again with Crown, this time with MidCountry.

Steve Nichols, who has worked downtown since 1982 for U.S. Bank, Excel and M&I, will manage the new MidCountry office. His team includes Excel-M&I veterans Melody Rehder and Peggy Franzen, both with more than 10 years of downtown experience.

A downtown Minneapolis presence isn’t a key part in every ambitious business bank’s strategy, though.

Anchor Bank President Jeff Hawkins said MidCountry’s new banking hires have

caught his attention. “They’ve been bringing on talented people,” he said.

But the \$1.3 billion-asset Anchor isn’t likely to follow MidCountry into downtown Minneapolis soon.

“A significant part of our referral network and potential client base is in downtown Minneapolis, but we spend a lot of time with them in their offices,” Hawkins said. “With so much of banking being done through remote deposit capture or other electronic channels, it’s not that important to have bricks and mortar presence close by your market now.”

That increasing mobility of bankers was one reason that St. Paul-based Highland Bank closed the downtown office it operated on LaSalle Avenue for several years.

Downtown leases and parking costs were higher, and those weren’t necessary when bankers spent most of their time out of the office, Highland Bank Chief Executive Officer Rick Wall said. “Good bankers have always gone out to their customers, and that’s even more true now,” he said.

Bricks and mortar may be less vital to banking customers today, but Roberts at MidCountry expects its prominent Marquette Avenue presence will put the bank’s name on the radar for more business owners.

The downtown marquee provided a clear boost for Crown Bank when it expanded its five-year-old franchise.

“We were a young, growing bank when we moved downtown, and it aided our name recognition a lot. Now when people think about Crown they immediately think of the Marquette office,” Dahl said.

Four business lenders will work at MidCountry’s new business loan office, along with a credit analyst and treasury services specialist for business clients. MidCountry operates one other business loan office, two mortgage production offices and 14 full-service branches.

The 2,667-square-foot street-level office will also have access from the skyway.

## MidCountry Bank: At a glance

<b>Assets</b>	\$682.1M
<b>Loans-leases</b>	\$407.3M
<b>Income</b>	\$4.2M (year-to-date)

Source: FDIC (as of 9/30/2011)