

Bill Sands, chair, Western Bank Shares

Interviewed by Peter Myers at Westminster Presbyterian Church, Minneapolis, August 18, 2011

Q Please introduce yourself.

A My name is Bill Sands and my current position at Western Bank is Chairman of Western Bank Shares, which is the holding company that owns the bank.

Q What are your earliest personal recollections of University Avenue?

A I was born in 1938 and my dad had purchased this bank in 1935, so he'd owned it and operated it for three years when I was born. And I suppose that he started taking my brother and I down to the bank in the middle to late 40s. We'd go down with him on a Saturday morning and pound the adding machine or do something, and I started working there in 1953.

Q Where was the bank located at that time?

A Western Bank was chartered in 1915. It's always been on that same block. It used to be in the middle of the block and that building is still there and then it moved twice. It moved in 1943 to 663 and then about 5 or 6 years ago it built the current building and moved to the corner but maintained that same address. So it's the third location for the bank on that block.

The bank's original location was like at 620 University, 621 University Avenue, which was in the middle of the block between Dale and St. Albans on the north side of the street.

Q What are some of the most prominent buildings or businesses that you can remember?

A One of the interesting things is where did the name Western Bank come from? And I was one of the people that thought maybe at one time it was on Western and University. But I've searched all the records I can find and looked at all the old board minutes and the bank was never on Western and University. So what we have kind of concluded is that at the time the bank was chartered in 1915, there wasn't much development beyond Dale Street. It was kind of on the western edge of the city. In fact, people told me the circus used to be located just beyond St. Albans – there was all kinds of vacant property there. Now I know there was development on Snelling and University and there was development on Raymond and University, but I think there were big gaps along University Avenue and I think they chose Western because we were on the western edge of the city.

Q Tell the story about where the bank was then and what the situation was and how you decided ultimately to keep the bank where it is.

A When I finished grad school in 1966 I came back to St. Paul and I worked at First National Bank St. Paul. And I worked there all during '67, '68 and part of '69 and I decided at that time to leave First Bank and go to work for my father, which is not an

easy thing to decide to do. And when I told my friends at First Bank, for example, that I was leaving the bank and going to work at Western Bank they wanted to know well, are you thinking straight? That bank's going nowhere, that neighborhood's going nowhere. I think the total footings of the bank were 15 or 18 million dollars. It wasn't a very significant organization. I guess I'm one of those people - I kind of took this on as a challenge and because of growing up and working in that bank over the years, I was familiar with most of the customers and these are real decent, hardworking, honest people and I just took it on as a challenge and I'm going to try to make a difference in this community. Well then things really started to deteriorate and we had a series of meetings and one of the subjects was should we relocate this bank? Because a lot of businesses were leaving the city and they were going north. A lot of the citizens were leaving because of concerns about public education; they were going, moving north or wherever they were moving. We formed a task force of a couple of board members and I think five or six neighborhood people to give some thought for a year to what Western Bank should do. Should we relocate? Is that in the best interest of the bank, the best interest of the community? And Joe (name?) chaired that task force and I've still got a copy of the report. And the report was: no; Western State Bank needs to stay in this neighborhood but for safety and soundness reasons, the bank should probably think about establishing branches in suburban communities where there is greater wealth and greater savings capacity, greater need for loans. And that's what we decided to do. So over time we made the bank at University and Dale the home office of Western Bank. Right now we have five other branches and they're all in suburban locations and that strategy was implemented and today the bank is probably close to \$400 million in total footings. The bank has been very successful, but the stuff that is probably the most gratifying is the impact we've had on that part of University Avenue.

Q I assume a lot of your customers at the home office over the years have been people or small businesses that have been growing the University Avenue business culture?

A Yeah. I mean, we've done quite a bit of demographic, psychographic work and we have customers throughout the metropolitan area. We do a great job of taking care of small businesses, so we feel we can compete with the larger banks. So small business owners will drive 20, 30 miles to maintain a banking relationship. On the individual side, though, how close you live to the bank is probably more important. And we have attracted a fair number of individual customers, besides small business customers, because people value what we stand for. So that's been very gratifying also.

Q Describe in general University Avenue, at least the eastern part of it in say the 70s, 60s...what did it feel like especially compared to what it is like today?

A I went to work at Western Bank in 1953 or 1954. I worked there during the summers in high school and that was before I-94 was constructed. So at that time University Avenue was the main transportation route for cars, for streetcars, for trucks, between the two cities. And we were right on the Avenue and when a big semi would go by the whole building would kind of shake. And I can't remember but I think we used to have like 28,000 to 30,000 cars a day on University Avenue, before I-94 opened. And I think I-94 opened in about 1964 or 1965 and when I-94 first opened, University Avenue lost a lot of traffic, a lot of commuter traffic. And now that traffic has come back and there are probably close to 20, 25,000 cars. But if you look back at the 50s, what I remember is that very few people of color lived north of University Avenue. University

Avenue was kind of a dividing line, but not between a black community and a non-black community. The community south of University was always kind of a mixed race community, but very few blacks for some reason lived north of University Avenue. And that route for I-94 was selected in part because they were going to wipe out St. Paul's ghetto. Didn't wipe out a ghetto; it never was a ghetto. I went to school in Philadelphia. St. Paul was never Philadelphia, Detroit, Manhattan or New York. So sometime probably in the 60s and 70s, non-white people started moving north of University Avenue. Now another thing I remember about University Avenue is all the car dealers were on the north side of the street. Why were all the car dealers on the north side of the street? Why were almost all the used car lots on the north side of the street? One of the things I was told one day is that it was the sunny side of the street. And if you were a car dealer and in the wintertime, you know, the snow would melt quicker off cars sitting there that were ready for sale. So I think that's a credible argument but I often wonder if they felt that was a safer side of University Avenue to be located on. But you think back. I think all the major car dealers were always on the north side of the street (with the exception of Midway Ford, which was on the south side).

Q Compared to the early 50s and 60s, describe how the street has changed in your perception.

A I'm pretty familiar with the intersection of University and Dale because that's where the bank was located and that's where I worked. And in its heyday, there was the Faust Theater on the southwest corner, there was Renchen Drug Store on the northwest corner, there were small businesses on the east side of Dale Street on University Avenue – a couple restaurants, a couple bars – it was a pretty viable intersection. And then at some point things started to change. Back in the 60s and early 70s Dale Street was widened so they eliminated some small businesses and the Faust eventually closed because the movie theater business changed significantly. There was a wonderful restaurant on the northeast corner of Dale and University called Lendways and if I didn't have a lunch with a bank customer or employee, I'd go up to Lendways and have lunch. One day probably in the 70s I'm coming back from lunch at Lendways and I cross the street and at the moment I got across the street, now moving west on the northwest corner, here come the two owners of the drugstore getting in a cab. I said, good afternoon. You look like you're in a hurry. He said, "Yes. We're on our way. We've sold our drugstore and we're getting cash." Now properties had lost their value, there wasn't much interest in buying properties and that was very discouraging because it was one of the porn kings of the Twin Cities – the Alexander Brothers – bought that drugstore for cash. I would say one or two years later one of our bank customers, I'd say in his 90s, came down to talk to me because somebody had come in to talk to him with a satchel full of cash and wanted to buy his building for some nominal amount of money. He wanted to know what I thought he should do. I said, I don't think you should sell it. And he didn't sell it. But these people seized an opportunity to buy inexpensive real estate on a major street in St. Paul and it drastically changed the nature of that intersection in a very negative way. And I think that was in the 70s.

Q One could say that the 70s and early 80s were kind of a low point on the Avenue. But talk about the 80s when there started to be immigrant business owners.

A I think even before the influx of primarily Hmong people from Southeast Asia, a number of people in the neighborhood were getting tired of this. And they didn't like the traffic that was coming into the neighborhood, they didn't like watching prostitutes just

mingling around the corner, johns showing up from all over the place. And I think it was a combination of people who lived in the neighborhood and some of the business people near the corner said we've got to do something about this and they formed something called the University Avenue Development Corporation and hired a staff person and I think that kind of started the grassroots level to bring to the attention of public officials – this is nonsense, its abusive to women, its just not a good thing to be going on in this city. And about that same time people were leaving the city for a variety of reasons whether it was public education or whatever it was. So there were a lot of vacant properties and about that time the Hmong started to emigrate to Minneapolis-St Paul and started moving into that neighborhood, started buying vacant buildings on University Avenue and starting businesses. And that kind of focus between Dale east to the Capitol, that's where most of the businesses started. It was a very, very positive thing; very positive thing. That's one of the issues right now because how are they going to be affected by this increase in property values or lack of parking or whatever.

Q Back in that time, some of these people were probably renting but some were also buying properties. Do you have any stories about a particular immigrant who may have come to the bank?

A Mai Village. I remember Mai Village very, very well. An example of a family, probably three generations – grandpa worked there; he was a general in the Laotian army or whatever it was. He was a general and the son opened the restaurant with his wife and he was there to greet you and the kids were working there. Now grandpa's long gone, but the parents are still there and all the kids are there. I remember one day, I can't remember the name of this one guy – he started a restaurant. It was almost, very difficult to communicate with him because his English was so poor. But he was very successful here and I think he's returned to Vietnam. It's wonderful.

Q We've done some research around the 1880s to 1900 – the day of the James J. Hill empire and if you look down further to the west you can really see the huge influence of private enterprise on shaping the street. First of all you had the Minnesota Transfer Railway, Because of this private business they had to move this public street. Then the streetcar line was privately owned by Thomas Lowry. There was the big influence of Brown & Bigelow, Wards....and now you see the small private investors and business people down at your end of the street.

It seems like the Central Corridor is the first time that the public sector has really been able to implement some kind of a grand scheme. I don't know what it says about why a street like University Avenue attracts so many entrepreneurs?

A I've got a couple of other thoughts. When my dad bought Western Bank in 1935 it was owned by Mr. Bigelow of the Brown & Bigelow Company, a major employer in the Midway area. And the Bigelow family at that time owned six small banks. They owned Midway Bank, they owned Western Bank, they owned a bank up in Falcon Heights, they owned a bank in Highland. I mean, Mr. Bigelow was a pretty successful entrepreneur. And then at some point after his death the family decided to start selling the banks. But I remember that prominent building Brown & Bigelow had up near Hamline and University – it was a beautiful building. But Mr. Bigelow employed a lot of people, shaped a lot of University Avenue in kind of unique ways. I've been involved with this kind of stuff for 40, 50 years. Somebody pointed out to me one time what a unique opportunity we have here in Minnesota to connect the two major cities, the State Capitol, and our state

University. If you think about Oregon, for example, you have to go to three different major cities, none of which are close to one another. If you live in Oregon and want to go to the capitol you've got to get in your car and drive two hours here, two hours there. Here, this is really unique to connect the two population centers with the State Capitol and the University. We should have done this years ago. I guess we did with the streetcars but now we're finally getting it done. And it's got to be positive. But change is difficult. We know that.

Q I'd like to hear about the formation of the Neighborhood Development Center and your role in that.

A I'm pretty sure that Mike Temali went to work for Western Bank and created WIND – Western Initiative and Neighborhood Development – in 1990. And that was a low point in what the corner of University and Dale looked like. At that time the Faust was closed, Alexander's was closed; it was probably the low point and I and a few people got together and said, well what are we going to do about this? There was an organization on Rice Street, staffed by Mike Temali, that had united the business people on Rice Street and it really made a difference in how Rice Street looked and how viable it was. Of course we knew those people because we have a bank on Rice Street and so we thought maybe we should hire Mike Temali and start a community development corporation which was a new piece of legislation just passed at the federal level and the state level to allow banks to get more active in neighborhood development. So I played kind of a major role in the state, permitting state banks to create neighborhood, community development corporations. So why wouldn't we want to be one of the first to do it? So I had a lunch with Mike Temali up at Lendways one day and we started talking about this. I remember saying we're going to do this and we want you to focus on like two or three things. And one of them was to try to clean up this intersection of University and Dale. The other one was to kind of replicate what you've done on Rice Street – work with businesses on other streets in St. Paul, which he did. Well, this new building was just dedicated what, in the last couple months? That's over 20 years since he started working on this. But I mean there was a lot of progress during those 20 years, but it just takes a long time to make a difference in a neighborhood and in this case at the intersection. Then it evolved into working with small businesses, working with immigrants who have entrepreneurial skills to start and operate a small business. So that's what his focus is right now. And many of those are on Selby Avenue, on University Avenue, on Rice Street – they're all over the metropolitan area.

Q Does it still operate under the auspices of the bank or is it now independent?

A Neighborhood Development Center is a freestanding, not-for-profit because the laws do not permit a for-profit organization to own a nonprofit. A nonprofit organization can own a for-profit corporation, but a for-profit can't own a nonprofit. So we had to spin it off. I am extremely proud of what they have done and how the intersection has been cleaned up and is much more viable.

Q How much did the City pay to buy out the old Faust Theatre in 1989?

A ...Faust Theater, what did they pay for it? In George's (Latimer) recollection was it was a million eight. Boy that's a lot of money. And I said, how do you feel about that

now? And George said, well I don't know how I feel. Well how do you measure the return on that investment?

So the city finally decided we're going to rid this intersection of the Faust Theater and we're going to buy the building and get 'em out of here. And they knocked it down and that land sat there for I don't know how many years. Just sat there vacant, which is probably an improvement. But then there was discussion about relocating the Lexington Library – it used to be on University just east of Lexington. And they decided to relocate that library and they combined that with a decision during the Randy Kelly administration to combine the library with several units of affordable housing. And Randy Kelly and his administration was committed to building 5,000 affordable housing units in the city; throughout the city. And one of those big projects is at University and Dale, and he put the library in the building. It's a beautiful facility. And I know, from people I've talked to, that one person in particular – when he has an out of town visitor and they ask him what's going on in St. Paul? – one of the first things he does is take them over to the Rondo Library for a tour to just observe a library in an inner city area. What kind of service does it provide to who? To Asians, to blacks, to whites, to young people, old people, the computers are busy, there's language classes going on – it's just an exciting place to be.

Q Something else that has emerged recently on University Avenue is the number of schools: Ronald M. Hubbs Center for Lifelong Learning, Gordon Parks High School. Why do you think we all of a sudden have so many schools that are taking root on University Avenue?

A Ron Hubbs was a senior executive at St. Paul Companies. He was always interested in the city, but he had a particular interest in literacy as it related to the immigrants that were now arriving in Minnesota and particularly St. Paul. And he made a large bequest that led to the creation of the Ronald M. Hubbs Literacy Center, which they chose to locate on University Avenue, kind of east of Lexington; a beautiful, new building. And that thing has continued to grow and expand and provides all kinds of services to all kinds of people. And I think that it's supported not only by his bequest, but probably to some extent by the St. Paul school system.

Q Going back to your younger years....was Lexington Ballpark still there? Do you remember going to games?

A I went to many games at Lexington Ballpark. I grew up in the St. Anthony Park neighborhood, probably 2,3 miles north of University Avenue. But my dad was always a baseball fan, my uncle was a big baseball fan and so many times my dad, my uncle, my brother and I would go to a baseball game. And what we would do is we would pick up my uncle, who lived on Snelling, and then work our way over to Lexington. We'd be going south on Lexington going to the St. Paul Saints game. The ballpark was on the southwest corner of Lexington and University. And what I remember is as you were coming down Lexington now going south towards the ballpark and you could kind of tell how many people were going to be at that game by how close you could get to University Avenue before you would turn right and park on one of those streets. And then you would walk. There was no parking, you know. You had to kind of walk through the neighborhood and you entered the stadium one block west of University. The home plate was over on that corner. Home plate's disappeared, by the way, which is kind of sad. They can't find it. They had it for years. But I went to many games in the old

Lexington ballpark and behind left field on University Avenue was a roller rink. Now roller rinks are coming back. So if you had a home run over the left field fence it landed on top of the roller rink. And the St. Paul Saints were the farm club of the Los Angeles Dodgers; that was a big deal. And the Minneapolis Millers had a team as well and they played over off Lake Street, Nicollet ballpark – must have been Nicollet and Lake. And of course the cities competed in every way in those days, including in sports - I mean hockey teams, baseball teams. And on July 4th every year there'd be a double header and in the morning they'd play in one stadium and in the afternoon they'd play in the other stadium. The stadiums would be packed; it'd be a hot, warm day. A lot of beer, I'm sure, was sold. Those were glorious days if you had enough energy to go to two ballgames in two different cities. It was fun. St. Paul Saints were blue and white, I remember that.

Q At one point there were also movie theaters as well as live theaters on University Avenue. Do you have any memories of those?

A Prom Ballroom was just beyond the ballpark on the south side of University Avenue. And that was a major dance hall. But it also hosted big meetings. A very successful business operated by Harry Given and his family and now his children still run Prom Catering, but it's moved. But it was basically just a huge building where they had a live orchestra on weekends and it was a fun place to go. And it attracted people from throughout the metropolitan area and probably from throughout our state. University Avenue had two of the best restaurants the city had – the Blue Horse and the Criterion. The Criterion was a block from our bank, on the north side of University Avenue. The Blue Horse was also on the north side of University Avenue, down closer to Montgomery Wards. And they were, in their day, wonderful restaurants and places where legislators gathered with lobbyists and so forth and with each other to make major decisions about the future of our state. The Criterion, the Blue Horse and the Lex were kind of the three places where people congregated for good meals and political discussions.

It just shows how prosperous University Avenue was. When you think about the restaurants, the car dealers, Brown & Bigelow, Montgomery Wards, the Prom Ballroom – University Avenue was a major street for commerce and entertainment and activity in St. Paul. And it will be again.

Q What else can you think of?

A I don't know how much research has been done about the gangster era, but I think that some of these characters hung around University Avenue. I've experienced the integration of the fire department and the police department. I can remember when there wasn't a black person in the police department or the fire department and now we have several. But I remember, I think Bob Harris was the first fireman; he lived in that neighborhood. Jimmy Lee and Jim Griffin were probably were probably the first two black patrolmen. One time I was talking to Griff and I said how many times in your career did you fire your weapon? And he said, once, and that's when he had a big battle with some gangster down on lower University Avenue. And another thing that's kind of interesting for me – one day back in probably the 70s – a gentleman who was an amateur historian lived in Frogtown, which I think is a wonderful name. He asked me one day if I had a picture of the original bank in the middle of that block. I said, no, we don't have a picture of the original bank. This was in the 70s. And he said, you know I

think I can find you one. So about a month later he came in and he produced a picture of the original bank. And this is what he did: he said Bill, I remembered in the 30s that the bank was held up one day. So I went down to the police department and I went through their records to see when that holdup was in the 30s. Then I went over to the newspaper, because in those days they always took a picture of the bank and put it in the paper. And at that time they still had the photos. Now this is forty years after the robbery. The St. Paul paper still had the photograph in their records. And that's how we were able to get the photograph of the original bank. It shows a bunch of people milling around out in front of the bank, and there's a policeman in the photo because the bank had just been robbed and all these people were there to see what was going on. Yeah, that was really special. The same guy that produced that photo for me was sitting in my office one day and another local resident was in the bank. And it's a pretty folksy place to be in the 70s. And this guy knew me, but he recognized the guy that was sitting there talking to me. And he came and he knocked on the door and he said, well Harry what are you doing here? I haven't seen you for many, many years. He said, well I haven't seen you for many years either. How've you been? And these were two guys that had grown up - probably both gone to St. Agnes I don't know, but knew one another. And finally the discussion was over and they left. But then the one guy returned to my office and he said, Bill I want to tell you a story, but I don't want you to share it with anybody until I've passed away. I said, OK. He said the guy you were talking to used to work for the St. Paul Police Department as an undercover investigator detective. And back in the 30s, on a Sunday, I was out at this bar on Big Marine Lake. Dillinger hung around St. Paul. And he said, I was in this bar out there on a Sunday morning and Dillinger was in the building. And I just happened to look out the window and here the gentleman you were just talking to drove up in his car and got out of the car and started walking towards the front door and I told Dillinger you better hide because this guy is a detective investigator for the St. Paul police department. So then what he did was he got up and he intercepted this guy at the door, like he just happened to be leaving when this guy was entering and he said, what are you doing here? And he said, we got a tip that Dillinger is in the building. He said, I've been here all morning long, Dillinger's not here. And the guy turned around and left. Yeah. Wow. Those were interesting days.

Q Did the east and west portions of the street have different characteristics in the 50s and 60s?

A You know the part of University Avenue where I am was always kind of segregated from the other part of University Avenue. The area from the Capitol to Lexington was always kind of different or something. I don't know. Midway Chamber of Commerce was kind of stronger on the west end of the Avenue. Some of the people down at my end belonged, but we were, I don't know if we were looked at as the poor brethren or what, but we were always kind of unique and different than the people at the other end of the avenue. Smaller businesses, they were big businesses.

Q You mentioned a young woman who owns a dress shop (Sunday's Best) on University in the new Frogtown Square. What do you know about her?

A Her family moved up here to better improve their lives, from Kansas City or St. Louis or someplace. And they found a place to live over in Summit-University and her mother would not let her go to the corner of University and Dale. It wasn't safe. And her mother joined the protest movement at the Faust. And now here she is operating a small business at the corning and she's just passionate. She's got a great story to tell:

“I’m operating a business at a corner my mother would not let me go to when I was growing up as a child. And look what a wonderful corner it is. It’s much better than what it was when I was 15.”

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