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## West Shore Bank makes opportunities count

By Eric Dick Special to the Record-Eagle  
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The West Shore Bank community room on the third floor of its new Eighth Street office building.  
Special to the Record-Eagle



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Another floor full of private office spaces, Sid Van Slyke knew, would not only be unnecessary but a missed opportunity. West Shore Bank was planning its new building on Eighth Street in Traverse City. The COVID-19 pandemic was unfolding. Van Slyke,

the bank's market leader for the Grand Traverse Area, had a better idea for that third floor space.

Turn the space into a community room. Let groups use it for free. The West Shore Bank Community Engagement Room opened last June. The goal for 2022, Van Slyke said, was to host five community events unrelated to the bank's own activities. The bank hosted 32.

The space is a "really welcoming and inspiring environment," said Sakura Takano, CEO of Rotary Charities of Traverse City, which has held meetings there overlooking the Boardman River and Boardman Lake.

West Shore, of course, is in the banking business, not the event-space business. So when a group wants to use the room on a weekday evening, some bank employee needs to stick around to lock the doors at the end of the night. "So it's a heavy traffic to support by our staff," Van Slyke said, "but it's our way and another way we support as a community bank."

The effort underscores the commitment of the bank to the community, a timely investment of its own as it manages through what promises to be a difficult year in the banking sector.

This story isn't really about a conference room. It's a story about a bank making the most of three key opportunities.

## Entering the Traverse City market

The first opportunity was opening a branch in Traverse City. The Ludington-based bank, which this year celebrates its 125th year, had been waiting on the sidelines in Traverse City, Van Slyke said. The area was well-served by community banks.

But their ranks are declining.

The number of community banks in the United States has dropped from 15,000 in 1984 to less than 5,000 in 2021, according to an article published last year by the Federal Reserve Bank of Kansas City. Although community banks still account for more than nine out of 10 banks today, their share of total industry assets dropped from 38% in 1984 to less than 12% in 2021.

When the parent of Chemical Bank acquired the parent of Northwestern Bank in 2014 and the parent of Independent Bank acquired the parent of Traverse City State Bank in 2018, West Shore saw an opening, Van Slyke said. “Our CEO and our board of directors felt it was the now or never moment,” Van Slyke said.

The bank believes its degree of personal service and familiarity with the local economy set it apart from its larger competitors, he said.

The second opportunity arose a couple of years later when the bank wanted to relocate its Traverse City location from the corner of Front and Division streets. That location over the years had been a carousel of different bank branches.

West Shore considered a handful of other Front Street locations, Van Slyke said. Some board members felt strongly that the bank needed the visibility and cache of being downtown. But the Front Street options failed to check enough boxes, Van Slyke said, one of which was easily accessible parking.

So West Shore opted for a much bolder – and expensive – option. Erect a new building on the edge of the Boardman River. The branch – about 21,000 square feet with about 16,000 square feet of parking – would be the first major new development in the city’s re-envisioned Eighth Street corridor.

“It would have been cheaper to go elsewhere but would have felt less committed to the community,” Van Slyke said. “And that was something we all knew was important to leave an impression that not only we are here, we’re seriously here.”

The bank broke ground on June 24, 2020. A brownfield plan approved by the Michigan Strategic Fund and using tax increment financing would help the city and the developer offset millions of dollars in environmental, infrastructure and construction costs at the site and along Eighth Street, according to a July 4, 2020, Record-Eagle article.

A year earlier the city had finished the transformation of Eighth Street between Boardman and Woodmere avenues from a busy four-lane east-west route through the city to accommodate traffic to a boulevard-type corridor meant to invite pedestrians and cyclists and spur mixed-use development. Bike routes, rebuilt sidewalks and streetlights now flank each curb, the Record-Eagle noted in a Sept. 25, 2019, article when the street reopened. Buses have turn-outs to pick up and drop off passengers. Three midblock crossings help pedestrians cross the street.

“I personally fell in love with the redevelopment of Eighth Street,” Van Slyke said. “What they did with the corridor I think was a night and day difference from what Eighth Street used to look like, and I knew the opportunity before redevelopment takes place, we could really be the anchor to that city’s effort.”

## The Eighth Street corridor takes shape

The city anticipates further growth along the corridor, which already is home to office spaces, retail stores, apartment buildings, and drinking and dining options.

The Downtown Development Authority plans to revisit an idea hatched in 2019 to expand the DDA’s boundaries to include the corridor, CEO Jean Derenzy said.

The idea, which would not have included extending the DDA’s downtown TIF district, was shelved when the pandemic erupted, she said.

She said she appreciates how West Shore Bank bought into the vision for the corridor, with the bank’s accessible sidewalks, development along the waterfront and connection to the Eighth Street Bridge and the Boardman Lake Trail.

“They’re not just a building and people in that building,” she said. “They’re really part of the community and embracing everything that we’re trying to bring.”

Debra Graetz, president of the North Boardman Lake Business District, said the bank’s commitment to the area should prove to be a catalyst for further development.

“I think that the size of the investment in the corridor shows that they’re here to stay,” she said. “But I also think the fact that they chose to invest in the corridor shows that there is the belief and understanding from our community members that Eighth Street is doing well and Eighth Street will only continue to build by adding additional businesses with ongoing stability for Traverse City.”

Graetz knows first-hand the value of a community bank. She said a large bank had turned her down for a construction loan to build what is now the building that houses her family medical practice at the corner of Eighth Street and Railroad Avenue. “And then I went to a local bank, who absolutely saw the future potential for Eighth Street and was able to give me that loan,” she said.

She said she now banks with West Shore “because there’s somebody I can walk to, there’s somebody that I know personally, there’s somebody I can count on.”

Van Slyke knows that kind of relationship is key to the bank’s success, whether when the economy is booming or times are tough.

Community bankers expect 2023 to be a “difficult and challenging year,” according to a January blog post by the Conference of State Bank Supervisors.

Rising interest rates, tepid economic growth and high inflation are raising worries that could curb activity and profitability.

The shift in the economy already is apparent to West Shore Bank. Its parent company, West Shore Bank Corp., reported a decline in net income in 2022 for the first time in five years, though the amount was still above 2020, according to the company's annual report. Lower mortgage banking revenues contributed to the decline.

Such challenging times are when a community bank can demonstrate its worth to its community, Van Slyke said, particularly among business owners.

“Where the community bank can really pay dividends is understanding not just economics — all the banks understand economics — but it's the economics of Northern Michigan and the economics of specific industries in northern Michigan,” Van Slyke said.

“And you know, a credit guy who sits in Chicago or Cincinnati or New York or wherever, they just don't have the bandwidth, first of all, to even take the time to get to know an economy at this micro level. And that's what makes a community bank so critically important. And it's, you know, nobody cares when times are fantastic. It's when times do get tougher, like we kind of all expect this year, that having someone by your side that understands not just economics but your economy is so important.”

Connecting and reconnecting

with the community

The third key opportunity for the bank, of course, was creating the Community Engagement Room on the third floor.

West Shore Bank has now hosted more than 50 community events.

Rotary has enjoyed its opportunities to “reconnect” with people involved in nonprofit groups, government organizations and tribal nations, Takano said, particularly in person following the pandemic's initial social distancing.

Julie Clark, CEO of Tart Trails, said in an email that the bank’s staff “is always gracious and accommodating and clearly passionate about the place we call home.”

Others to use the room include the Grand Traverse Regional Community Foundation, the National Writers Series, the Women’s Resource Center and the Northwest Michigan Community Action Agency

Traverse City offers plenty of places for a handful of people to meet and a few places to host hundreds of people.

What Van Slyke saw was the opportunity to host mid-sized gatherings of 25 to 50 people and the opportunity that lies behind it.

“I am a big believer in group events with our team, our network, and our clients,” he said.

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