

Dallas de novo looks to tap into underserved metroplex area

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By Nikki Gaub

Dallas-based de novo Texas Trinity Bank has its sights set on a primarily commercial and industrial business area west of the city's central business district, which the organizers view as underserved by competitor branches.

Craig Scheef, the proposed chairman, president and CEO, has been a part of the Dallas banking community for 19 years, having previously served at Wells Fargo & Co., where he managed middle market lenders. Scheef then moved on to Bank of Texas NA, where he served as a community bank president and then became responsible for business banking in Dallas and Houston.

According to Scheef, the bank's primary service area will be the metroplex area of Dallas. "We have identified a specific area that is about 29 square miles west of the central business district that has about 8,900 businesses in it, primarily commercial and industrial," he said, adding that the area is underserved in terms of competitor branches.

There are currently no community banks in the targeted area, so competition will come primarily from larger players such as Wells Fargo and JPMorgan Chase & Co., according to Scheef. He said the organizers feel they're "positioned very well from a competitive standpoint, putting up a community bank, customer service model ... against a major bank's model."

Scheef said Texas Trinity will focus on commercial and industrial business while also being mindful of the retail side, as there are "some very fertile consumer areas that are being developed" within the de novo's primary service area. Scheef estimated that commercial and industrial business will represent somewhere around 55% to 60% of its assets in deposits, with consumer business representing 10% to 15% and commercial real estate filling in the balance.

Organizers were also encouraged by population growth in Dallas, as well as various rehabilitation projects to beautify the area. Scheef said Texas continues to have population and economic growth that exceeds the rest of the country, partially as a result of continued immigration. Jason Crispin, proposed chief lending officer of Texas Trinity, said the real estate development projects located west of the central business district, specifically the \$1.6 billion Trinity River project, will contribute to the de novo's success.

Scheef said the bank plans to raise between \$25 million and \$30 million in startup capital and currently has commitments of \$10 million. Commerce Street Capital LLC, an investment banking firm serving community banks, is assisting Texas Trinity in the capital raising process, which began the week of Nov. 5 and has been progressing smoothly, according to Lee Bradley, managing director of Commerce Street Capital's bank development group. "The Dallas market is still a good market for raising capital," Bradley said, noting that he is involved in four projects in other parts of the country that are not seeing the same success.

Hugh Fagan, senior vice president of Commerce Street Capital, said they expect to meet the minimum threshold of \$20 million by the end of the year in order to break escrow. Scheef said Texas Trinity's capital raise will remain outstanding until March 31, with a targeted opening date in early February.

Crispin has also spent the last four years at Bank of Texas, most recently serving as a community bank president for two locations. He was also responsible for direct marketing for what is now Texas Trinity's primary service area.

Proposed CFO Larry Bennett spent 12 years with Bank One and was most recently CFO and COO for Dallas Market Center for the last seven years. Patricia McNeill, proposed senior credit officer, brings 30 years of banking experience to the table and was most recently responsible for Guaranty Bank's credit underwriting within its consumer and business banking units. *i*