

FINANCE & COMMERCE



Minneapolis-based Diversified Credit Union this week announced plans for a new 20,000-square-foot multi-tenant building that will let it move its Waseca branch from a small leased space to a site at 105 15th Ave. NE. (Submitted image)

MN Snapshot: Tiny Minneapolis credit union to test building prototype in Waseca

By: [Anne Bretts](#) August 17, 2017

Editor's note: Minnesota Snapshot reports interesting sales and development projects happening throughout Minnesota. The transactions are based on the certificates of real estate value filed with the state Department of Revenue, [copies of which are available here](#). Other items may come from government agendas and news releases.

As CEO of Minneapolis-based [Diversified Credit Union](#) for the last two years, Chris Hollen's main focus has been to find ways to help the tiny financial company expand.

With a shade under \$40 million in assets, not quite 4,000 members and its only branch in a town 50 miles from the Iowa border, Diversified offers either an impossible task or lots of room to maneuver, depending on your perspective.

Hollen made his first big move this week, unveiling plans for a new 20,000-square-foot multi-tenant office building where the credit union will serve as anchor. And while he's scouting new locations in

the highly competitive Twin Cities market, he's testing a building prototype at that branch in Waseca, 80 miles south of the home office.

"We're being very strategic about where we expand in the Twin Cities," Hollen said. He's not afraid of the competition. He has decades of banking experience in everything from Central Minnesota Credit Union to U.S. Bank.

As the only credit union in Waseca, however, Diversified has the opportunity to make a clear impact, he said.

"They do a lot of business in a tiny space," Hollen said.

Hollen has partnered with Douglas J. Boser, president and CEO of St. Cloud-based [Inventure Properties](#). Boser will develop the two-story office on the site of an old Godfather's Pizza restaurant at 105 15th Ave. NE., find other tenants and lease space to the credit union. Boser acquired the site July 14 for \$216,000 from B.A.R. Partnership in Spirit Lake. The price for the 1.12-acre lot works out to \$192,857 per acre.

Boser estimates the total project cost at \$3.2 million.

"It's the first new Class A office building in the city in more than a decade," Boser said. He and Hollen presented the plan to local Chamber of Commerce members Tuesday morning, while Boser took it to the City Council on Tuesday evening. The project won't need rezoning, but it likely will need tax increment financing, Boser said.

Construction will start as soon as tenants are lined up, either later this year or early in 2018.

"It's going to be at a site that's very prominent and visible," said Gary Sandholm, economic development coordinator for the city.

The traditional office design also has drawn support. "It's something that should make a very good statement for the community," he said.

The city has taken longer to get its footing after the recession than some other cities in the area, but the building should help generate some momentum, he said.

"We're in a place where things can happen," he said.

Hollen had planned to save money by doing a simple renovation of the 3,500-square-foot building.

"We just wanted to get the smell of pizza out of there," he said, laughingly describing his modest plan. The goal was to give the credit union space and visibility – and its first drive-thru lane – by moving it from its current location in a small leased space in the E.M. Johnson Co. offices at 299 Johnson Ave SW., about 2 miles south of the new site.

Diversified is a traditional credit union, formed in 1930 as the Minneapolis Gas Light Credit Union to serve the employees of Minneapolis Gas Light, later Minnegasco and now CenterPoint Energy.

Diversified opened in Waseca in 1988, when it took its space to serve employees of E.F. Johnson Co., later known as E.F. Johnson Technologies. Over time, E.F. Johnson moved away, but employees of other businesses in the building remained customers. The Dunwoody College of Technology in Minneapolis, the Waseca school district and other businesses were added. Today membership is open to anyone who lives, works, worships, volunteers or attends school in Anoka, Hennepin and Waseca counties.

How small is Diversified? By comparison, the largest credit union in the state, Apple Valley-based Wings Financial Credit Union, has \$4.3 billion in assets and 23 locations in five states.

Hollen admits that after managing dozens of branch offices in the past, it's an adjustment to run a credit union smaller than a single one of those branches. The personal connections are making it a good adjustment, however.

"That's why I went into banking," he said.