

BANK ON IT

NEW ENTITY SEEKS TO FILL A VOID IN C. FLA.'S WORLD OF FINANCE

Industry executives Randy Burden and Rick Pullum are banking on success with their new Orlando endeavor – even though they likely will face some challenges.

That's according to Alex Sanchez, CEO of the Tallahassee-based Florida Bankers Association.

Burden and Pullum, former Old Florida National Bank executives, on

Feb. 11 got Federal Deposit Insurance Corp.

(FDIC) approval to create two branches in Orlando and Apopka for their newly established One Florida Bank, a community bank based in Orlando. Community banks provide local expertise that customers sometimes cannot get from larger financial institutions.

The new bank was formed after the \$10 million purchase and conversion of the former Chipley-based One South Bank, plus a \$1.5 million investment for future growth. The deal was approved on Dec. 28 and closed on Jan 18.

However, this new community bank comes at a time when federal regulations have made it harder to start a new financial institution, Sanchez told *Orlando Business Journal*. The Dodd-Frank Wall Street Reform and Consum-

er Protection Act – which was put in place in 2010 following the 2008 financial crisis to add more oversight to banking institutions – has created additional barriers for banks just starting out.

“Regulators need to encourage the creation of community banks,” Sanchez said. “Dodd-Frank killed some of those banks and has made it harder to start others.”

The Orlando area currently has eight community banks, down from 25 in 2008, according to *OBJ* research. However, it will continue to be a challenge for smaller institutions to be created

without some changes in regulations, Sanchez said.

Meanwhile, One Florida Bank – with Pullum as president and Burden as CEO – will try to fill the void in Central Florida, Burden told *OBJ*.

“What's happening today is you have a lot of big banks in Orlando and a deficit of community banks,” Burden said. “Now that we are entering the market, we are really the only other choice in terms of handling transactions in that intermediate-to-large demand for a community bank.”

The bank quickly raised funding, breaking \$25 million in one day. Beyond that, the bank has \$88 million-\$89 million in financial commitments, with a goal to reach \$100 million by April. If the bank reaches its funding goal, the legal lending limit will be \$25 million.

One Florida Bank will focus on commercial and industrial banking mainly for businesses and high-net-worth individuals, Pullum said. That includes analysts and portfolio management services, as well as keeping the bank diversified and not just focused on real estate – which is what most Florida community banks do, Pullum said.

“If you are too concentrated in real estate and find yourself in a downturn, that can put you in a bad position.”

As for future expansion, the bank wants to open four branches in Orange and Seminole counties, and already is looking at potential locations. One South Bank's Chipley branch – the bank's lone branch outside of Central Florida for now – will change its name to One Florida Bank on Feb. 25, and maintain its services.



Rick Pullum



Randy Burden

ABOUT**ONE FLORIDA BANK**

Headquarters:
3660 Maguire
Blvd. near
Orlando Fashion
Square mall

Employees: 42
New branches set to open by end of March:
1601 S. Orange
Ave. in Orlando;
21 E. Third St. in
Apopka

Expansion plans: Add five to six employees per branch

GROWING UP



Randy Burden, right, chairman and CEO of One Florida Bank, with bank President Rick Pullum

ORLANDO BANKER ON HOW THE ECONOMY HAS CHANGED IN THE PAST 35 YEARS

BY RYAN LYNCH
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Central Florida has evolved plenty since *Orlando Business Journal* published its first issue in 1984, including major changes on the economic development front. So said Randy Burden, who moved to the area in 1976. The current CEO of One Florida Bank said the once-sleepy town with an economy dependent on citrus and Walt Disney World grew on the foundation of the local banking industry. “We’ve done a good job with both, building the community and the bank,” Burden told *OBJ*.

Since then, Orlando has transformed into the diverse economy it boasts today.

Some of the area’s biggest wins include the University of Central Florida becoming the nation’s largest university by enrollment and the region drawing a larger corporate presence in the past several years by establishing hubs for global giants like “Big Four” accounting firm KPMG LLP and Seattle-based Amazon.com Inc. (NYSE: AMZN).

Here, Burden chimes in with his thoughts on the past 35 years:

How has Orlando’s evolution been good for your industry? The growth has been tremendous. But you could see it coming. Orlando has a great business environment; it’s a great place to raise kids. It has been a super place for community banking. That need never goes away. We are still filling that need today with One Florida Bank.

How has the structure of the local economy changed? When I first got here, Orlando was largely tourism. The base back then was largely driven by real estate developments of some significance. When the real estate developments went down, the entire state went down. Now, you have Amazon’s warehouse, the stuff happening downtown with UCF and everything from a positive business environment.

What was the biggest change in your own industry? Over the years, growth has driven a lot of things from a banking and business standpoint. There are so many businesses in town. Light industrial, industrial and commercial activity have driven requirements

from a bank environment to actually increase capital levels to accommodate growth in town. Orlando always has been a tourist destination, but now, it’s a destination from a livability standpoint, due to some quality employers here in town. I don’t think it is going to slow down anytime soon.

How has workforce development changed? You have a higher level of skilled workers attracted to the area, mostly driven by some of the larger companies that have moved here. UCF has been a big player in attracting research and development centers along with a Lake Nona hospital. The income level is higher, especially when you go back and look at what was driving it.

What lessons have businesses learned from the past? We have a lot higher level of sophistication in the business community today. Regulations have driven a lot of changes. You can go back to the last downturn to see why we don’t concentrate on certain industries – if there’s any lesson that has to be learned from a banking standpoint.