



Regional Development Company Instrumental in Success of Lake County Culver's

Written by Andrew Rowe on May 27, 2016



Establishing relationships is one of the major keys to opening and maintaining a successful business. Securing investors and obtaining loans isn't always easy and, taking into consideration the business climate in the early 2010's, getting funding was made that much more difficult by the volatility of the markets and apprehension of financial entities to distribute loans.

When Fred Terpstra, owner of three Culver's restaurants throughout Lake County, decided to buy his first location the process was made much easier when he chose to work with Northwest Indiana's Regional Development Company (RDC).

The RDC, which is certified by the US Small Business Administration, administers the 504 Loan Program that helps small business owners invest in owner occupied real estate and large equipment.

“We were a tenant in our Merrillville Culver’s and after a couple years I said to the partners who owned the real estate there, ‘how about selling me the land and the building?’ They said, ‘yeah, that sounds like a good idea’ so I went over to First Financial Bank and talked with them about the amount of money and the price that was established. They really were the ones who suggested the Regional Development Company and the SBA 504 Loan Program.”

Two days later Terpstra was at the RDC offices in Valparaiso and he let them know who he was, what he was doing and what bank with which he was working.

“Erica (Dombey) wasn’t the president at the time but she was on staff and she was my contact person and my ‘go to’ person there,” said Terpstra. “She explained everything and so we did that first loan for the Merrillville Culver’s, and that’s how we got started.”

This first interaction between Terpstra, First Financial Bank and the RDC set the stage for what would become a blossoming relationship that ultimately led to Terpstra acquiring two more Culver’s locations in Northwest Indiana.

“When you can get a loan with the RDC that’s guaranteed at the same low interest rate for 20 years, and with today’s volatile environment, it’s almost a no-brainer. It’s been really, really good for me and my family. To be honest, if we moved forward with acquiring any more Culver’s I wouldn’t do it without them. That’s how much it means to us.”

When Terpstra was in the 6th grade his father told him that it was time for him to come to work so he started going to work with his father, who owned the Highland Department Store. Coming right out of World War II, Terpstra’s father opened the retail staple in Highland in 1946. He didn’t know it at the time but Terpstra’s father was grooming him to take over the business from a young age.

“Little did I but I was groomed for that business and I loved that business from the 6th grade all the way until we sold out in 1992. Highland Department Store was a mainstay in downtown Highland for many years. I got out of college in 1971 and joined them on a full time basis. We were able to expand not only in downtown Highland but we put up a store in Schererville and we had bought another one in Valparaiso so we had three stores and between 125 to 150 employees.”

Terpstra watched how his father ran the business and the practices he learned back then still apply today. What was good in how you treat, not only your guests and customers, but your employees is still something Terpstra uses along with all those lessons he learned working alongside his father over the years.

After selling out of the Highland Department Store in 1992, Terpstra owned car washes and quick oil change locations over the years, and even started a company called Terpstra Sanitation with 500 portable toilets in Illinois and Indiana.

“We just were sitting on the back of one of our trucks at around 4 o’clock in the morning and, we had just finished working with about 100 portable toilets, I had three of my kids working for me and my future son-in-law. I just said to them, ‘you know, I’m getting tired of this business. You got any ideas?’ My kid said to me, ‘maybe we should get into the restaurant business dad.’

“I had coached some softball games up around the Rockford area and remembered seeing some Culver’s restaurants up there so I just cold-called Craig Culver and talked to him for a little while. He said, ‘Well why don’t you come up to Baraboo?’ It was about a 3-4 hour drive each way and I got up there in the morning and we then went through the process of getting a franchise.”

Terpstra’s first Culver’s store was in Lansing, Illinois, which he sold and then opened locations in Merrillville (2011), Highland (2012) and Crown Point (2013). The economic climate in the early 2010’s wasn’t great but the relationship forged between Terpstra, First Financial Bank and Dombey with the RDC was instrumental in his ability to expand to other locations amidst the economic upheaval of the day.

“Banks weren’t loaning out much so I’ve got to give Mike Schneider at First Financial Bank a lot of thanks and a lot of credit because I built two stores in 13 months in a recessionary time. You really had to sell yourself. And likewise we wanted to do the SBA Loans with Erica at the RDC and I had to sell myself and what we were doing to both of them.”

“Back to back, millions of dollars and both Mike and Erica went along with me, and that was a big step for me to be able to do that. I would recommend them to any business of any size. Culver’s helped us out and they have a great product, and to have First Financial Bank and the RDC both as partners, we got the best of both worlds.”

“The 504 program really has some great features for a growing business, like Fred’s,” said Mike Schneider, Market President at First Financial Bank. “The program allowed Fred to keep more of his capital in the business operations, which is critical during a business expansion. Erica, Nikki and the rest of the team have developed a great rapport with Fred over the years and he really trusts in them to help him grow the business.”

“It’s written into the mission statement of First Financial that we will build long term relationships using a client-centered, value-added approach,” Schneider said. “I think our relationship with Fred exemplifies that. Having clients like Fred is the most rewarding part of this job. He’s a sharp business man, but he’s an even better person. My whole team always enjoys a visit from Fred. It means a lot to me that Fred continues to have faith in the bank to allow us to be a small part of his success.”

“It’s been a great ride!” Terpstra said. “It’s a really great feeling for me, my kids and my grandkids. I have 14 grandkids total and I’ve got three of the older boys and a couple of the girls come in from time to time and they’ll work in the kitchen or run orders. It’s pretty gratifying to see that. That’s really what the Terpstra name is all about. It’s been about family for as long as I can remember.”