



MEMO

PLANNING AND COMMUNITY DEVELOPMENT

To: Redevelopment Authority
From: Adrienne Nelson, Associate Planner
Date: October 30, 2026
Re: Flow Family Chiropractic Subordination Document

At the [February 5th, 2026 RACK meeting](#), revolving loan fund documentation was approved for Tip-Top Enterprises LLC (Flow Chiropractic) for their building located at 139 E Second Street. The loan is for \$200,000.00 and is set to be paid back over nineteen years. Currently, RACK is in the second mortgage position on the real estate, subordinate only to the Bank of Kaukauna.

Staff received a request from WBD, who is partnering with the Bank of Kaukauna to facilitate an SBA 504 loan for the purchase and renovations completed at 139 E Second Street. As part of the SBA loan requirements, WBD needs to be in the second mortgage position on the real estate. They are requesting that RACK sign off on a mortgage subordination agreement.

In reviewing the documentation originally submitted by Tip-Top Enterprises LLC, the WBD/SBA loan was originally planned and budgeted for. The funding sources for the project were listed as follows: WBD/SBA (38% of the cost), BOK (38%), RACK (19%), and borrower equity (5%).

The SBA loan obligation being given priority is the current SBA financing and not for any future, unrelated debts. The signing of this agreement would move RACK to a third position mortgage behind the bank and SBA loan.

Staff Recommendation:

Staff are recommending that the RACK Chair be authorized to sign the mortgage subordination agreement for the additional financing secured by the property.