



Community Development Authority

Meeting Date: December 18, 2025

Agenda Item: Update on Edgerton Loan

Staff Contact (name, email, phone): Mason Becker, mbecker@whitewater-wi.gov, 262.443.4458

BACKGROUND

(Enter the who, what when, where, why)

Earlier in 2025, the CDA approved a community development loan in the principal amount of \$140,000 to Edgerton Hospital and Health Service, Inc., to facilitate the procurement, installation, and operation of an X-ray machine at its Whitewater Urgent Care location, as a public benefit initiative.

The CDA supported this initiative through a structured zero-interest loan with performance-based forgiveness, subject to specific compliance terms designed to ensure continued community benefit.

The Loan was disbursed in a single lump sum upon execution of this Agreement. Beginning on the first anniversary of the Loan disbursement date and continuing annually thereafter for ten (10) years, the CDA shall forgive Ten Percent (10%) of the original principal balance (\$14,000 annually), provided Borrower has complied fully with this Agreement during the applicable year.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

April 2025: CDA Approved Loan

FINANCIAL IMPACT

(If none, state N/A)

\$140,000

STAFF RECOMMENDATION

On or before each anniversary of the Loan disbursement, Borrower shall submit a written certification confirming compliance with the terms of this Agreement. Failure to timely submit the certification may result in suspension of forgiveness eligibility for that year.

Staff recommends the following compliance criteria to be met:

- Service Obligation.** Borrower shall maintain the availability of X-ray services at its Whitewater Urgent Care facility continuously for the term of this Agreement, with such services reasonably accessible to the public.
- Use and Disposition Restrictions.** Borrower shall not sell, lease, transfer, encumber, or otherwise dispose of the Equipment without the prior written consent of the CDA, unless and until the Loan has been fully repaid or forgiven.
- Baseline Hours of Operation.** The Borrower agrees to staffing and making the Equipment available to the public for a period of ten hours daily, seven days a week.

4. **Reduction in Hours.** Borrower shall notify the CDA in writing of any proposed reduction in service hours at least thirty (30) days in advance. Any unapproved reduction may result in partial recapture of the Loan forgiveness.
5. **Proportional Recapture.** If service hours are reduced by more than ten percent (10%) in any year, the CDA may elect to reduce the applicable forgiveness amount proportionally.
6. **Use of Funds.** Loan proceeds shall be used exclusively for the purchase, installation, and operation of the Equipment at the Whitewater Urgent Care location. Any other use, including substitution or reallocation, requires the prior written consent of the CDA.

Note: For future Action Fund loans, staff also recommends getting a personal guaranty.

ATTACHMENT(S) INCLUDED
N/A

(If none, state N/A)

N/A