



CDA Agenda Item

Meeting Date: February 20, 2025

Agenda Item: Innovation Center Property

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BACKGROUND

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

Executive Summary:

During the CDA's visioning session the status of the Innovation Center was discussed. During the discussion it was shared that the group felt like no immediate changes needed to happen. However, the long-term vision of the center was unclear. To help give more information to shape a future plan of the building the CDA attorney did analysis of who has true ownership, the restriction of sale or use, and the complications in compliance.

More Information:

At the January 2025 CDA visioning session, the group discussed the status of the Innovation Center. During the discussion it was shared that the group felt like no immediate changes needed to happen. However, the long-term vision of the center was unclear. To help inform the body about the Innovation Center the City Manager asked that the CDA Attorney create a memo that conveys the future options of the Center. In Attorney Manthe's memo you will see he has three key findings- ownership, restriction on sale or use, and the complications in compliance.

To summarize the key findings The City of Whitewater owns the Innovation Center property, as confirmed by a 2012 certified survey map, with no recorded documents indicating a transfer of ownership. However, restrictions exist due to a 2009 federal Economic Development Administration (EDA) grant awarded to the University of Wisconsin-Whitewater to support the Innovation Center's development. Under the grant agreement, the City cannot sell or change the use of the property without EDA approval. If sold, the City must repay approximately 60% of the sale price to the EDA, and if the use changes while retaining ownership, either the City or the University must reimburse the EDA 60% of the fair market value. Although the University was the grant recipient, the City is likely considered a subrecipient, meaning it is still bound by the grant's terms. No formal agreement outlining these obligations between the University and the City has been found, further complicating compliance. Additionally, since the CDA plays an active role in managing the property, any proposed changes will require coordination between the City, CDA, and the University to secure EDA approval.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- The CDA discussed the future of the Innovation Center at the visioning session

FINANCIAL IMPACT

(If none, state N/A)

N/A

STAFF RECOMMENDATION

N/A

ATTACHMENT(S) INCLUDED
(If none, state N/A)

- Attorney Manthe's Memo