



Community Development Authority

Meeting Date: January 15, 2026

Agenda Item: Memo on Innovation Center and partial change in use

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BACKGROUND

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

On December 23, 2025, Community Development Department staff transmitted a formal letter to the U.S. Department of Commerce, Economic Development Administration (EDA), Chicago Regional Office. The letter was addressed to Susan Brehm, Regional Director, and was received by the EDA on December 29, 2025. Following the initial letter, a follow-up email was sent on January 7, 2026, to Director Brehm to confirm receipt and request discussion of next steps.

The correspondence requests EDA guidance and written confirmation related to proposed changes at the Whitewater Innovation Center, a facility originally developed in 2010 using EDA Public Works grant funding. Because the property remains subject to federal grant conditions, EDA concurrence is likely required prior to any substantial change in use or potential disposition of the facility. It should be noted that on review, the city attorney did not believe such a partial change in use violates any provisions in the original grant agreement. However, city staff still wished to seek official guidance from the EDA.

Specifically, the City and CDA are seeking EDA approval for a partial remodel of the Innovation Center to accommodate an Early Childhood Education Center (ECEC) as part of a proposed Early Childhood Education Institute affiliated with UW–Whitewater. The remodel would repurpose a portion of the building while maintaining overall alignment with workforce development and economic vitality objectives. All renovation and operational costs would be funded through non-EDA sources.

In addition, the letter requests EDA guidance regarding a potential future sale of the Innovation Center to a nonprofit entity. The City seeks clarification on whether such a transaction would constitute a “disposition” under federal regulations, whether repayment of EDA’s original cost share would be required, and whether continued educational and workforce-related use by a nonprofit successor could satisfy EDA’s ongoing programmatic objectives. This information is sought only for planning purposes. No such sale is currently being considered, and the city has received no such offers to date.

As part of the broader public process, the Early Childhood Education Center (ECEC) Work Group provided a public presentation on the project at the December 16, 2025 Common Council meeting, outlining the concept, community need, and anticipated workforce and economic development benefits.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- The CDA board previously discussed potential negotiation of a lease in closed session during the October 16, 2025 regular CDA meeting.
- December 16, 2025 – Common Council: Public presentation by the ECEC Work Group on the proposed Early Childhood Education Institute and identification of the Innovation Center as a potential location.

FINANCIAL IMPACT

(If none, state N/A)

- None at this time. If the ECEC project moves forward, future rent payments and other considerations will need to be reviewed.

STAFF RECOMMENDATION

- No action is required at this time, this memo is for information only.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Copy of the letter submitted to the EDA is included
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