



701 East Broadway, Columbia, Missouri 65201

Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: December 1, 2025

Re: KW COU, LLC Annexation Agreement – Enterprise Drive (Case #243-2024)

Impacted Ward: Ward 3

### Executive Summary

Approval of this request will authorize the City Manager to execute an annexation agreement with KW COU, LLC involving the future annexation of 45.15-acres of land into the City that is located east of Route Z and southeast of the property presently improved with American Outdoor Brands (1800 N. Rte. Z) at the eastern terminus of Enterprise Drive. The subject 45.15-acre property is not considered contiguous to the City's municipal boundary and is required to obtain annexation agreement approval per Policy Resolution 115-97A to be allowed to connect to the city sanitary sewer system.

The sanitary sewer to serve the property was also the subject of a June 2024 approved Sewer Extension Agreement between the City of Columbia and Setzer Properties, LLC (Ord. # 025683) that was assigned to KW COU, LLC in November 2024 (Ord. # 025809). Per the Extension Agreement and its assignment, KW COU, LLC is entitled to be compensated for the expenses of extending the sewer main from its connection point with an existing Boone County Regional Sewer District (BCRSD) gravity sewer main west of the subject site that flows into the City's treatment network that ultimately will serve the 45.15-acres. Per the Extension Agreement, compensation for the installed improvements to KW COU, LLC would be generated from future connection of the 35 properties within a defined 675-acre "service territory".

Distribution of collected revenue to compensate KW COU, LLC for the sewer main extension expenses is only permitted to occur once approval of the attached annexation agreement has been given. Distribution of collected revenue to off-set incurred expenses to KW COU, LLC has a specified term of 20 years following approval of the annexation agreement.

### Discussion

The attached annexation agreement is the result of the applicant seeking to construction a trucking facility on a 45.15-acre property that is east of Route Z and southeast of property presently improved with American Outdoor Brands (1800 N. Rte. Z) at the eastern terminus of Enterprise Drive. The proposed trucking facility has an estimated investment value of \$35 million to \$40 million. As a result of this investment opportunity and the necessity to serve the subject site with public sanitary sewer, a Sewer Connection Agreement was approved in June 2024 (Ord. # 025683) between the City of Columbia and Setzer Properties, LLC. This agreement was then assigned to the applicant, KW COU, LLC, on November 4, 2024 (Ord. # 025809) and subsequently amended on November 18, 2024 (Ord. #025822).

The amended Sewer Connection Agreement, among other matters, provides that KW COU, LLC would be entitled to reimbursement of the expenses associated with the installation of approximately 6,800 linear feet of a new city gravity sewer main serving the 45.15-acre property, subject to entering into and approval of the attached annexation agreement. The new city gravity sewer will permit the connection of 35 parcels within the 675-acre "service territory" (Exhibit A) that is not presently serviced with public sewer previously identified in the City's Northeast Area Plan as the location of future residential, commercial, and employment uses.

The new city gravity sewer main is interconnected with an existing Boone County Regional Sewer District (BCRSD) gravity sewer that ultimately flows into the City's treatment facilities. BCRSD has provided the required authorization for the City to serve the subject site and the properties within the 675-acre "service territory". The installation of the gravity sewer main extension was self-funded by the applicant as a means of expediting the needed service to permit construction of the trucking facility on the subject site and will enable the city to ensure public health and welfare are maintained as the surrounding properties continue to develop in advance of when the city would have been capable of identifying funds and constructing extension through a future capital project.

The funds that will offset the expenses incurred by KW COU, LLCs installation of the gravity sewer main will be generated from connection fees that would have otherwise been paid to the City, as 35 properties within the identified 675-acre "service territory" are connected to the new sewer main. The Sewer Extension Agreement has a sunset provision that stipulates reimbursement payments to KW COU, LLC are valid for a period of 20-years following approval of the annexation agreement.

Construction of the gravity sewer main extension has been completed and approved for placement into service by applicable City of Columbia Utility Department and BCRSD personnel following conveyance to the City. As such, KW COU, LLC desires to enter into the attached annexation agreement such that reimbursement of its incurred expenses may begin following the conveyance to the City. This process is consistent with the terms and conditions contained within amended Sewer Extension Agreement. Conveyance documents are in the final stages of review and will be submitted under separate cover for Council's acceptance at a subsequent Council meeting.

A copy of the owner executed annexation agreement inclusive of Exhibits A-D and locator maps are attached for review.

### Fiscal Impact

Short-Term Impact: None. The applicant has self-funded the installation of a new gravity sewer main extension to serve the subject 45.15-acres and a future "service territory" containing 675-acres in accordance with the terms and conditions of the June 2024 Sewer Connection Agreement, as amended on November 18, 2024.

Long-Term Impact: Immediate impacts will include the cost of maintenance and potential repairs to the gravity sewer main extension. However, per the Sewer Extension Agreement, this expense shall not become effective until 1 year following the date of conveyance and final acceptance of the gravity sewer main by the City.

Additionally long-term impacts would be incurred upon final annexation of the subject property or when properties within the "service territory" are annexed into the city. Such incurred costs would include expenses in the provision of public safety and solid waste services and potential infrastructure maintenance for roads and new public utilities. The subject site and the 675-acres within the "service territory" are served by Public Water Supply District # 9 and Boone Electric.

### Strategic & Comprehensive Plan Impact

#### Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Reliable and Sustainable Infrastructure, Tertiary Impact: Not Applicable

#### Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Environmental Management, Tertiary Impact: Inter-Governmental Cooperation

### Legislative History

Date	Action
11/18/2024	Approved First Amendment to Sewer Extension Agreement (Ord. 025822)
11/04/2024	Approved Assignment of Sewer Extension Agreement (Ord. 025809)
6/03/2024	Approved Sewer Extension Agreement (Ord. 025683)

### Suggested Council Action

Authorize the City Manager to execute the attached annexation agreement.