



City of Austin

Recommendation for Action

File #: 26-2046, **Agenda Item #:** 81.

7/23/2026

Posting Language

Authorize negotiation and execution of a cost participation agreement with Vanterra Capital Group, LLC for the City to reimburse the developer an amount not to exceed \$709,430 for design and construction costs associated with oversizing a water main and appurtenances related to Service Extension Request No. 6398 that will provide water service to a proposed mixed-use development located in the City's extraterritorial jurisdiction south of Killingsworth Lane, west of Cameron Road, and north of Howard Lane. Funding: \$709,430 is available in the Fiscal Year 2025-2026 Capital Budget of Austin Water.

Lead Department

Austin Water.

Fiscal Note

Funding: \$709,430 is available in the Fiscal Year 2025-2026 Capital Budget of Austin Water.

For More Information:

Inquiries should be directed to Vicky Addie, Program Coordinator, 512-972-0332 or Vicky.Addie@austintexas.gov.

Council Committee, Boards and Commission Action:

July 15, 2026 - Recommended by the Water and Wastewater Commission on an 8-0 vote, with three absences.

Additional Backup Information:

The Fossil Creek project consists of approximately 16 acres of land located south of Killingsworth Lane, west of Cameron Road, and north of Howard Lane (Property). The Property is located entirely within the City's two-mile extraterritorial jurisdiction, Impact Fee Boundary, Austin Water's water service area, the Desired Development Zone, and the Gilleland Creek Watershed. A map of the Property location is provided.

Vanterra Capital Group, LLC (Owner) is proposing to develop approximately 195 single-family townhomes and approximately 200 multi-family units. The Owner has requested that the City provide water utility service to the Property as proposed in Service Extension Request (SER) No. 6398. Austin Water will also provide retail wastewater service to the Property as proposed in SER No. 6039.

In accordance with City Code Chapter 25-9 (Water and Wastewater), the City has asked the Owner to oversize the water main to serve additional properties within the north pressure zone consistent with the City's long-range planning goals for this area. If approved by City Council, the City will cost participate in this construction project only to the extent of the City's proportionate share of the oversized water main.

The proposed oversized improvements include construction of approximately 2,700 feet of 16-inch water main from the existing 16-inch water main located in Kotche Street east of the Property.

The City will reimburse the Owner for an overall total amount not to exceed \$709,430 for hard costs and soft

costs. Hard costs include, but are not limited to, construction and materials. Soft costs include, but are not limited to, preliminary engineering reports, surveying, geotechnical studies, design, and project management.

For costs of the 16-inch water main (the minimum pipe diameter of 8-inches required to serve the Property increased to an oversized 16-inch) and appurtenances, the City's maximum participation consists of:

- (1) hard costs in an amount not to exceed 50 percent of the hard costs of the 16-inch water main and appurtenances, and
- (2) soft costs in an amount not to exceed 15 percent of the City's hard cost participation amount.

Other terms of the agreement require that the Owner do the following:

- Pay all costs for financing, interest, fiscal security, accounting, insurance, inspections, permitting, easement acquisition, legal services, and other non-reimbursable soft costs associated with the project;
- Conform to the City's design criteria and construction standards;
- Construct all improvements at the Owner's cost and after the City's final approval of the construction, dedicate the facilities to the City for ownership, operation, and maintenance;
- Allow the City to use the project plans and specifications approved by the City to solicit and publish invitations for bids for the construction of the improvements; and
- Follow the City's standard bidding practices and procedures, including the minority-owned business enterprise procurement program found in City Code Title 2 (Administration), and Texas Local Government Code Chapters 212 (Municipal Regulation of Subdivisions and Property Development and 252 (Purchasing and Contracting Authority of Municipalities).

The proposed project will be managed through Austin Water staff and is located in the City's extraterritorial jurisdiction in zip code 78660, near City Council District 1.