



City of Austin

Recommendation for Action

File #: 26-2047, **Agenda Item #:** 82.

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 \$5,720,080 for design and construction costs associated with oversizing a wastewater lift station, force main, and gravity wastewater main and appurtenances related to Service Extension Request No. 6039 that will provide wastewater 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: \$5,720,080 is available in the Fiscal Year 2025-2026 Capital Budget of Austin Water.

Lead Department

Austin Water.

Fiscal Note

Funding in the amount of \$5,720,080 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, the Impact Fee Boundary, Austin Water's wastewater 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 requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 6039. Austin Water will also provide retail water service to the Property as proposed in SER No. 6398.

In accordance with City Code Chapter 25-9 (Water and Wastewater), the City has asked the Owner to oversize the gravity wastewater main, lift station, and force main to serve additional properties within the Gilleland Creek drainage basin 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 gravity wastewater main, lift station, and force main.

The proposed oversized improvements include construction of:

- a 1,075 gallons per minute (gpm) lift station located at an appropriate low point within the boundaries of the Property,

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- approximately 3,100 feet of force main from the proposed lift station northwest through the Property and then southwest across an unnamed tributary of Gilleland Creek to the existing eight-inch force main located outside the Coomer Path Lift Station site, and
 - approximately 3,000 feet of 18-inch gravity wastewater main from the proposed lift station northwest through the Property and then southwest across an unnamed tributary of Gilleland Creek to the existing 15-inch gravity wastewater main located outside the existing Coomer Path Lift Station site.

The City will reimburse the Owner for an overall total amount not to exceed \$5,720,080 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.

The City's cost participation by project component is as follows:

- For costs of the 1,075 gpm lift station and force main (the minimum pumping capacity of 164 gpm required to serve the Property increased to an oversized pumping capacity of 1,075 gpm) and appurtenances, the City's maximum participation consists of: (1) hard costs in an amount not to exceed 84.74 percent of the hard costs of the lift station, force main, and appurtenances, and (2) soft costs in an amount not to exceed 15 percent of the City's hard cost participation amount.
- For costs of the 18-inch gravity wastewater main (the minimum pipe diameter of eight inches required to serve the Property increased to an oversized 18 inches) and appurtenances, the City's maximum participation consists of: (1) hard costs in an amount not to exceed 56 percent of the hard costs of the 18-inch gravity wastewater 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:

- 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 their 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 requirements of Texas Local Government Code Chapter 252 (Purchasing and Contract Authority of Municipalities) and the minority-owned business enterprise procurement program found in City Code Title 2 (Administration).

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.