



City of Austin

Recommendation for Action

File #: 25-1633, **Agenda Item #:** 4.

8/28/2025

Posting Language

Authorize negotiation and execution of a cost participation agreement with Lennar Homes of Texas Land & Construction, Ltd. for the City to reimburse the developer in an amount not to exceed \$6,228,082 for design and construction costs associated with oversizing a wastewater lift station, force main, and appurtenances related to Service Extension Request No. 5219R2 that will provide wastewater service to a proposed single-family development located at 13419 Gregg Manor Road. Funding: \$6,228,082.00 is available in the Fiscal Year 2025-2026 Capital Budget of Austin Water.

Lead Department

Austin Water.

Fiscal Note

Funding 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:

August 20, 2025 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Gregg Manor project consists of approximately 322 acres of land located at 13419 Gregg Manor Road ("Property"). The Property is located entirely within the City's 2-mile extraterritorial jurisdiction, Impact Fee Boundary, Austin Water service area, the Desired Development Zone, and the Wilbarger Watershed. A map of the Property location is attached.

Lennar Homes of Texas Land & Construction, Ltd. ("Applicant") is proposing to develop approximately 1,119 single-family homes. The Applicant requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 5219R2. The Applicant has also been delegated authority to act on behalf of two adjacent projects (the "Adjacent Projects") to design and construct the common wastewater improvements required to provide wastewater utility service to each respective project. Manville Water Supply Corporation is the certificated water utility for the area and will provide retail water service to the Property and the Adjacent Projects. The Adjacent Projects are comprised of:

- SER-5145R, a project which is proposing to develop a 102.99-acre tract at 13503 Gregg Manor Road with 980,730 sq. ft. of industrial warehouse space; and
- SER-6005, a project which is proposing to develop a 296.71-acre tract at 15227 North State Highway 130 with approximately 2,793,980 sq. ft. of industrial warehouse space.

In accordance with City Code Chapter 25-9, the City has asked the Applicant to oversize the lift station, force main, and wastewater interceptor to serve additional properties within the Wilbarger 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 lift station, force main, and wastewater interceptor.

The proposed oversized improvements include construction of approximately:

- 2,700 gallons per minute (gpm) capacity lift station located on the Property
- 13,250 feet of force main from the Property extending south to and along East U.S. Highway 290, and
- 400 feet of 18-inch wastewater interceptor from the force main extending west along East U.S. Highway 290 to the existing 42-inch wastewater interceptor.

The City will reimburse the Applicant for an overall total amount not to exceed \$6,228,082 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 2,700-gpm capacity lift station and force main (the minimum capacity of 1,589 gpm required to serve the Property and the Adjacent Projects increased to an oversized capacity of 2,700 gpm) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 41.15% of the hard costs of the lift station, force main, and appurtenances; and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.
- For costs of the 18-inch wastewater interceptor (the minimum pipe diameter of 15 inches required to serve the Property and the Adjacent Projects increased to an oversized 18 inches) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 17% of the hard costs of the 18-inch wastewater interceptor and appurtenances; and (2) soft costs, in an amount not to exceed 15% of the City's hard cost participation amount.

Other terms of the agreement require that the Applicant complete 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 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 minority-owned business enterprise procurement program found in Title 2 of the City Code, and Texas Local Government Code Chapters 212 and 252.

The proposed project will be managed through Austin Water staff and is located in zip code 78653, northeast of City Council District 1.