



City of Austin

Recommendation for Action

File #: 26-2718, **Agenda Item #:** 46.

1/22/2026

Posting Language

Authorize negotiation and execution of a cost participation agreement with Lennar Homes of Texas, Inc. for the City to reimburse the developer an amount not to exceed \$3,881,210 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. 5003 that will provide wastewater service to a proposed single-family development located in the City's extraterritorial jurisdiction on FM 812, east of Highway 183 and west of FM 973. Funding: \$3,881,210 is available in Capital Budget of Austin Water.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the 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:

January 14, 2026 - To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Wong Tract project consists of approximately 123 acres of land located on FM 812, east of Highway 183 and west of FM 973 (Property). The Property is located entirely within the City's two-mile extraterritorial jurisdiction, Impact Fee Boundary, Austin Water's service area, the Desired Development Zone, and the Cottonmouth and North Fork Watersheds. A map of the Property location is attached.

Lennar Homes of Texas, Inc. (Owner) is proposing to develop approximately 774 single-family homes and an amenity center. The Owner requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 5003. Austin Water will also provide retail water service to the Property as proposed in SER No. 5002.

In accordance with City Code Chapter 25-9, the City has asked the Owner to oversize the gravity wastewater main, lift station, and force main to serve additional properties within the North Fork 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:

- approximately 4,810 feet of 24-inch gravity wastewater main from the existing 15-inch gravity wastewater main located north of the Property in FM 973, south-southwest along FM 973, and then

north-northwest along FM 812 to the Property.

- approximately 3,355 feet of force main from the proposed lift station, north through the Property to the proposed 24-gravity wastewater main.
- a 1,650 gallons per minute (gpm) lift station located near the southern boundary of the Property.

The City will reimburse the Owner for an overall total amount not to exceed \$3,881,210 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 24-inch gravity wastewater main (the minimum pipe diameter of 12-inches required to serve the Property increased to an oversized 24-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 24-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.
- For costs of the 1,650 gpm lift station and force main (the minimum pumping capacity of 525 gpm required to serve the Property increased to an oversized pumping capacity of 1,650 gpm) and appurtenances, the City's maximum participation consists of: (1) hard costs in an amount not to exceed 68.18 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.

Other terms of the agreement require that the Owner 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 the City's extraterritorial jurisdiction in zip code 78719, near City Council District 2.