Item 7
Water & Wastewater Commission: November 10, 2026
Council: November 19, 2026

Posting Language

Recommend approval to authorize the negotiation and execution of a cost participation agreement with Z Modular for the City to reimburse the developer for an amount not to exceed $4,500,000 for costs associated with the design and construction of oversized wastewater improvements related to Service Extension Request No. 4999R3 that will provide wastewater service to a proposed mixed-use development located at 7308 N FM 973 near the intersection with State Highway 130. Funding is available in the Capital Budget of Austin Water.

Fiscal Note

Funding is available in the Capital Budget of Austin Water.

Council Committee, Boards and Commission Action:

November 10, 2026 – To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

The Winding Trails East and West project consists of approximately 260 acres of land located at 7308 N FM 973 near the intersection with State Highway 130 (the "Property"). The Property is located entirely within the City of Austin's (the "City") 2-mile Extra-Territorial Jurisdiction, Impact Fee Boundary, Austin Water's service area, the Desired Development Zone, and the Decker Creek Watershed. A map of the property location is attached.

Z Modular (the "Applicant") is proposing to develop approximately 1,254 multi-family units, 195,000 sq. ft. of office space, 205,000 sq. ft. of retail space, 87,500 sq. ft. of restaurant space, a 16,500 sq. ft event center, 115 hotel rooms, and 14 acres of space dedicated for sports fields. The Applicant requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 4999R3. Austin Water will provide retail water service to the Property as proposed in SER No. 4998R3.

In accordance with Chapter 25-9 of the City Code, the City has asked the Applicant to oversize the proposed lift station, force main, and downstream gravity main in order to serve additional properties within the Decker 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 wastewater improvements.

The proposed oversized improvements include construction of approximately:

- 715 feet of 30-inch gravity wastewater interceptor along Decker Lake Road
- a 2,800-gpm lift station located south of Decker Creek near State Highway 130
- 12,350 feet of force main from the lift station and extending west along Decker Lake Road to the 30-inch gravity wastewater interceptor

The City will reimburse the Applicant for an overall total amount not to exceed $4,500,000 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 30-inch gravity wastewater interceptor (the minimum pipe diameter of 18-inches required to serve the Property to an oversized 30-inch) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 40% of the hard costs of the 30-inch gravity wastewater 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 lift station and force main (the minimum capacity of 1,792-gpm required to serve the Property to an oversized 2,800-gpm lift station) and appurtenances, the City's maximum participation consists of: (1) hard costs, in an amount not to exceed 36% 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.

To serve the Property, the Applicant will additionally be required to construct, at their own cost:

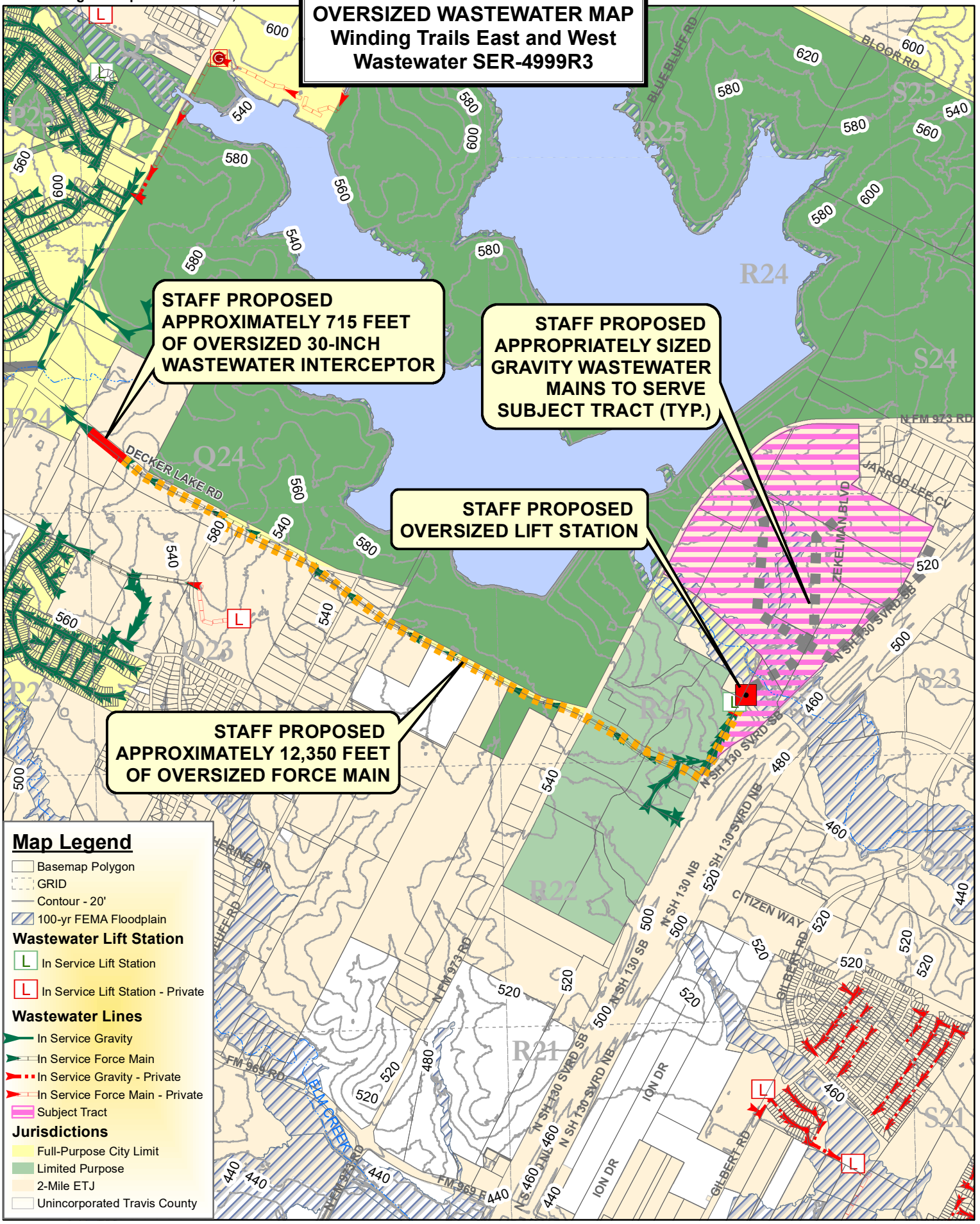
- Approximately 1,300 feet of 15-inch gravity wastewater main from the proposed lift station and extending north across Decker Creek
- Approximately 2,250 feet of 12-inch gravity wastewater main from the proposed 15-inch gravity wastewater main crossing Decker Creek extending north through the Property to serve future proposed development within the Property
- Approximately 3,400 feet of 12-inch gravity wastewater main from the proposed 15-inch gravity wastewater main crossing Decker Creek extending west and north through the Property to serve future proposed development within the Property
- Approximately 3,250 feet of 15-inch gravity wastewater main from the proposed 15-inch gravity wastewater main crossing Decker Creek extending east to and northeast along State Highway 130 to serve future proposed development within the Property
- The following wastewater improvements are required to serve the Property, but are being constructed under future City of Austin CIP Subproject 6943.061 (Colony Park Interceptor – Sendero Hills Wastewater Improvements Phase 1) and are not part of this cost participation request:
- Approximately 1,800 feet of 36-inch wastewater interceptor located west of Decker Lane
- Approximately 1,250 feet of 42-inch wastewater interceptor located south of Loyola Lane along a tributary of Walnut Creek
- Approximately 1,650 feet of 48-inch wastewater interceptor located east of Johnny Morris Road along a tributary of Walnut Creek

Other terms of the agreement will require that the Applicant:

- 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 78724, near City Council District 1.

OVERSIZED WASTEWATER MAP
Winding Trails East and West
Wastewater SER-4999R3



Map Legend

- Basemap Polygon
- GRID
- Contour - 20'
- 100-yr FEMA Floodplain

Wastewater Lift Station

- In Service Lift Station
- In Service Lift Station - Private

Wastewater Lines

- In Service Gravity
- In Service Force Main
- In Service Gravity - Private
- In Service Force Main - Private
- Subject Tract

Jurisdictions

- Full-Purpose City Limit
- Limited Purpose
- 2-Mile ETJ
- Unincorporated Travis County

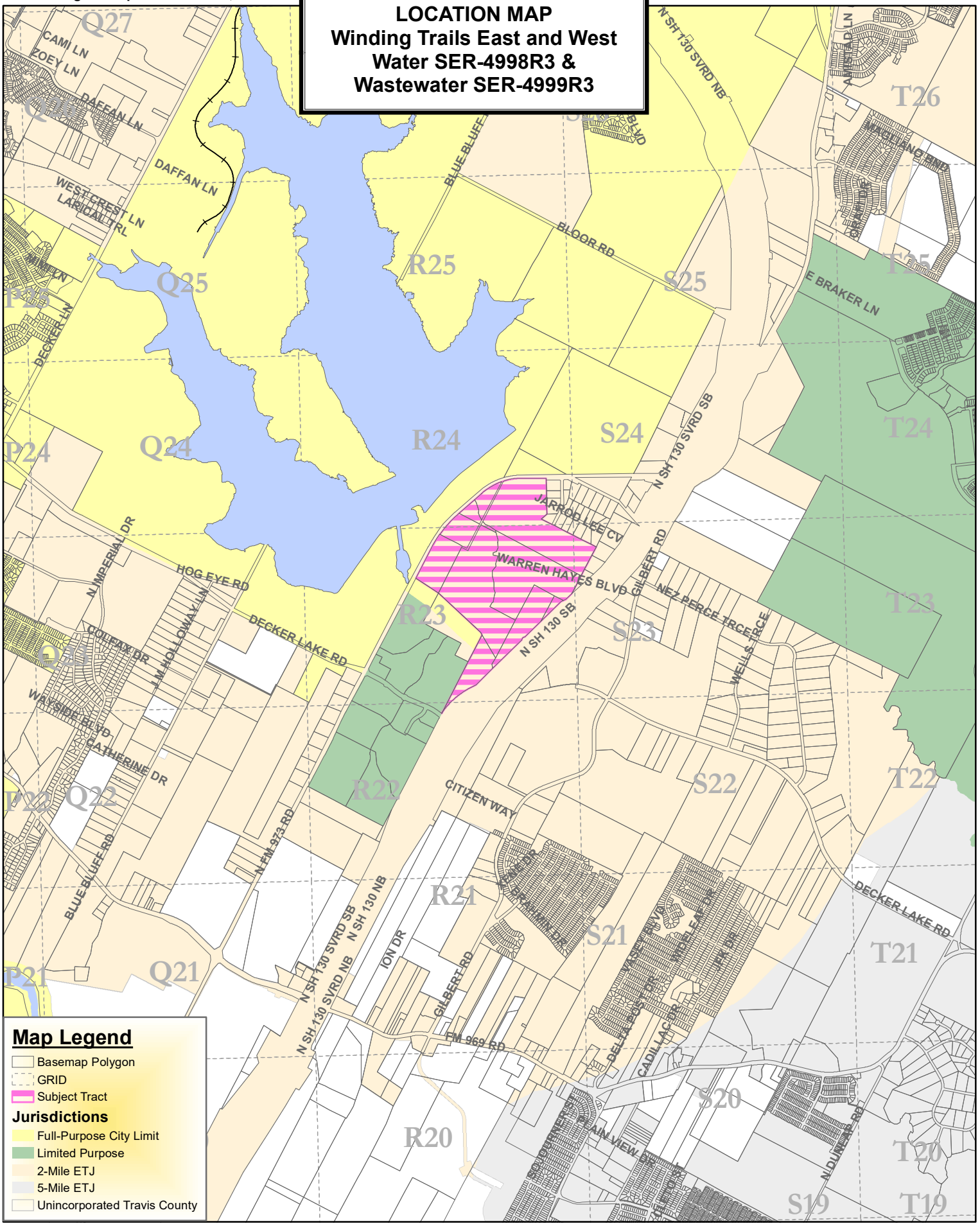
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This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the City of Austin for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

11/2/2026

LOCATION MAP
Winding Trails East and West
Water SER-4998R3 &
Wastewater SER-4999R3



Map Legend

- Basemap Polygon
- GRID
- Subject Tract

Jurisdictions

- Full-Purpose City Limit
- Limited Purpose
- 2-Mile ETJ
- 5-Mile ETJ
- Unincorporated Travis County

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10/26/2026