

MEMORANDUM

April 21, 2026

TO: Steve Parker, City Manager
Honorable Mayor and City Council

FROM: Mark Kennedy, City Attorney

RE: Ordinance Amending Chapter 90: Procedures for Abandonment, Sale, and Exchange of Public Right-of-Way (First Reading)

Executive Summary

City Council is asked to consider an Ordinance adding Section 90-33 to the Seguin Code of Ordinances. This amendment establishes a formal, transparent procedure for the abandonment, sale, or exchange of underutilized City Right-of-Way (ROW). By formalizing this process, the City can effectively manage "paper streets" and unimproved alleys, reducing municipal liability while returning tax-exempt land to the private tax rolls.

Background and Purpose

The City of Seguin holds title to various Rights-of-Way that have never been improved or are no longer necessary for the City's transportation or utility networks. Currently, requests from property owners to abandon these easements are handled on an ad-hoc basis.

The proposed ordinance provides three primary benefits:

1. **Risk Mitigation:** Abandoning unimproved ROW reduces the City's premises liability for land it does not maintain.
2. **Tax Revenue:** Transferring land to private owners allows it to be assessed for ad valorem taxes, providing long-term financial benefit to the City.
3. **Process Clarity:** It establishes a clear path for residents to follow, ensuring that all adjacent owners are notified and that the City receives Fair Market Value for its underutilized assets.

Fiscal Impact

The immediate fiscal impact is positive but modest, involving the collection of the \$200 application fee. The long-term impact includes:

- Receipt of Fair Market Value for sold parcels.
- Increased property tax revenue from newly taxable acreage.
- Reduction in potential litigation costs related to unimproved public property.

Recommendation

Staff recommends approval of the ordinance on first reading. This framework ensures that the City's real property assets are managed responsibly and that the costs of these private requests are borne by the requesting party rather than the general taxpayer.

Next Steps:

- April 21, 2026: First Reading and Public Consideration.
- May 5, 2026: Second Reading and Final Adoption.
- Effective Date: Ten days after publication.