



**It's real.**

**MEMORANDUM**

To: City of Seguin Mayor and Council  
From: Andy Quittner, City Attorney *AQ*  
Date: October 12, 2022  
Re: Ordinance establishing a pro rata assessment

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A pro rata assessment scheme takes the value of construction of an off-site utility line to determine a price per living unit equivalent that can be applied to downstream developers who tie onto a utility line that was constructed off-site to serve a particular development. This allow costs to assessed fairly based on intended use. Frequently these lines are not part of the existing capital improvement agreement and are not eligible for reimbursement from impact fees, which is the reason for pro rata assessment.

With the increasing development in certain sectors of the City, more developers have expressed that they cannot wait for City projects to extend utility service to their property. For example, the Lennar at Navarro Ranch development on Highway 123 south of CR 758, built some 6 miles of sanitary sewer line, along with associated lift stations, to serve their property. This line will now benefit a number of properties south of the Navarro Ranch development. As part of a development agreement to build the line, Lennar requested that properties tying into the line pay a proportionate share of the cost (based on their proposed use) to reimburse Lennar for its expenses.

The Ordinance under question memorializes the Agreement with Lennar, and broadens the idea to cover other utilities, particularly water. The Ordinance mirrors what is done in other cities with provisions that best fit Seguin's circumstances.

With the transfer of water service area from Springs Hill it is quite possible that a similar situation (to Lennar) will occur for the construction of a water line. This Ordinance sets out the procedures that would be required for a pro rata (proportionate share) assessment to be levied upon developers taking advantage of another developer's utility line construction, no matter what type of utility line is being considered.

City staff recommends approval.