



CITY OF ORLAND STAFF REPORT

MEETING DATE: March 17, 2026

TO: Honorable Mayor and Council

FROM: Paul W. Rabo, City Engineer

SUBJECT: **Review and Adjustment to Maintenance Assessment District (MAD) No. 2006-05 (Orland Park) (Discussion/Action)**

BACKGROUND:

When residential or commercial projects are developed within City limits, the City requires the developer to create a Maintenance District. Parcels within the maintenance district are assessed to fund the operation and maintenance of designated facilities within the established district.

Assessments for this MAD were collected for the tax years 2007/2008, 2008/2009 and 2009/2010. After receiving letters from the original developer, the Council approved in 2011 to the return the assessments collected for the three-year period and reduce future assessments to zero dollars for all parcels in the MAD. The assessment of zero dollars was to remain in effect until further notice. In 2022, after receiving multiple building permit applications to build residential homes within the MAD, City Staff recommended the assessment of this MAD be started again.

The annual review of all maintenance assessment districts was brought before the City Council at the August 5, 2025 regular Council meeting. Subsequent to that meeting, staff received letters from the owners of Assessment Numbers 65 and 66 (see attached Assessment Diagram) requesting their assessments be left at zero dollars.

ANALYSIS:

MAD 2006-05 includes a total of 66 assessments. The annual assessment for MAD No. 2006-05 is used to fund the annual costs of operating and maintaining the following public improvements: storm drainage facilities, landscaping and irrigation of parks, bike paths and other common areas and street lighting.

In 2022, the City accepted and began maintenance of the public improvements listed above except for the landscaping and irrigation of the park (Lot A). The park improvements on Lot A have not been constructed; however, the regional storm drain detention system, under Lot A and benefitting all 65 assessments, has been completed.

A couple questions presented by Assessment Numbers 65 and 66 include:

- 1) Why are assessments being collected on an undeveloped parcel(s)

Resolution No. 2006-26 and the included Exhibits A, B and C do not make a distinction between a developed and un-developed parcel. An assessment is levied upon all parcels located within the boundary of the MAD.

- 2) Why are assessments being collected to operate and maintain facilities that have not been constructed?

The assessments prepared for the 2025/2026 year were reviewed prior to presenting to Council and it was determined the annual assessment could be decreased considerably because some of the facilities had not been constructed and did not require maintenance. Below is a table showing the original assessment and the current assessment.

Assessment No.	2005/2006 Assessment	2025/2026 Assessment
1 - 64	\$664.85 (per lot)	\$164.47 (per lot)
65	\$95,739.06	\$23,683.29
66	\$13,610.24	\$3,366.81

Potential options for the Council to consider are:

- 1) No changes to the 2025/2026 assessments within MAD No. 2006-05.
- 2) Reconsider assessments to Parcels 1 through 66. For example, change the assessment to Parcels 65 and 66 to zero dollars which may lead to the increase in the assessment charged to Parcels 1 through 64.
- 3) Perform a process to remove Parcels 65 and 66 from the assessment. Changes to the boundaries of a MAD would need to follow the process outlined by the Municipal code.
- 4) Other options provided by Council.

Any option that would adjust the assessments to be collected in this MAD would require a letter from the Mayor to the County Tax Collector, or possibly a new resolution, stating what revisions are being made.

Staff does not see any benefit in assessing Lots 65 or 66. These parcels have frontage along City streets but they do not benefit from the public improvements described in the MAD. Staff would support Options 2 or 3 above and would review any other options proposed by Council.

RECOMMENDATION:

Provide direction to staff on how to proceed with collecting the assessments within MAD No. 2006-05.

FISCAL IMPACT OF RECOMMENDATION:

The City would not receive funds that could help with the operation and maintenance of public improvements within the MAD.

ATTACHMENTS:

MAD No. 2005-06 resolution