

MAYOR

James Dodge

VILLAGE CLERK

Mary Ryan Norwell

14700 S. Ravinia Avenue
Orland Park, IL 60462
(708)403-6100
orlandpark.org



**ORLAND
PARK**

DEVELOPMENT SERVICES

TRUSTEES

William R. Healy

Cynthia Nelson Katsenes

Michael R. Milani

Dina M. Lawrence

John Lawler

Joanna M. Liotine Leafblad

Amendment Report to the Board of Trustees

Establish Surety Bond Rating Requirement

Prepared: 11/06/2025

Project: 2025-0819 – Land Development Code Amendment: Establish Surety Bond Rating Requirements.

Requested Approvals: Establish a surety bond minimum rating requirement in the Land Development Code for subdivision and public improvements.

AMENDMENT SUMMARY

The Village of Orland Park seeks approval of a Land Development Code amendment to Section 5-112.E.3.b to establish a minimum financial rating requirement for surety bonds used to guarantee subdivision and public improvements. The amendment would require surety companies to maintain a minimum "A" rating, aligning the Village's standards with those of neighboring municipalities and providing stronger financial assurances for public infrastructure.

PLAN COMMISSION SUMMARY

Present at the Plan Commission meeting were 7 commissioners and members of staff. No members of the public were in attendance. Staff explained that currently the Village has no minimum rating requirement for bond companies. The proposed amendment would close that gap and ensure that financially stable companies are providing sureties to the Village for Public Improvements.

The Commissioners discussed whether recent issues had prompted the change, the potential effect on the pool of eligible contractors, and how the Village's standards compare to other municipalities. Staff noted that no specific problems had occurred, but the amendment was recommended following discussion at a prior Board meeting. The "A" rating standard is consistent with similar suburban communities in Chicagoland.

The Plan Commission overall supported the amendment and stated that it will protect the Village's financial interests. The Plan Commission unanimously recommended approval of the amendment to Section 5-112.E.3.b of the Land Development Code. This item is now before the Board of Trustees for consideration.

PROPOSED AMENDMENT TEXT

Section 5-112.E – Guarantees for Improvement Completion.

Key: Added text is **Bold and Highlighted.**

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3. **Security Methods.** One of the following security methods shall be utilized to guarantee the completion of public improvements:

- a. **Letter of Credit.**

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- b. Other Guarantee Security Method. The Board of Trustees may, at its discretion, approve any other security method, including surety bonds. Surety bonds must be issued by a corporate surety licensed to do business in the State of Illinois and having a current A.M. Best Company rating of "A" or better.

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PLAN COMMISSION ACTION

Regarding Case Number 2025-0819 – Land Development Code Amendment: Establish Surety Bond Rating Requirements, the Plan Commission recommends the Village Board **approves** the Land Development Code Amendment for Section 5-112.E.3.b.

BOARD OF TRUSTEES RECOMMENDED MOTION

Regarding Case Number 2025-0819, I move to approve the Plan Commission Recommended Action for this case;

AND

I move to adopt an Ordinance Entitled: AN ORDINANCE AMENDING THE LAND DEVELOPMENT CODE OF THE VILLAGE OF ORLAND PARK, AS AMENDED