



Legislation Text

File #: 2020-0683, **Version:** 0

Title

Debt Modification/Fine Reduction - 18249 Breckenridge Boulevard

History

Previously, the property at 18249 Breckenridge Boulevard in Orland Park was written a violation notice from the Code Enforcement Division of the Development Services Department. Development Services was notified that this property was vacant, unsecured, the lawn uncut, had no power, and the basement had filled with water causing mold issues in the residence. The Village made multiple efforts to engage the property owner through code enforcement including: sending violation notices, calling the owner, sending letters, and sending citations with mandatory court appearances required. The owner was unresponsive to Village requests to maintain the property. The situation at the property have persisted.

The fines for this case have amounted to \$9,389.93 in out of pocket expenses plus \$25,500 in punitive fines. The Orland Park Village Code, Section 6-2-3 reads as follows, "...If the person so notified shall neglect or refuse to abate the same in accordance with such notice, he shall be chargeable with the expense which may be incurred in the removal thereof, to be collected by suit or otherwise in addition to any fine or penalty which may be imposed by law." Therefore, liens were placed to cover all of the aforementioned expenses which include lawn mowing, securing the property, unpaid water bills, and legal expenses.

Presently, the existing owner and a potential buyer have worked with the Village to facilitate a transfer of ownership to a party that intends to completely rehabilitate the property and resell it as a fully restored single family home. That sale is contingent on the existing owner paying off the \$9,389.93 lien at closing and the buyer has agreed to take the property subject to the \$25,500 punitive damages lien. Legal fees and other Village expenses already incurred and up through the final transfer up until resale of the home (estimated to be an additional \$10,000 to \$15,000) would be paid by the rehabber prior to issuance of the certificate of occupancy and deducted from the punitive damages amount. In order to facilitate this arrangement, the parties have requested that the Village then write-off the balance of the punitive damages lien once the property is fully restored. This arrangement would fully cover the Village's out of pocket costs and facilitate the end of the nuisance property, but requires waiving between \$10,500 and \$15,500 in punitive damages. Patrick Collins of Klein, Thorpe, and Jenkins has been processing this matter for the Village. All parties have represented that but for the proposed partial waiver of Village fines, this transfer of ownership will not take place and the nuisance property will persist.

Ordinance No. 5498 allows for the cancellation and modification of fines or liens assessed by the Village. Per the ordinance, the amount of the original lien is over \$5,000 and any modification must be approved by the Village Board of Trustees.

Staff is recommending that the Village collect the \$9,389.75 at the initial property transfer closing and

retain the \$25,500 punitive damages lien until the property is fully rehabilitated. The rehabber would then pay all legal expenses and Village out of pocket expenses, not previously covered by the \$9,389.93 lien payoff, at resale of the property, with the Village agreeing to waive the balance of the punitive damages lien. Absent this arrangement, the property owner has indicated they will abandon the property, leaving the nuisance to persist. This will leave the Village no alternative except to pursue a court injunction seeking property demolition followed by a foreclosure to obtain control of the property, with these two actions alone estimated to cost more than \$35,000, and take a year or more to accomplish. Staff's recommended route is a faster and more cost effective solution.

Financial Impact

While the total penalty amount collected by the Village will be reduced, the proposed structure will ensure full out-of-pocket expensive recovery and facilitate transfer of ownership to a responsible party that will abate the nuisance and return the property to productive use.

Recommended Action/Motion

I move to approve a debt modification/fine reduction for 18249 Breckenridge Boulevard, Orland Park in accordance with the cost structure outlined herein.