



ADDENDUM #1

This addendum to the Master Services Agreement dated _____, is made by and between the **City of Star**, referred to as the "Client" located at **10769 W. State St. Star, Idaho 83669**, AND **Clearwater Financial, LLC** located at **PO Box 505 Eagle, ID 83616**, referred to as the "Consultant."

1. **Scope of Services.** The Client hereby employs the Consultant to perform the following services in accordance with the terms and conditions set forth in this addendum and any attached exhibits. These services include:

- a. Parks Capital Improvement Plan and Impact Fee: See **Exhibit A** to this addendum.

The completion of this scope will be dependent on the availability of information needed to complete the scope as identified in **Exhibit A**, some of which may be provided by the Client.

2. **Terms of Agreement.** This addendum will begin when this addendum is fully executed by both the Client and the Consultant. The time frames for delivery of services will be measured from the execution of this addendum and as outlined in **Exhibit A**.

3. **Cost of Services.** The Client will pay the costs for these services will be:

- a. Exhibit A:
 - a. Parks Capital Improvement Plan and Impact Fee Project: \$ 46,000

The Consultant will submit a monthly invoice for progress billing of services performed on the scope to date. The Client will pay the Consultant the amount due as indicated within thirty (30) days of the invoice date.

If additional expenses such as travel, meals, communications, print, software, data sources, and other out-of-pocket expenses are required; these costs will be paid by the Client to the Consultant.

4. All other terms and conditions as outlined in the Master Services Agreement remain in force.

Client: _____
Name: _____
Title: _____

Consultant: Clearwater Financial
Name: Cameron Arial
Title: President

/s/: _____
Date: _____

/s/: _____
Date: _____



OVERVIEW – EXHIBIT A

1. Project Background and Description

- i** Definition of Capital Improvement Plan: Idaho code defines a Capital Improvement Plan (CIP) as: A capital improvement plan is a long-range plan that identifies future capital needs, prioritizes capital projects, and specifies funding sources. Idaho Code **Section 67-8208** requires that capital improvement plans be adopted prior to imposing impact fees.

Definition of Impact Fees: Idaho Code defines an impact fee as "... a payment of money imposed as a condition of development approval to pay for a proportionate share of the cost of system improvements needed to serve development." Impact fees are one-time assessments established by local governments to assist with the payment of capital improvements as a result of new growth and development. Idaho Code **Section 67-82**.

Project Purpose: As the City is a fast-growing municipal entity that needs additional funding to keep up with service demands, the City is asking Clearwater Financial (CWF) to advise and service its needs in a comprehensive way, beginning with the development of a Capital Improvement Plan (CIP) and impact fee (IF) services particularly focused on Parks services. It is contemplated that a future Master Facilities Plan (MFP) would include the results of these IF efforts.

Organization Background: The City of Star is in the SW of Idaho in north Canyon County.

- Population approximately 17,000 (2023 estimate)
- Part of the Boise-Nampa Metropolitan Statistical Area (MSA)
- Employs 25 full-time and 2 part-time employees
- The City would like to engage the community in a process to establish a Capital Improvement Plan (CIP) and development Impact Fees (IF) to fund capital needs for its Parks department because of growth. This process would be underpinned by Public Engagement (PE) services.

Committed City Staff: Mayor Trevor Chadwick, Clerk/Treasurer Jacob "Mac" Qualls, Deputy Clerk/Treasurer Meredith Hudson, Parks Director and City PIO staff.

2. Project Scope

- i** **Initiation: Project Logistics and Data Gathering**
 - Project Logistics: includes establishing points of contact, communication preferences and expectations, determination of project timeline and milestones, and establishment of client approval process.
 - Establish and document project logistics including project team and contact information, approval processes, web, social and branding assets
 - Set goals and criteria for prioritizing projects, project budgets, and timelines
 - Gather and review existing documentation including comp plans, prior CIP and impact fee analyses, projects, staffing, funding sources, established level of service (LOS), land use policies
 - Existing Documentation Review: includes obtaining lists of all facilities, determining a standardized measure (or service unit) of public facilities consumption, deficiency identification and cataloguing, impact fee cash flow analysis, current impact fee report & existing CIP review, current and future land use policy review, current department staffing assessment, current service level, and evaluation of what needs to be updated, including project, costs, and demographic variables



- Public Engagement includes building a communication and public engagement plan, establishing dates and calendars of events, determining communication tools and platforms, making social posts and website edits with draft review and approval by Client, and communicating via email to employees.
- Stakeholder Engagement: Assist in the creation of the CIP/ Development Impact Fee Advisory Committee. Includes determining stakeholders, establishing contact, scheduling dates and coordination of meetings, and providing summary of results.

Analysis:

- Legal Authority & Framework: includes determining the legal authority and framework for imposing impact fees, state statute, ordinance, resolution and client approval, and consultation of legal counsel to ensure that the proposed impact fee program adheres to legal requirements.
- Needs Identification & Impacts: includes identification of public services and infrastructure impacted by new development, assessment with staff and development of impact fee committee of identified services and infrastructure, estimation of costs associated with providing or expanding these services and infrastructure. Internal staff interviews; capital projects and development budget review; demographic analysis; financial, economic, and cost forecasts; operational analysis; draft fee calculation.
- Demographics and Land Use Analysis: current and forecasted development: population, housing units, employment, nonresidential building for a period of 10 but not to exceed 20 years. Possible sources include COMPASS, Census and ACS, nonresidential square footage projections, building permit histories and other sources.
- Impact Fee Study: includes conducting an impact fee study to quantify the specific impacts of new development on public services and infrastructure; determining the appropriate fee amounts for varying types of development, utilizing specific calculations to determine current & future levels of service, projected growth, calls per unit and other calculations as needed.
- Conditions Analysis: *Assumes city will provide or outsource detail on:*
 - Identify needs and prioritize projects by reviewing current and assumed future uses of facilities, conducting internal staff interviews, internal department, advisory committee, and community stakeholder interviews.
 - Inventory and analyze existing infrastructure assets, conditions, performance and functionality, deficiencies and plans to address, project costs and funding sources.
 - Determine assets eligible for impact fees based on growth impacts
- Usage Analysis: Current and Future Levels of Service:
 - Analysis of the total capacity, the level of current usage, and commitments for usage of capacity of existing capital improvements by service type.
 - Estimate costs associated with maintaining, improving, or expanding services and infrastructure. Consider facilities, land, equipment, staffing, upgrades, and CIP/Impact Fee creation costs.
- System Improvements and Cost Analysis: *Assumes city will provide or outsource detail on:*
 - Determine and inventory system improvements and their costs necessitated by and attributable to new development in the service area based on the approved land use assumption.
 - The total number of service units necessitated by and attributable to new development within the service area.
 - The projected demand for system improvements required by new service units projected over a reasonable period not to exceed twenty (20) years
- Methodologies
 - Evaluate and determine the most appropriate methodology for each component of the impact fees: Ex: Demand Analysis, System Buy-in Approach, Incremental Expansion, Cost Recovery, Negotiated Fees, Benefit Districts, Standardized Fees.
- Credits and Exemptions: Document and account for the allowed credits and exemptions to impact fees. Developers, schools, large lots, donated land, etc. will be considered in this analysis.
- Funding and Cash Flow Analysis: Identification of all sources and levels of funding available for the financing of the system improvements. Identify gross revenues, capital facility costs and possible



funding (grants, bonds, etc.), deficits, credits and exemptions, anticipated funding sources and other governmental cost sharing.

- Deploy public engagement objectives and deliverables: Includes hosting public meetings and workshops, updating websites, providing content and updates to social media platforms, and engaging employees and stakeholders via email communication.

Build:

- Impact fees:
 - Build proposed IF calculations from a transparent and equitable methodology based on current service level analysis and current assets analysis, CIP value and IF portion and per residential unit.
 - Create table establishing the specific level or quantity of use, consumption, generation, or discharge of a service unit for each category of system improvements and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, agricultural, and industrial.
- Assist with inter-governmental relations:
 - Support relations and documentation including the legal basis, fee schedule, collection procedures, exemptions, credits, and administrative processes for cost sharing of improvements by reasonable share of funding by each unit.
 - Draft ordinances: includes the preparation of a draft ordinance or resolution establishing the impact fee program, and presentation of draft.
 - Public engagement: Deploy public engagement materials according to the approved plan. Includes provision of public notice of the proposed impact fee program(s), determination of any necessary public hearings, scheduling and coordination of determined meetings, and stakeholder and employee email communication.
 - Provide materials for leadership and the CIP / Impact Fee Advisory Committee
 - Meet with and obtain Advisory Committee letter of support
 - Create CIP and Impact Fee report.

Implementation:

- Advise on IF ordinance creation and adoption;
- Assist with the execution of intergovernmental agreements if needed;
- Assist with the creation and coordination of the Advisory Committee as it relates to the creation of impact fees;
- Assist with the creation and adoption of specialized assessments, donation, credit/reimbursement, spending, and update process policies for IF.
- Annual updates: Create a calendar for annual reviews that would include reviewing the CIP/IF with leadership and the Advisory Committee for:
 - changes in facility needs
 - additions or subtractions of assets
 - assessment of performance and impact of projects including completed projects and/or analysis of projects not completed and plan for completion strategies
 - inclusion of any identified future projects
 - annual updates proposed to the City Council
 - Five (5) year comprehensive review.
- Assist client in preparation and adoption of changes to the CIP due to identified changes.
- Public Engagement: includes social media content and posts, and stakeholder and employee email communication required due to changes to the CIP and IF.



3. High-Level Requirements

- i** City staff will provide Clearwater Financial Staff with:
 - o Single point of contact to staff and assist in the IF process
 - o Timely response for providing information, reviewing progress documents, and providing approvals as detailed in the project timelines. Failure to adhere to deadlines may compromise the project timeline and impede our ability to complete the project within scope and on schedule.
 - o Essential background information on Parks
 - o Available demographic data including current COMPASS data
 - o Three years of financial audits
 - o Current operating budget
 - o Project lists including project costs; intend 5-year projection of projects
 - o Operation and maintenance plans
 - o Creation of a list of Advisory Committee participants and assist with the logistics of the Committee
 - o Identification of all existing Parks public facilities and other assets
- City staff will engage with Clearwater staff throughout the process by:
- o timely providing required information for analysis listed above
 - o approving scope and work deliverables
 - o attending meetings as scheduled
 - o reviewing and approving information as needed to complete the Project

4. Deliverables

- i** **Comprehensive Capital Improvement Plan (CIP) and Impact Fee Schedule and Report:**

Executive summary, methodologies, LOS standards, completed CIP, IF schedule by land use type, cash flow analysis, implementation & administrative procedures, demographic report, public engagement report.

 - o Land Use Assumptions: description of land use assumptions and a detailed table showing the LOS for each type of improvement.
 - o Conditions analysis: general description of all existing public facilities, their deficiencies, and a plan to address these deficiencies
 - o Usage Analysis: total capacity, current usage, and future demand for the facilities.
 - o System Improvements: details of the system improvements needed due to new development, along with costs and the projected number of service units.
 - o Funding Sources: identification of all potential funding sources for these improvements.
 - o Credits and Exemptions: documentation of allowable credits and exemptions from impact fees
 - o Intergovernmental Agreements: If improvements involve multiple governmental entities, (a)n agreement(s) detailing the cost-sharing arrangements
 - o Timeline: the commencement and completion of the planned improvements.
 - o Proposed Impact Fee schedules by land use type and activity.
 - o Public engagement and material summary: website, social media, and news content throughout the project.
 - o Implementation recommendations.

5. Affected Parties

- i** City of Star, Mayor, Council, City staff, Parks & Facilities Departments



6. Specific Exclusions from Scope

- i** Does not include:
 - Any other CIP or Impact fee development except for those relating to the Parks Department
 - Annual update and administration of IF without annual renewal of retainer with CWF
 - Master Facility Plan, but does contemplate the inclusion of this scope in a future MFP process
 - Guaranteed results and approval of development impact fees ordinance

7. Affected Business Processes or Systems

- i** Parks Department, City operations, maintenance, facilities, services, budgeting, accounting, and public engagement

8. Implementation Plan

- i** CWF will work with City staff to develop a comprehensive and integrated timeline for the Project.

9. High-Level Timeline/Schedule

- i**
 - Project start: September 2024 or when City can start the process.
 - Project completion: The project is estimated to take 6-7 months from when it starts. The project timeline will be outlined before the project starts. Failure to adhere to deadlines may compromise the project timeline and impede our ability to complete the project within scope and on schedule.

10. Cost

Comprehensive Capital Improvement Plan and Impact Fees for Parks: \$46,000

Other Costs: If more expenses such as travel, meals, communications, print, software, data sources, and other out-of-pocket expenses are required; these costs will be paid by the Client to the Consultant.