ORDINANCE NO. 432-2026

AN ORDINANCE OF THE CITY OF STAR, ADA AND CANYON COUNTY, IDAHO, ADOPTING A PATHWAYS IMPACT FEE; PROVIDING FOR THE IMPOSITION, COMPUTATION AND PAYMENT OF SAID FEE; PROVIDING FOR THE ESTABLISHMENT OF AN IMPACT FEE FUND; PROVIDING FOR EXEMPTIONS, REFUNDS, CREDITS AND WAIVERS OF THE IMPACT FEES; ADOPTING GENERAL PROVISIONS; PROVIDING FOR APPEALS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Idaho Code §67-8201, et seq., the City of Star may impose impact fees to fund expenditures by the City on capital improvements to its park infrastructure needed to serve new development;

WHEREAS, the City retained Clearwater Financial, to analyze and assess new development projections to determine the demand for city Pathways and Trails capital improvements to accommodate new development in the City; and

WHEREAS, the City of Star Development Impact Fee Analysis & Capital Improvement Plans: Pathways and Trails, prepared by Clearwater Financial, dated December 16, 2025 (the "impact fee study"), incorporated herein by reference, sets forth a reasonable methodology and analysis for determining and quantifying the impacts of various types of new residential and nonresidential development on the Pathways and Trails infrastructure; quantifies the reasonable impact of new development on the system improvements addressed therein; determines the costs necessary to meet demands created by new development; and determines impact fees as set forth in this Ordinance that are at a level no greater than necessary to defray the cost of planned capital improvements to increase the service capacity of the City's existing Pathways and Trails infrastructure. The City hereby establishes as the City standards the assumptions and level of service standards referenced in the impact fee study as part of the City's current plans for future expansions to the Pathways and Trails infrastructure; and

WHEREAS, based on reasonable methodologies and analyses for determining the impacts of new development on the City's Pathways and Trails, including review and reliance on the City of Star Comprehensive Plan, the impact fee study quantifies the impacts of new development on public infrastructure, and establishes impact fees on new development no greater than necessary to defray the cost of capital improvements that will increase the service capacity of public infrastructure to serve new development; and

WHEREAS, in preparing the impact fee study, the City reviewed and has relied upon the Capital Improvements Plan prepared by Clearwater Financial, in coordination with City's engineers, planners, and financial officers, and adopted by the City, and has reviewed and analyzed what elements of new development are or would generate demand for additional Pathways and Trails infrastructure addressed therein; and

WHEREAS, all capital improvements planned for and included in the impact fee study, which are to be funded by park impact fees are directly related to services that the City is authorized to provide, and are services required by the general policies of the City pursuant to resolution, code or ordinance; and

WHEREAS, an equitable program for planning and financing capital improvements to increase the service capacity of public infrastructure needed to serve new development is necessary to promote and accommodate orderly growth and development and to protect the public health, safety and general welfare

of the citizens of the City. Such protection requires that the City's Pathways and Trails infrastructure be expanded to accommodate new development within the City; and

WHEREAS, the park impact fees to be imposed on new development will be and are hereby legislatively adopted, will be generally applicable to all new residential, commercial and industrial construction and are intended to defray the projected impacts on such public infrastructure caused by new development as required by law; and

WHEREAS, the impact fee study quantifies the reasonable impacts of new development on existing Pathways and Trails infrastructure, and the reasonable costs of capital improvements necessary to increase the service capacity of the City's existing Pathways and Trails infrastructure to accommodate the additional demands and impacts of new development; and

WHEREAS, based upon the impact fee study, the testimony at public hearing, a review of the facts and circumstances, and the comments from the Impact Fee Advisory Committee, in the reasonable judgment of the City Council, the park impact fees hereby established are at levels no greater than necessary to defray the cost of capital improvements directly related to the categories of residential and nonresidential land development listed herein; and

WHEREAS, in adopting the park impact fees, the City Council intends and has determined that such impact fees are designed to and do address capital improvements needs that are brought about by new development, which needs are separate and distinct from the impacts and needs addressed by other requirements of the City's codes and ordinances, and in no circumstance do the impact fees set forth herein address the same subjects as other requirements of the City's codes and ordinances for site specific dedications or improvements; and

WHEREAS, the impact fees adopted hereby shall be collected and accounted for in accordance with Section 67-8201, et seq., Idaho Code; and

WHEREAS, in accordance with the procedural requirements of Title 67, Chapter 65, Idaho Code, the Capital Improvements Plan has been adopted as part of the Comprehensive Plan, and in accordance with the procedural requirements of Title 67, Chapter 82, Idaho Code, the impact fee study and Capital Improvements Plan have been presented to and reviewed by the City Council; and

WHEREAS, after due and timely notice, the City Council held a public hearing to discuss, review and hear public comments on the proposed impact fees set forth herein; and

WHEREAS, the impact fees adopted hereby are fair and rational, charge new development according to new development's impact on the City's Pathways and Trails infrastructure and benefit those who pay impact fees in a tangible way.

NOW, THREFORE, BE IT ORDAINED, BY THE MAYOR AND CITY COUNCIL OF THE CITY OF STAR, COUNTY OF CANYON, STATE OF IDAHO:

Section 1: The foregoing recitals are hereby affirmed and incorporated herein by this reference as findings of the City Council.

Section 2: Findings and Purpose

In accordance with the Idaho Development Impact Fee Act, the City Council of the City of Star finds that an equitable program for planning and financing public infrastructure under its jurisdiction which is needed

to serve new growth and development is necessary to promote and accommodate orderly growth and development and to protect the public health, safety and general welfare of the citizens of Star, Idaho. It is the intent of the Council by enactment of this Ordinance to:

a. ensure that adequate Pathways and Trails and associated public infrastructure are available to serve new growth and development;

b. promote orderly growth and development by establishing uniform standards by which those who benefit from new growth and development pay a proportionate share of the cost of new public infrastructure under the jurisdiction of the City of Star which are needed to serve new growth and development; and

c. ensure that those who benefit from new growth and development are required to pay no more than their Proportionate Share of the cost of new public infrastructure under the jurisdiction of the City of Star which are needed to serve new growth and development and to prevent duplicate and ad hoc development requirements. (See Idaho Code §67-8202)

Section 3: Definitions

As used in this Ordinance, terms shall have the meaning attributed to them in Idaho Code §67-8203. Any terms not otherwise defined shall have the commonly understood meaning.

Section 4: Rules of Construction

The provisions of this Ordinance shall be interpreted to be consistent with the mandatory provisions of the Idaho Development Impact Fee Act and liberally construed to effectively carry out its purpose.

Section 5: Imposition of Impact Fee

On the terms, and consistent with the purposes and provisions of this Ordinance and the Idaho Development Impact Fee Act, Chapter 82, Title 67, Idaho Code, the City hereby imposes an Impact Fee as a condition of development approval on all developments in the City. Unless otherwise agreed in writing by the City and the Developer, the Impact Fee shall be collected at the issuance of a building permit. (See Idaho Code §67-8204(3)).

Taxing districts shall be subject to payment of Impact Fees on all Developments in the City pursuant to the terms of this Ordinance unless the City and the taxing district enter into a written agreement that provides otherwise. (See Idaho Code §67-8203(7)).

Section 6: Methodology

A Basis for Formula.

The Idaho Development Impact Fee Act and subsequent analyses by the City provide the methodology for a reasonable and fair formula to ensure that those who benefit from Development pay their Proportionate Share of the cost of System Improvements needed to serve that Development. This methodology results in a formula for the calculation of the Impact Fee for each type of use within a given service area that is then used to create the Impact Fee Schedule. (See Idaho Code§ 67- 8207.)

B. Minimum Standards Under this Formula. The Impact Fee:

a. shall not exceed a Proportionate Share of the costs incurred or to be incurred by the City in the provision of System Improvements to serve new Development (see Idaho Code §67-8204(1) and §67-8207(1));

b. is based on actual System Improvement Costs or reasonable estimates of such costs (see Idaho Code §67-8204(1));

c. is calculated on the basis of park infrastructure within the System as applicable to existing Development as well as new growth and Development. Park infrastructure to maintain the existing Level of Service is the acceptable level of service for System Improvements under this Ordinance (see Idaho Code §67-8204, subsections (2) and (23)); and

d. is imposed for System Improvements that are attributable to the demands on the Service Capacity of the System generated by the new Development. (See Idaho Code §67-8204(2)).

C. Considerations in Determining Proportionate Share

The proportionate share is the cost of System Improvements attributable to the new Development after the City considers and accounts for the following:

a. any appropriate credit, offset or contribution of money, dedication of land, or construction of System Improvements;

b. payments reasonably anticipated to be made by or because of a new Development in the form of user fees and debt service payments;

c. that portion of general tax and other revenue allocated by the City to System Improvements; and

d. all other available sources of funding such System Improvements. (See Idaho Code §67-8207(1)).

D. Factors Considered in Determination of Proportionate Share

In determining the Proportionate Share of the cost of System Improvements to be paid by the Developer, the following factors shall be considered and accounted for by the City in the calculation of the Impact Fee:

a. the cost of existing System Improvements within the Service Area;

b. how existing System Improvements have been financed;

c. the extent to which the new Development will contribute to the cost of System Improvements through taxation, assessment, or Developer or landowner contributions, or has previously contributed to the cost of System Improvements through Developer or landowner contributions;

d. the extent to which the new Development is required to contribute to the cost of existing System Improvements in the future;

e. the extent to which the new Development should be credited for providing System Improvements, without charge to other properties within the Service Area;

f. Extraordinary Costs, if any, incurred in serving the new Development;

g. the time and price differential inherent in a fair comparison of Impact Fees paid at different times; and

h. the availability of other sources of funding System Improvements including, but not limited to, user charges, general tax levies, intergovernmental transfers, and special taxation. The Capital Improvements Plan shall include consideration of alternative sources of revenue. (See Idaho Code§§ 67-8204 (1) and 67-8207(2)).

Section 7: Formula for Calculating the Impact Fee

A. Basic Purpose and Concept

The basic purpose of the Impact Fee and the principal concept of the formula is to charge each new Development with its Proportionate Share of System Improvement Costs of new or expanding Pathways and Trails infrastructure under the jurisdiction of the City to handle the increased usage demand that will eventually result from all the new Developments that can be expected to be built according to adopted land use plans.

The number and type of new developments that can be projected to be built in a geographic area, the residential use that can be expected from each new development, the costs of expanding the Service Capacity of Pathways and Trails infrastructure, the Proportionate Share, and the other factors that under the Idaho Development Impact Fee Act must be considered for inclusion in the Impact Fee formula are based on reasonable estimates and averages using the best available sources and applied in accordance with generally accepted accounting principles and engineering and planning criteria. (See Idaho Code§ 67-8204(23)).

B. Impact Fee Schedule

Based on the formula described in City of Star Development Impact Fee Analysis & Capital Improvement Plans: Parks, Pathways, Police (December 16, 2025), the amount of the Impact Fee for a development at the specified land use is presumed to be the amount set forth in the Impact Fee Schedule. See the Technical Memorandum attached in Exhibit "B".

Section 8: Property Tax Proportionate Share Calculation

If a Developer or Fee Payer seeks an Impact Fee tax credit, they shall provide the assessed value of the property (real and personal) to the Impact Fee Administrator within two (2) years of payment of the Impact Fee. The Impact Fee Administrator will use the assessed value to calculate the total amount of future property tax credit. The future property tax credit will then be remitted to the Developer or Fee Payer or credited against the current Impact Fee certificate.

Section 9: Exemptions

The following Development activities are exempt from the requirement to pay an Impact Fee:

a. rebuilding the same amount of floor space of a structure which was destroyed by fire or other catastrophe, providing the structure is rebuilt and ready for occupancy within two (2) years of its destruction;

b. remodeling or repairing a structure which does not increase the number of service units;

c. replacing a residential unit, including a manufactured home, with another residential unit on the same lot, provided that the number of Service Units does not increase;

d. placing a temporary construction trailer or office on a lot;

e. constructing an addition on a residential structure which does not increase the number of service units; and

f. adding uses that are typically accessory to a residential use, such as tennis courts, swimming pools, a clubhouse or a detached garage, unless it can be clearly demonstrated that the use creates a significant impact on the capacity of System Improvements. (see Idaho Code §67-8204(20)).

Section 10: Impact Fee Advisory Committee

A. Continuation of Existing Committee

An Impact Fee Advisory Committee was previously established in 2025 and the Committee is still in place. It consists of not fewer than five (5) members appointed by the Council and its actions and activities are hereby ratified and approved, and for the purposes of this Ordinance the Committee is hereby re-established and the members re-appointed to serve for the balance of their respective terms.

B. Composition

The Impact Fee Advisory Committee shall be composed of not fewer than five (5) members appointed by the Council. Two (2) or more members shall be active in the business of Development, building or real estate. (See Idaho Code§ 67-8205(2)(b)).

C. Advisory Capacity

The Impact Fee Advisory Committee shall serve in an advisory capacity and is established to:

a. assist the City in adopting land use assumptions;
b. review the Capital Improvements Plan and proposed amendments and file written comments;
c. monitor and evaluate implementation of the Capital Improvements Plan;
d. file periodic reports, at least annually, with respect to the Capital Improvements Plan and report to the Council any perceived inequities in implementing the Plan or imposing the Impact Fees; and
e. advise the Council of the need to update or revise land use assumptions, the Capital Improvements Plan and Impact Fees. (See Idaho Code§ 67- 8205 (3)).

D. City Support

The City shall make available to the Impact Fee Advisory Committee, upon request, all financial and accounting information, professional reports in relation to other Development and implementation of land use assumptions, the Capital Improvements Plan and periodic updates of the Capital Improvements Plan. (See Idaho Code §67-8205 (4)).

Section 11: Capital Improvements Plan

A. Adoption of Capital Improvements Plan

The City shall adopt and update the Capital Improvements Plan.

B. Contents

The Capital Improvements Plan, as referenced in Exhibit "B" and each update thereof which is adopted by the Council shall contain all of the following:

a. a general description of the System and its existing deficiencies within the Service Area and a reasonable estimate of all costs of, and a plan to develop the funding resources related to, curing such existing deficiencies including, but not limited to, the upgrading, updating, improving, expanding or replacing the System to meet existing needs and usage;

b. a commitment by the City to use other available sources of revenue to cure existing System deficiencies where practical;

c. an analysis of the total Service Capacity, the level of current usage, and commitments for usage of the Service Capacity of existing Capital Improvements, which shall be prepared by a qualified professional planner or by a qualified engineer licensed to perform engineering services in this state;

d. a description of the land use assumptions most recently adopted by the City;

e. a definitive table establishing the specific level or quantity of use by a Development 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, and industrial;

f. a description of all System Improvements and their costs necessitated by and attributable to new Development in the Service Area based on the approved land use assumptions, to provide a level of service not to exceed the level of services adopted in this Ordinance;

g. the total number of Service Units necessitated by and attributable to new Developments within the Service Area based on the approved land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;

h. the projected demand for System Improvements required by new Service Units projected over a reasonable period of time not to exceed twenty (20) years;

i. identification of all sources and levels of funding Available to the City for the financing of the System Improvements; and

j. a schedule setting forth estimated dates for commencing and completing construction of all System Improvements identified in the Capital Improvements Plan. (See Idaho Code §67-8208(1)).

C. Capital Improvement Plan Updates

a. the City shall update the Capital Improvements Plan at least once every five (5) years, each update shall be made in accordance with procedures set forth in Idaho Code §67-8206. (See Idaho Code §67-8208(2))

b. The Capital Improvements Plan shall be updated in conformance with the provisions of this section each time the City proposes the amendment, modification or adoption of a development impact fee ordinance. (See Idaho Code §67-8208(4))

D. Annual Adoption of Capital Budget

The Council must annually adopt a capital budget. (See Idaho Code §67-8208(3))

Section 12: Fee Certification

A Developer shall receive upon request, a written certification of the Impact Fee or individual assessment for a particular Development. The Impact Fee Administrator shall provide the Developer with written certification of the Impact Fee for that Development, which shall establish the Impact Fee so long as there is no material change to the particular project as identified in the Individual Assessment Application, or change to the Impact Fee Schedule. The certification shall include an explanation of the calculation of the Impact Fee including an explanation of factors considered by the Council. The certification shall also specify the System Improvement(s) for which the Impact Fee is intended to be used. (See Idaho Code §67-8204(6))

Section 13: Individual Assessments

A. Initiating an Individual Assessment

a. A Developer or Fee Payer may provide a written individual assessment of the Proportionate Share of the Impact Fee for the proposed Development. (See Idaho Code §67-8204(5))

b. The individual assessment process allows the consideration of studies, data and any other relevant information submitted by the Developer or Fee Payer to adjust the amount of the Impact Fee. (See Idaho Code §67-8204(5))

c. To initiate an individual assessment, the Developer or Fee Payer shall submit a written Individual Assessment Application to the Impact Fee Administrator no later than thirty (30) days after the date of payment of the Impact Fee. (See Idaho Code §67-8204(14))

d. The Individual Assessment Submittal shall consist of all the required supporting documentation and analysis in conformance with the City policies and procedures.

e. An Individual Assessment Submittal of the Impact Fee for the proposed Development shall be permitted sufficiently in advance of the time the Developer or Fee Payer may seek a building permit or related permits so that the issuance of a building permit or related development permits will not be delayed. To be approved before a building permit or related development permits are issued, the Individual Assessment Submittal must be received by the City at such a time as to permit the Impact Fee Administrator to render a decision. (See Idaho Code §67-8204(14))

f. The Developer or Fee Payer shall present, and pay for the cost of supporting documentation and analysis for the Individual Assessment Submittal. (See Idaho Code §67-8204(5)).

g. If there is a material change to the particular project, the Impact Fee Administrator shall determine if the change warrants an update to the individual assessment

h. The Impact Fee Administrator shall review the Individual Assessment Submittal and determine if it is complete. If the Impact Fee Administrator determines that the Individual Assessment Submittal is not complete, a written statement shall be sent to the Developer or Fee Payer submitting the individual assessment specifying the deficiencies. The Impact Fee Administrator shall take no further action on the Individual Assessment Submittal until the submittal is deemed complete.

i. A Developer or Fee Payer submitting an individual assessment shall pay a review fee to the City to cover the cost of reviewing the Individual Assessment Submittal. The review fee amount shall be in accordance with the City's current fee schedule.

B. Assessment Procedures and Documentation

a. The documentation and analysis supporting the Individual Assessment Submittal shall be signed by the Developer or Fee Payer and the individual preparing the Individual Assessment Submittal.

b. The Individual Assessment Submittal, prepared by the Developer or Fee Payer, shall include a determination of each of the factors in the Impact Fee formula for the Development that is the subject of the individual assessment.

c. Alternative methods for determining the factors in the Impact Fee formula must be approved in writing by the Impact Fee Administrator prior to submitting the Individual Assessment Submittal.

d. The Individual Assessment Submittal shall include a calculation of the Impact Fee based on the facts presented, utilizing the same methodology and formula used in developing the Impact Fee Schedule.

C. Decision

The Impact Fee Administrator may accept, accept with conditions, or reject the documentation and analysis or require the Developer or Fee Payer to submit additional or different documentation.

No later than twenty (20) calendar days following the completion of the presentation of all required documentation and, after considering the same and making appropriate findings based thereon, the Impact Fee Administrator shall decide as to the Impact Fee to be charged for the Development. The decision shall be based upon the requirements of Idaho Code §67-8207 and shall include an explanation of the calculation of the Impact Fee, including an explanation of factors considered under Idaho Code §67-8207, and shall specify the System Improvement(s) for which the Impact Fee is intended to be used. (See Idaho Code §67-8204(5)).

D. Appeal from Decision

If the Developer or Fee Payer does not accept the decision of the Impact Fee Administrator, an appeal may be filed with the Council.

Section 14: Extraordinary Impacts; Overlay Zones and Overlay Fees

There will be situations where the anticipated impacts to the system of a proposed development will comprise an Extraordinary Impact. The Council may adopt an Extraordinary Impact Fee ordinance which calculates a pro rata share per parcel of the Development of the Extraordinary Costs. The Council may by resolution adopt an Overlay Fee equal to such pro rata share of the Extraordinary Costs in addition to the Impact Fee.

Section 15: Credit or Reimbursement

A For Construction, Contribution, Taxes and User Fees Generated

a. In the calculation of Impact Fees for a project, credit or reimbursement shall be given for the present value of any construction of System Improvements or dedication of land or money required by the City from a Developer for System Improvements of the category for which the Impact Fee is being collected, including such System Improvements paid for pursuant to a local improvement district Credit or reimbursement shall not be given for Project Improvements. (See Idaho Code §6 7- 8209(1)).

b. In calculation of Impact Fees for a project, credit shall be given for the present value of all tax and user fee revenue generated by the Developer, within the Service Area where the Impact Fee is being assessed and used by the City for System Improvements of the category for which the Impact Fee is being collected. If the amount of the credit exceeds the Proportionate Share for the project, the Developer shall receive a credit on future Impact Fees for the amount in excess of the Proportionate Share. The credit may be applied by the Developer as an offset against future Impact Fees only in the Service Area where the credit was generated. (See Idaho Code §67-8209(2)).

c. If a Developer is required to construct, fund or contribute System Improvements in excess of the Development's Proportionate Share of System Improvement Costs, including such System Improvements paid for pursuant to a local improvement district, the Developer shall receive a credit on future Impact Fees or be reimbursed at the Developer's choice for such excess construction, funding or contribution from Impact Fees paid by future Development which impacts the System Improvements constructed, funded or contributed by the Developer or Fee Payer. (See Idaho Code §67-8209(3)).

B. Procedures and Documentation

a. If credit or reimbursement is due the Developer pursuant to this section from the construction of System Improvements or dedication of land or money required by the City, the City shall enter into a written agreement with the Developer or Fee Payer, negotiated in good faith, prior to the construction, funding or contribution. The agreement shall provide for the amount of credit or the amount, time and form of reimbursement. (See Idaho Code §67-8209(4)).

b. To apply for credit for the Present Value of all tax and user fee revenue generated by the Developer within the Service Area where the Impact Fee is being assessed and used by the City for System Improvements of the category for which the Impact Fee is being collected, the Developer shall submit an application for Impact Fee credit and all supporting documentation to the Impact Fee Administrator within thirty (30) calendar days of the date of payment of the Impact Fee to which the credit is being applied. The Impact Fee Administrator shall determine if the Developer is eligible for credit towards the Impact Fee

and calculate the amount of the credit. If credit is due the Developer, the credit amount will be deducted from the Impact Fee.

Section 16: Changes in Units or Scope; Modular Building, Manufactured Home or Recreational Vehicle

A. Change in Number of Units, Scope of Development.

After payment of the Impact Fees or execution of an agreement for payment of Impact Fees, additional Impact Fees or increases in fees may not be assessed unless the number of Development Units increases or the scope or schedule of the Development changes. In the event of an increase in the number of Development Units or the scope of the Development changes, the additional development Impact Fees to be imposed are limited to the amount attributable to the additional Development Units or change in scope of the Development. (See Idaho Code §67-8204(18)).

B. Modular Building, Manufactured Home or Recreational Vehicle

An Impact Fee will be assessed for installation of a modular building, manufactured home or recreational vehicle unless the Fee Payer can demonstrate by documentation such as aerial photographs, utility bills and tax records, either:

a. that a modular building, manufactured home or recreational vehicle was legally in place on the lot or space prior to the effective date of this Ordinance; or

b. that an Impact Fee has been paid previously for the installation of a modular building, manufactured home or recreational vehicle on that same lot or space. (See Idaho Code§67-8204(21)).

Section 17: Payment of Impact Fee

A. Place and Time of Payment

The payment of the Impact Fee and any extra fees for Extraordinary Impacts shall be made directly to the City. The Impact Fee shall be due at the time of the issuance of a building permit or a manufactured home installation permit or a similar permit, or, if no permit is required, at the time of the commencement of construction of the Development, or as may be otherwise agreed by the Developer and the Impact Fee Administrator. (See Idaho Code §67-8204(3)).

B. Election

A Developer has the right to elect to pay a Development's Proportionate Share of System Improvement Costs by payment of Impact Fees according to the Fee Schedule as full and complete payment of the Development's Proportionate Share of System Improvement Costs, except for any costs of Extraordinary Impact (See Idaho Code §67-8204(17)).

Section 18: Service Area

The Service Area encompasses all the Area of City Impact of the City of Star.

Section 19: Use of Funds

A. Separate Accounts

All Impact Fees shall be maintained in one (1) or more interest-bearing accounts within the capital projects fund. Accounting records shall be maintained for each Service Area in which the fees are collected. Interest earned on Impact Fees shall be considered funds of the account on which it is earned, and not funds subject to Idaho Code §57-127 and shall be subject to all restrictions placed on the use of Impact Fees under the provisions of this Ordinance. (See Idaho Code §67-8210(1)).

B. Expenditure Restricted

Expenditures of Impact Fees shall be made only for the category of System Improvements and within or for the benefit of the Service Area for which the Impact Fee was imposed as shown by the Capital Improvements Plan and as authorized in this Ordinance. Impact Fees shall not be used for any purpose other than to pay for System Improvement Costs to create additional System Improvements to serve new growth. (See Idaho Code §67-8204(11) and §67-8210(2)).

C. Annual Report

The City shall prepare an annual report describing:

a. the amount of all Impact Fees collected, appropriated, or spent during the preceding year by Service Area; and

b. the percentage of tax and revenues other than Impact Fees collected, appropriated or spent for System Improvements during the preceding year by category of public facility and Service Area. (See Idaho Code §67-8210(3)).

D. Time to Spend Impact Fees Collected

Collected Impact Fees must be expended within eight (8) years from the date they were collected, on a first-in, first-out (FIFO) basis. Any funds not expended within the prescribed times shall be refunded. The City may hold the Impact Fees for longer than eight (8) years if the Council identifies, in writing:

a. a reasonable cause why the Impact Fees should be held longer than eight (8) years; and

b. an anticipated date by which the Impact Fees will be expended but in no event greater than eleven (11) years from the date they were collected. (See Idaho Code §67-8210(4)).

Section 20: Refunds – A Right to Request

A refund of an Impact Fee paid under this Ordinance shall be made upon the request of the current owner(s) of property on which the fee has been paid if:

a. The request for a refund is received by the City no later than two (2) years from the date of payment of the Impact Fee; and

b. service is available but never provided; or

c. a building permit or permit for installation of a manufactured home or similar permit is denied or abandoned; or

d. after collecting the fee when service is not available, the City has failed to appropriate and expend the collected Impact Fees pursuant to this Ordinance (see Idaho Code §67-8211(1); or

e. action by the Council determines that the Impact Fee was calculated incorrectly in favor of the City or as a result of an appeal or mediation a refund is due; or

f. the Fee Payer pays the Impact Fee under protest, and a subsequent review of the Impact Fee paid or the completion of an individual assessment determines that the Impact Fee paid exceeded the Proportionate Share to which the City was entitled to receive. (See Idaho Code §67- 8211(d)).

B. Time of Payment

When the right to a refund exists under this Section, the Impact Fee Administrator shall send the refund to the owner of record within ninety (90) days after the Impact Fee Administrator has determined that a refund is due. (See Idaho Code §67- 8211(2)).

C. Interest

A refund shall include a refund of interest from the date of payment of the Impact Fee at one-half (1/2) the legal rate provided for in Idaho Code §28-22-104(1) from the date of which the fee was originally paid. (See Idaho Code §67-8211(3)).

D. Standing

Any Person entitled to a refund shall have standing to sue for a refund under the provisions of Idaho Development Impact Fee Act if there has not been a timely payment of a refund. (Reference Idaho Code, Section 67-8211(4)) (Reference Idaho Code, Section 67-8204(12)).

Section 21: Loans to Service Area Fund; Extraordinary Impact Loans

A. Loans to Service Area Fund

The Council may loan funds held by it in its general accounts to a Service Area capital projects fund where the fund does not have sufficient balances to pay all of the System Improvement Costs to be incurred for the construction of a System Improvement in that Service Area. As Impact Fees are generated and collected in that Service Area, the loan will be repaid, without interest, by the transfer of funds from the capital projects fund for that Service Area to the general accounts of the City.

B. Council Resolution Required

The making of any such loan shall require the adoption of a resolution by the Council at a regular or special meeting.

Section 22: Administrative Appeals

A. Appeal to Council; Grounds

The Council shall hear and decide appeals by any Developer, Fee Payer or property owner aggrieved by a final decision made by the Impact Fee Administrator under this Ordinance where it is alleged that the Impact

Fee Administrator did not properly apply this Ordinance, did not consider all relevant facts presented, abused discretion or acted arbitrarily and capriciously in the interpretation or enforcement of this Ordinance.

B. Filing Fee

The fee for filing an appeal shall be in accordance with the City's current fee schedule.

C. Initiation

An appeal is initiated by the filing of a written notice of appeal together with the filing fee with the City, which must be filed within thirty (30) calendar days from the date of the final decision that is the subject of the appeal. If the thirtieth day falls on a weekend or holiday, the notice of appeal may be filed the following business day. The notice of appeal shall refer to the decision being appealed, identify the appellant by name, address and telephone number and state the grounds for the appeal. The grounds shall include a written summary of the provisions of the Ordinance relevant to the appeal and/or the facts relied upon and shall include a written argument in support of the appeal. A notice of appeal that does not comply with the provisions of this subparagraph shall not be considered by the Council, and no further action with respect thereto shall be taken under this Section.

D. Time to Reply

The Impact Fee Administrator shall have fourteen (14) calendar days to reply to the notice of appeal and may during such time meet with the appellant to discuss the matter and may also reconsider and/or amend the decision which is being appealed. A copy of the reply, and any amendments or supplements to the decision being appealed from will be provided to the appellant prior to the hearing on the appeal.

E. Notice of Hearing

Unless otherwise agreed to by the appellant, the hearing on the appeal will be noticed and scheduled for a regular meeting of the Council to be held within thirty (30) calendar days following the delivery to the appellant of the Impact Fee Administrator's reply to the notice of appeal. A copy of the decision being appealed, the notice of appeal and the reply shall be delivered to the Council prior to the hearing.

F. Action by Council

After the hearing, the Council may reverse or affirm, in whole or in part, or otherwise modify, amend or supplement the decision being appealed, as such action is adequately supported by the evidence and testimony presented at the hearing.

G. Payment Under Protest

A Fee Payer may pay an Impact Fee under protest in order to obtain a Development Approval or a building permit. A Fee Payer making such payment shall not be estopped from exercising the right of appeal provided in this Section, nor shall such Fee Payer be estopped from receiving a refund of any amount deemed to have been improperly collected as a result of the appeal. (See Idaho Code §67-8212(2)).

H. Mediation

Upon voluntary agreement by the Fee Payer and the Impact Fee Administrator, the City shall address a disagreement related to the Impact Fee for a proposed Development through mediation by a qualified independent party. Mediation may take place at any time during the appeals process and participation in

mediation does not preclude the Fee Payer from pursuing other remedies provided for in this Section. Mediation costs will be shared equally by the Fee Payer and the City. (See Idaho Code §67- 8204(15) and §67-8212(3)).

Section 23: Collection

If a Fee Payer fails to pay an Impact Fee when due, in addition to such other remedies as are available to the City at law or in equity to collect the same, the City may do one or more of the following:

a. withhold building permit or other approvals until the Impact Fee is paid;

b. direct the withholding of utility services until the Impact Fee is paid;

c. charge the Developer interest on the Impact Fee at the legal rate set forth in Idaho Code §28-22-104 (1), from the date such payment was due until paid;

d. charge a penalty for failure to pay an Impact Fee when due in an amount of five percent (5%) of the Impact Fee for each month elapsing after the date the fee was due until paid, such penalty not to exceed twenty-five percent (25%) of the fee;

e. impose a lien on the lot or parcel upon which the Development is occurring for failure to timely pay the Impact Fee in the amount of the Impact Fee and such costs, penalties and interest as are allowable, by following the procedures contained in Idaho Code, Chapter 5, Title 45. (See Idaho Code §67-8213).

Section 24: Guidelines

The Council may adopt guidelines, interpretations and forms consistent with this Ordinance to implement its intent

Section 25: Other Powers and Rights not Affected

A. Project Improvements

Nothing in this Ordinance shall prevent the City from requiring a Developer to construct reasonable Project Improvements in conjunction with a Development. (See Idaho Code §6 7- 8214(1)).

B. No Obligation to Approve Developments with Extraordinary Impacts

Nothing in this Ordinance shall obligate the City to approve Development which results in an Extraordinary Impact. (See Idaho Code §67-8214(3)).

C. No Obligation to Approve Below Acceptable Level of Service

Nothing in this Ordinance shall obligate the City to approve any request for Development Approval which may reasonably be expected to reduce existing levels of service. (See Idaho Code §67-8214(4)).

D. No Limitation on Power of Eminent Domain, Creation of Local Improvement Districts or Bond Issues

Nothing in this Ordinance shall work to limit the use by the City of the power of eminent domain or supersede or conflict with requirements or procedures authorized in Idaho Code for local improvement districts or general obligation bond issues. (See Idaho Code §67 - 8214(6)).

Section 26: Review

In connection with each update of the Capital Improvement Plan, and more often at the discretion of the Council, the Impact Fee Administrator shall review the Fee Schedule and the relevant factors on which it is based, in coordination with the Impact Fee Advisory Committee. Based upon this review, the Impact Fee Administrator may recommend to the Council a revision of this Ordinance, including the Fee Schedule.

Section 27: Errors in Formula

If the City discovers an error in the Impact Fee formula that results in assessment or payment of more than a Proportionate Share the City shall, at the time of assessment, on a case by case basis adjust the fee to collect no more than a Proportionate Share or the City shall discontinue the collection of any Impact Fees until the error is corrected by ordinance. (See Idaho Code §67-8213)

Section 28: Severability

The provisions of this Ordinance are hereby declared to be severable, and if any provision of this Ordinance or the application of the same to any Person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of the remaining portions of the Ordinance. Any provision of this Ordinance that is inconsistent with the requirements of the Idaho Development Impact Fee Act, Chapter 82, Title 67, Idaho Code shall be null and void and that provision shall have no legal effect. (See Idaho Code §67-8204(25))

Section 29: This Ordinance shall be in full force and effect from and after thirty (30) days subsequent to this Ordinance's passage, approval, according to law, whereupon all chapters or parts of chapters, codes or parts of codes, in conflict with the provisions of this Ordinance shall be repealed.

EXHIBIT A

FEE SCHEDULE

Except for such Impact fee as may be calculated, paid and accepted pursuant to an independent Impact fee calculation study, the amount of each Impact fee shall be as follows:

Pathways and Trails Impact Fee Schedule:

Residential: $1,996.43
Commercial: $0.00

This Fee Schedule shall be in effect beginning February 20, 2026.

On January 1, 2027, and on January 1st of each year thereafter in which an Impact Fee is in effect, the amount of the Impact Fee shall be reviewed to account for inflation increases in the cost of providing City Pathways and Trails infrastructure to serve new development utilizing an inflation factor for construction material from a reputable source such as McGraw Hill's Engineering News Record. Nothing herein shall prevent the City from electing to maintain a then- existing Impact Fee or from electing to waive the inflation adjustment for any given fiscal year, or years. Any such action to determine an inflation factor shall be by City Council resolution.

EXHIBIT B

CITY OF STAR PATHWAYS AND TRAILS IMPACT FEE STUDY AND CAPITAL IMPROVEMENT PLAN TECHNICAL MEMORANDUM

DECEMBER 16, 2025