



# Hernando School District

## School Board Workshop

### Agenda - Final

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**Tuesday, September 23, 2025**

**2:00 PM**

**District Office-Board Room  
919 N. Broad Street  
Brooksville, FL 34601**

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#### **CALL TO ORDER**

#### **PRESENTATIONS**

1. [26-3290](#) Review the Proportionate Share Mitigation Amounts for Milk-A-Way Farms and Lake Mirage.

**Attachments:** [26-3290 PSMA for Milk-A-Way Farms & Lake Mirage.pdf](#)  
[26-3290 Budget Sheet NO Financial Impact](#)

#### **GENERAL COUNSEL**

#### **ADDENDUM ITEMS**

#### **GOOD OF THE ORDER/BOARD DISCUSSION**

##### **School Board Comments**

#### **ADJOURNMENT**

The next School Board Meetings are scheduled for October 7, 2025:

1:00 PM - Informal Meeting

2:00 PM - Workshop

6:00 PM - Regular Meeting

#### **Mission Statement**

The Hernando County School District Collaborates with students, parents and other community stakeholders to effectively prepare all students for a successful transition into a diverse and changing world.

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# Hernando School District

## School Board Workshop

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**Agenda Item # 1. 26-3290**

9/23/2025

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**Title and Board Action Requested**

Review the Proportionate Share Mitigation Amounts for Milk-A-Way Farms and Lake Mirage.

**Executive Summary**

The Director of Facilities & Construction, on behalf of the Superintendent of Schools, hereby requests the Board review the Proportionate Share Mitigation Amounts for Milk-A-Way Farms and Lake Mirage.

During the Workshop of 8/26/2025, regarding a proposed template for Proportionate Share Mitigation Agreements (Agenda Item 26-3226), a scenario was presented to the Board wherein the calculated proportionate share mitigation amount could exceed the total amount of educational facility impact fees. In such cases, because the adopted educational facilities impact fee remains disproportionately low, unless the proportionate share amount is capped at the total amount of impact fees, the district will be required to issue impact fee credits for a total number of dwelling units greater than those planned for the development.

At the conclusion of the Workshop, the Board directed staff to present this issue at future Workshops whenever a development review reveals such a condition exists, prior to seeking Board approval of a subsequent Proportionate Share Mitigation Agreement. This condition exists for both developments presented in today's Workshop

**My Contact**

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School Planner  
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**2023-28 Strategic Focus Area**

Priority 5: Fiscal Transparency and Capital Planning

**Financial Impact**

See attached budget sheet.

If expenditure is not currently budgeted, this will serve as the budget amendment when Board approved. If the agenda item includes the purchase of goods or services, the funds requested are an anticipated amount and may fluctuate depending on such factors as current market conditions, product availability, additional funding sources, and the needs of the District. Should the actual cost exceed the anticipated amount, the Board approves the additional cost, after review by the superintendent, but not in excess of the funds available in the site's approved annual budget.



# HERNANDO SCHOOL DISTRICT

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Christopher J. Wilson – C.J. Wilson Law, P.A.

Jim Lipsey – HCSD School Planner

## **Proportionate Share Mitigation Amounts for Milk-A-Way Farms and Lake Mirage**

Date: September 23, 2025



**WHEN  
PROPORTIONATE  
SHARE EXCEEDS  
IMPACT FEE**



# When Proportionate Share Exceeds Impact Fee

- Prop share is based on current cost per student station (actual impact)
- Impact fee is 70% of 2022 cost per student station (disproportionate)
- In some cases, the calculated prop share amount will exceed the assessed impact fee:

SAMPLE DEVELOPMENT

ASSESSED IMPACT FEE ( 107 SFH x \$ 6,135 ) \*

107 single family homes

\$ 656,445 ←

PROP SHARE MITIGATION AMOUNT

\$ 1,071,483 ←

IMPACT FEE PER UNIT

÷ \$ 6,135

NUMBER OF IMPACT FEE CREDITS

174.65 = 174 units = 67 more



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# When Proportionate Share Exceeds Impact Fee

## OPTION 1 – ACCEPT FULL PROP SHARE AMOUNT

### DISADVANTAGES

- Impact fee capped for 67 future D.U. based on current rate
- Unredeemed credits are perpetual
- Use of prop share \$\$ is limited to zoned school – credits can be used anywhere
- Tracking “moving” credits becomes an arduous task (secondary market)
- Potential legal issues – SB1080 prohibits charging an “alternative fee” without a dual rational nexus

### ADVANTAGES

- Compensation for actual impact of 107 dwelling units
- Provides \$415,038 more than current impact fee would yield

# When Proportionate Share Exceeds Impact Fee

**OPTION 2 – LIMIT PROP SHARE AMOUNT = ASSESSED IMPACT FEE**

## DISADVANTAGES

- Compensation is \$415,038 less than the cost of the actual impact
- School Board would have to fund the difference

## ADVANTAGES

- Eliminates future capacity pressure from 67 additional D.U. credits
- Impact fees collected for 67 future dwelling units at future rate
- Impact fee \$\$ can be used anywhere
- No need to track “moving” credits
- Reduced potential for legal issues



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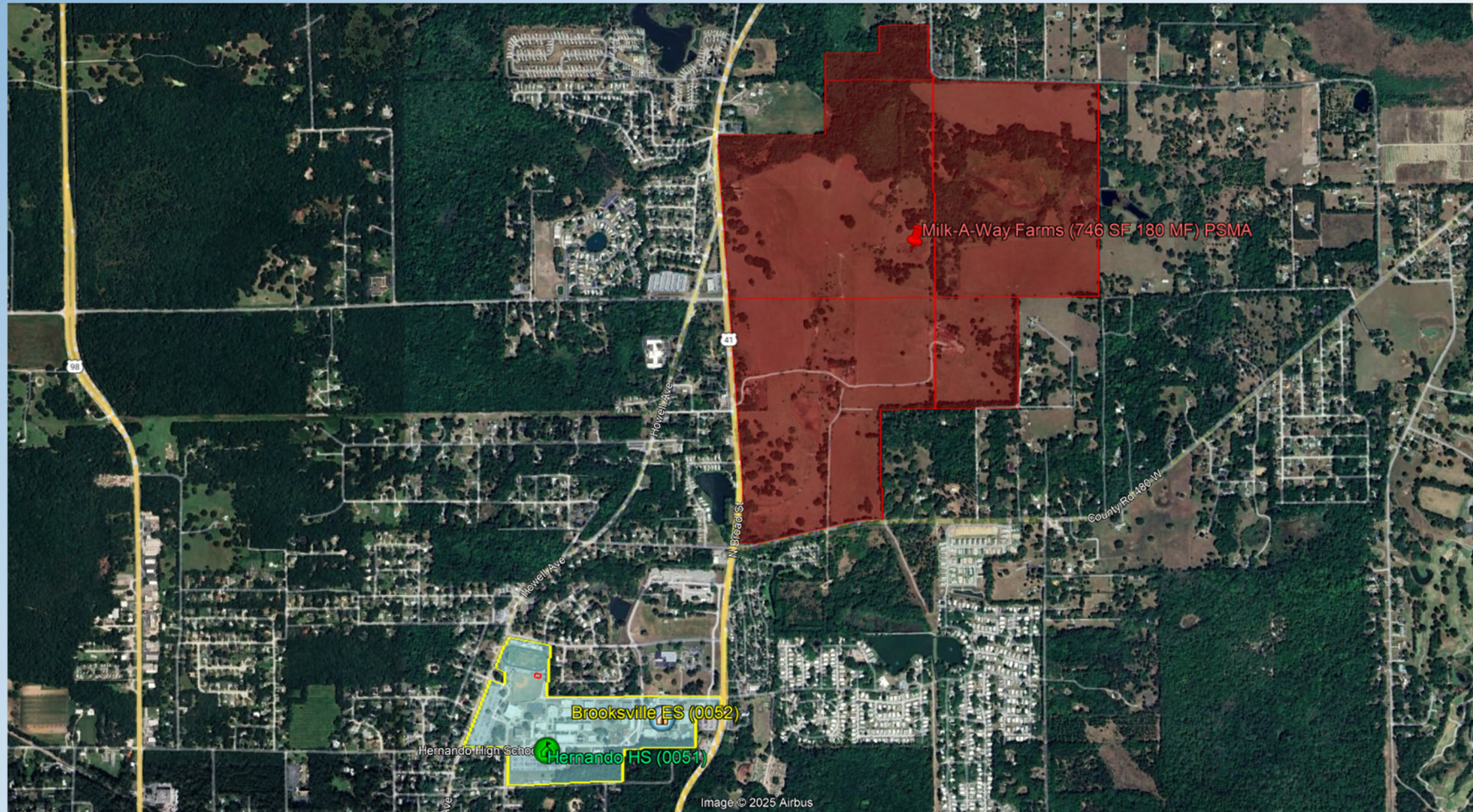
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# MILK-A-WAY FARMS

## PROJECT LOCATION



# MILK-A-WAY FARMS

## PROPORTIONATE SHARE MITIGATION CALCULATION

**DWELLING UNITS** 746 single family homes + 180 townhouses

**STUDENTS**  $(746 \text{ SFH} \times .300 \text{ SGR}) + (180 \text{ TH} \times .159 \text{ SGR})$  256 students generated

Elementary @ 46% = 116

Middle @ 23% = 58

High @ 31% = 78

### SCHOOL CAPACITY

Available @ Elementary: 38

Available @ Middle: 58

Available @ High: 0

### DEFICIT

116 students – 38 stations = 78

58 students – 58 stations = 0

78 students – 0 stations = 78

### PROP SHARE MITIGATION AMOUNT \*

**Deficit** x (Cost per Student Station + EDR Cost Adjustment) = Mitigation Amount

78 ES x ( \$37,939 + \$3,778.72) = \$3,253,982

78 HS x ( \$40,768 + \$4,060.49) = \$ 3,496,622

Total Prop Share Amount = \$ 6,750,604



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\* Includes cost adjustment factor published by the Florida Legislature's Office of EDR



# MILK-A-WAY FARMS

## IMPACT FEE CREDITS

## DOLLARS-TO-UNITS CONVERSION

DWELLING UNITS 746 single family + 180 townhouses = 926 D.U.

### ASSESSED IMPACT FEES

Single Family (746 units x \$6,135) \* = \$ 4,576,710 ( 89% of total)

Townhouses (180 units x \$3,252) \* = \$ 585,360 ( 11% of total)

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Total Assessed Impact Fee = \$ 5,162,070 (100% of total)

### IMPACT FEE CREDITS

SF Credit Amount \$ 6,008,038 (89% of total) ÷ \$ 6,135 = 979 D.U.

TH Credit Amount \$ 742,566 (11% of total) ÷ \$ 3,252 = 228 D.U.

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Total Credit Amount \$ 6,750,604 (100% of total) = 1,207 D.U.

Excess Single Family = 233 D.U.      Excess Townhouse = 48 D.U.



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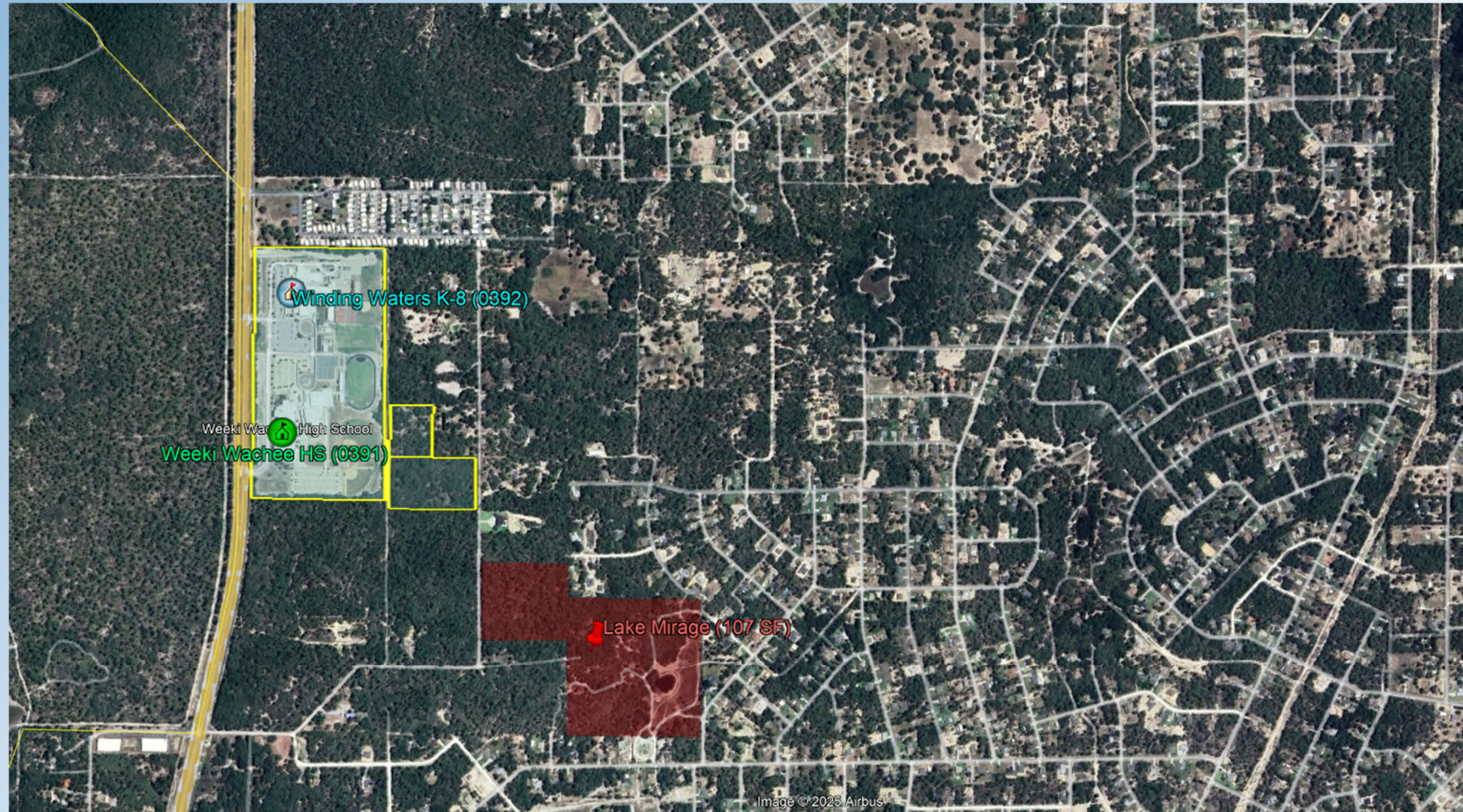
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# LAKE MIRAGE

## PROJECT LOCATION



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# LAKE MIRAGE

## PROPORTIONATE SHARE MITIGATION CALCULATION

### DWELLING UNITS

107 single family homes

### STUDENTS (107 SFH x .300 SGR)

33 students generated

Elementary @ 46% = 15

Middle @ 23% = 8

High @ 31% = 10

### SCHOOL CAPACITY

### DEFICIT

Available @ Elementary: 0

15 students – 0 stations = 15

Available @ Middle: 8

8 students – 8 stations = 0

Available @ High: 0

10 students – 0 stations = 10

### PROP SHARE MITIGATION AMOUNT \*

**Deficit** x (Cost per Student Station + EDR Cost Adjustment) = Mitigation Amount

15 ES x ( \$37,939 + \$3,778.72) = \$ 625,766

10 HS x ( \$40,768 + \$4,060.49) = \$ 448,285

Total Prop Share Amount = \$ 1,074,051



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# LAKE MIRAGE

## IMPACT FEE CREDITS

## DOLLARS-TO-UNITS CONVERSION

DWELLING UNITS

107 D.U.

ASSESSED IMPACT FEES

Single Family (107 units x \$6,135) \* = \$ 656,445

IMPACT FEE CREDITS

SF Credit Amount \$ 1,074,051 ÷ \$ 6,135 = 175 D.U.

Excess Single Family = 68 D.U.



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# When Proportionate Share Exceeds Impact Fee

MILK-A-WAY FARMS & LAKE MIRAGE

## BOARD'S PREFERRED OPTION ?

1. Accept full prop share amount
2. Limit prop share amount to equal impact fee amount



**Choosing different options on a case-by-case basis could result in potential litigation from developers**

## RECOMMENDATION:

**Choose ONE option, consistently applied to all cases**



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**A. Item Currently Budgeted -**

Account Name		<u>No Financial Impact</u>										
Account Number												
		Fund		Function		Object		Cost Center		Project		Sub Project
Original Approved Budget	+	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available		
\$		\$		\$		\$		\$		\$		

Account Name												
Account Number												
		Fund		Function		Object		Cost Center		Project		Sub Project
Original Approved Budget	+	Budget Amendments	-	Expenditures / Encumbrances To Date	=	Current Available Budget	-	Present Request	=	Remaining Balance Available		
\$		\$		\$		\$		\$		\$		

**B. Item Currently Not Budgeted -\*\***

Funding Source												
Account Name												
Account Number		Fund		Function		Object		Cost Center		Project		Sub Project
Amount	\$											

Funding Source												
Account Name												
Account Number		Fund		Function		Object		Cost Center		Project		Sub Project
Amount	\$											

**C. History**

Check one:

Prior Year Budget: ☐New for Current Year: ☐

Prior Year Approved Budget: \$

Prior Year Actual Spent: \$

**\*\* WHEN ITEM NOT CURRENTLY BUDGETED IS APPROVED BY THE SCHOOL BOARD, THIS WILL SERVE AS THE BUDGET AMENDMENT\*\***