

**SUMMARY OF BENEFITS TO JACK COUNTY  
PK SOLAR & JACK COUNTY BESS  
312 AGREEMENTS**

**Presented to the  
Jack County  
Commissioners Court**

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**by**

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# Abatement versus Stewardship

- Stewardship: The Careful and Responsible Management of Something Entrusted to One's Care
- Taxpayers
- Protecting the Assets and Interests of Jack County Taxpayers is Good Stewardship

# Objectives

1. Establish Base Value and Depreciation [Ch 6.155]
2. Establish Tax Rate
3. De-Risk Cash Flow
4. Address Concerns and Community Needs with Performance Metrics Subject to Recourse

# Financial Impact of County Establishing Taxable Value, Depreciation, and Tax Rate

PK Solar & Jack County Energy Storage	Solar Generation	BESS	Total	\$ Increase / (Decrease) versus Application	% Increase / (Decrease) versus Application	Single Family Unit Equivalent		
						Count based on \$180,623 Taxable Value/SFU	Annual Water Use @ 5,500 Gallons /Month/SFU	Acreage Use @ .5728 Acres/SFU
Taxable Value - Application	\$70,466,000	\$124,042,000	\$194,508,000			1,791	118,184,252	1,026
Taxable Value - 312 Agreement	\$88,332,661	\$164,491,991	\$252,824,652	\$58,316,652	30%	2,328	153,617,807	1,333
10 Year PILOT Revenue - Application Value - No Abatement	\$783,606	\$1,379,377	\$2,162,983					
10 Year Tax Rev - NREL Values - Current Tax Rate - No Abatement	\$1,657,240	\$3,349,745	\$5,006,985	\$2,844,002	131%			
10 Year Tax Rev - NREL Values - No Abatement Stress Case [Depreciation Accelerated by 10%, 4% Annual Tax Rate Decline	\$1,343,540	\$2,696,556	\$4,040,097	\$1,877,114	87%			
10 Year Tax Revenue - Proposed 312 Agreement	\$1,360,040	\$2,749,023	\$4,109,063	\$1,946,080	90%			
Add EMS Contribution	\$250,000	\$250,000	\$500,000					
<b>Total 10 Year Revenue to County with Abatement</b>	<b>\$1,610,040</b>	<b>\$2,999,023</b>	<b>\$4,609,063</b>	<b>\$2,446,080</b>	<b>113%</b>			

# Mitigating the Effect of Declining Tax Rates

1. Revenue Cap forcing tax rates down
2. A 4% average annual decline over the 10-year abatement period would cost Jack County \$543,000
3. The proposed PILOT eliminates this loss

# Establishing Correct Base Taxable Value - Example

<b>Markum Solar 10/27/2025 Update</b>		<b>No Abatement / Current Assessed Value</b>	<b>2/12/2024 Abatement Agreement</b>	<b>% Change</b>
Base Taxable Value		\$72,500,000	\$97,944,785	35%
Year 1 County Revenue		\$237,336	\$140,166	-41%
Year 2 County Revenue		\$206,504	\$140,166	-32%
Year 3 County Revenue		\$177,681	\$140,166	-21%
Year 4 County Revenue		\$150,869	\$140,166	-7%
Year 5 County Revenue		\$120,157	\$140,166	17%
Year 6 County Revenue		\$95,897	\$140,166	46%
Year 7 County Revenue		\$72,179	\$140,166	94%
Year 8 County Revenue		\$64,137	\$140,166	119%
Year 9 County Revenue		\$50,541	\$140,166	177%
Year 10 County Revenue		\$32,527	\$140,166	331%
<b>10 Year County Revenue</b>		<b>\$1,207,827</b>	<b>\$1,401,664</b>	<b>16%</b>

# Benefits of County Management of Depreciation via PILOT

1. Owners likely to engage attorneys and consultants to challenge values each year
2. An average annual 10% reduction in the depreciation factor in Years 1-8 would cost Jack County \$424 thousand over 10 years
3. The proposed PILOT eliminates this loss

## Sample Negotiated Covenants not Available to Jack County without the 312 Agreement

- i. Daylight hour construction, dust control, noise, and lighting restrictions
- ii. 500-foot buffer and screening plan from existing residences and businesses
- iii. Hydrology study, geotechnical report, Phase 1 EA, SWPPP, MSDS
- iv. Road use restrictions and repair specifications
- v. Chapter 187 reference

# Chapter 187 Texas Utilities Code – Selected Covenants

- i. Documentation certifying compliance with standards for design, installation, operation, and safety, including site layout, manufacturer specifications, UL 9540A report, NFPA standards, electrical drawings, monitoring procedures and fire protection system
- ii. Emergency Training, Access, Support and Damaged Equipment Removal Plan
- iii. Emergency operations plan that includes hazard mitigation analysis, procedures for the safe shutdown, procedures and schedules for conducting drills
- iv. Provide the site-specific emergency operations plan
- v. Offer to local first responders, at no cost to the responders, education and annual training