

**UPDATE ON STATUS OF JACK COUNTY
C1 JACK I DATA CENTER
312 AGREEMENT**

**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

Tax Rate Impact – Traditional Abatement

CI Jack I LLC	Building and Infrastructure Taxable Value	Tenant Improvement Taxable Value - Estimated	Total	\$ Increase / (Decrease) versus Stress Case	% Increase / (Decrease) versus Stress Case	Single Family Unit Equivalent		
						Count based on \$108,623 Taxable Value/SFU	Annual Water Use @ 5,500 Gallons /Month/SFU	Acreage Use @ .5728 Acres/SFU
Taxable Value - Application	\$600,000,000	\$1,852,573,622	\$2,452,573,622			22,579	1,490,198,752	12,933
2025 Jack County Certified Total	\$1,760,745,422		\$1,760,745,422					
Total	\$2,360,745,422		\$4,213,319,044					
% Increase in County Wide Value Attributed to Data Center			139%					

		Tax Rate	SF Tax Revenue / Unit	No. SF Units	SF Tax Revenue
2025 Taxable Value / SF Unit	\$108,623	\$0.44204	\$480	2,021	\$970,404
Forecast Tax Rate Decline in 2029		-\$0.24092	-\$244		-\$453,101
Forecast Taxable Value / SF Unit - 2029	\$117,577	\$0.20112	\$236	2,188	\$517,303

Objectives with the PILOT Structure

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

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10 Year Ad Valorem Revenue - Fixed Valuation, Tax Rate, and Depreciation	\$22,427,804	\$49,177,887	\$71,605,691					
10 Year Ad Valorem Revenue - No Abatement Stress Case [Depreciation Accelerated by 15%, 4% Annual Tax Rate Decline	\$16,150,531	\$36,306,363	\$52,456,894					
10 Year County Revenue - 25% Abatement or Equivalent PILOT	\$16,820,853	\$36,883,416	\$53,704,268	\$1,247,374	2%	16,934	1,117,649,064	9,700
Add Contribution to Sheriff's Office	\$750,000	\$750,000	\$1,500,000					
Add Contribution to Emergency Management	\$250,000	\$250,000	\$500,000					
Add Contribution to Mobile Security Trailer	\$143,250	\$143,250	\$286,500					
Total 10 Year Revenue to County with Abatement	\$17,964,103	\$38,026,666	\$55,990,768	\$3,533,874	7%			

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 \$9.8 million
3. A PILOT structure eliminates this loss

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 15% escalation in the depreciation factor would cost Jack County \$10.7 million over 10 years
3. A PILOT structure eliminates this loss

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

- i. Water use restrictions
- ii. Dust control, daylight and non daylight hour noise limits, and lighting restrictions
- iii. 50% of all temporary workforce located in Jack County
- iv. Exterior Buffer and Screening Plan with 150-foot vegetative screening between existing residences and businesses
- v. Site Logistics, Erosion and Sediment Control, Emergency Training, Access, Support and Damaged Equipment Removal, and Vegetation Control Plans