	CITY OF KING **CITY COUNCIL**	**MEETING DATE:** **NOVEMBER 2, 2026**

PART A

Subject:	**PUBLIC HEARING – Consideration for a Moratorium Extension**
Action Requested:	Conduct the public hearing, receive public comment, and consider whether to adopt a temporary moratorium extension of 60 days or more on specified development approvals for data centers within the City of King's zoning jurisdiction.
Attachments:	- Public Hearing Notice - Ordinance 2026-18

	This abstract requires review by:	
	City Manager	**City Attorney**
Todd Cox, Int. Planning & Zoning Official **Emerson Wright, Planning & Zoning intern**		

PART B

Introduction and Background:

On September 8, 2026, the City Council adopted a 60-day moratorium on data centers, cryptocurrency mining operations, and battery energy storage systems. The purpose of the moratorium was to provide City staff with time to research these emerging uses and determine whether the City's current development regulations adequately address their potential impacts on surrounding properties, infrastructure, utilities, and public services.
The City's current development regulations do not specifically identify or address these uses as distinct permitted or special uses. These facilities may have significant demands for electricity, water, telecommunications, and other infrastructure, as well as potential impacts related to noise, cooling equipment, backup power generation, and compatibility with surrounding land uses.
At the previous Council meeting, City Council scheduled a legislative hearing for November to consider extending the existing moratorium. Staff is now bringing the proposed extension before Council for consideration following the legislative hearing.

Discussion and Analysis:

The City's current development regulations still do not specifically address data centers, cryptocurrency mining operations, or other similar high-intensity computational uses. These uses can have characteristics and impacts that are substantially different from traditional commercial or industrial uses, including significant demands for electricity, water, telecommunications infrastructure, land, and other public infrastructure, as well as potential impacts related to noise, cooling equipment, backup power generation, air quality, and surrounding land uses. Because these uses are relatively new and rapidly evolving, staff believes additional study is needed to determine how they should be classified, where they may be appropriate, and what development standards or review procedures may be necessary to address their potential impacts.

A moratorium extension would provide the City with time to research these uses, review how other jurisdictions are addressing them, evaluate potential infrastructure and land-use impacts, and determine whether amendments to the City's development regulations are appropriate. This issue is currently receiving significant attention at the state and local levels, and the North Carolina General Assembly is considering legislation that would establish additional requirements for the siting and operation of large data centers, including potential statewide development and environmental standards. Given the rapidly changing regulatory environment, a temporary pause would allow the City to better understand potential state requirements and avoid developing local regulations without considering the direction of statewide policy.

N.C.G.S. § 160D-107 authorizes local governments to adopt temporary moratoria on development approvals, provided the requirements of the statute are met. For a moratorium lasting 60 days or less, the governing board must hold a legislative hearing and publish notice of the hearing in a newspaper having general circulation in the area at least seven days before the hearing, except in cases involving an imminent and substantial threat to public health or safety. A moratorium lasting 61 days or longer, including an extension that causes the total duration to reach 61 days, is subject to the notice and hearing requirements of N.C.G.S. § 160D-601. The statute also establishes exemptions for certain projects and vested rights.

A moratorium extension would apply to data centers and similar high-intensity computational uses, including facilities containing large-scale computer systems, networked servers, or data-storage equipment used for data storage or processing, web or application hosting, streaming services, artificial intelligence and artificial-intelligence training, blockchain validation, cryptocurrency mining, and similar computationally intensive functions. The intent is not to permanently prohibit these uses or discourage economic development, but rather to provide a reasonable period for the City to evaluate the uses and develop an appropriate regulatory framework. The moratorium ordinance should establish the applicable scope, duration, findings, work plan, and statutory exemptions, with the goal of determining whether amendments to the City's development regulations are warranted.

Budgetary Impact:

N/A

Recommendation:

City Council adopted the original 60-day moratorium on September 8, 2026. Based on the requirements established in the moratorium ordinance, staff and the Planning Board are responsible for researching these uses and developing appropriate regulations for consideration by City Council.

The Planning Board voted 5–0 to recommend extending the moratorium for an additional 12 months to allow staff sufficient time to prepare proposed ordinance amendments, coordinate with the ongoing Comprehensive Plan, and bring recommendations back through the appropriate review and approval process.

Staff recommends extending the moratorium and recommends the City Council conduct the scheduled legislative hearing and consider adoption of the proposed ordinance extending the moratorium on data centers, cryptocurrency mining operations, and battery energy storage systems for an additional 12 months.

Council Motion (if approving extension): Approve Ordinance 2026-18, extending the temporary moratorium on the acceptance, processing, and approval of development approvals for Data Centers, Cryptocurrency Mining Operations, and Battery Energy Storage Systems within the Corporate Limits and Extraterritorial Jurisdiction of the City of King for an additional period of 365 days.