Data Center Moratorium Info

What do the North Carolina General Statutes say the City can do?

- G.S. 160D-107: North Carolina law expressly allows a local government to adopt a temporary moratorium on a development approval required by law, subject to the requirements of G.S. 160D-107. The moratorium must be reasonable in light of the conditions warranting it and may not last longer than reasonably necessary to correct, modify, or resolve those conditions.
- Required findings in the moratorium ordinance: The ordinance must identify: (1) the problems or conditions necessitating the moratorium and alternatives considered and found inadequate; (2) the development approvals subject to the moratorium and how the moratorium addresses the identified problems; (3) a termination date and why that duration is reasonably necessary; and (4) the actions and schedule the City will undertake during the moratorium.
- Hearing and notice: A moratorium of 60 days or less generally requires a legislative hearing and newspaper notice at least seven days before the hearing. A moratorium lasting 61 days or longer, or an extension that causes the total duration to reach 61 days or longer, is subject to the notice and hearing requirements of G.S. 160D-601.
- Certain projects are exempt: Absent an imminent threat to public health or safety, G.S. 160D-107(c) excludes certain projects from a moratorium, including projects with a valid building permit, complete special-use-permit applications that have been accepted, approved site-specific vesting plans, certain projects where substantial expenditures were already made in good-faith reliance on a prior valid approval, and certain subdivision plats already accepted for review.
- G.S. 160D-701 authorizes zoning regulations designed to promote public health, safety, and general welfare, including matters such as transportation, water, sewerage, fire safety, and other public requirements.
- G.S. 160D-702 allows local governments to regulate the height, size, location, use, yards, open space, and other characteristics of buildings, structures, and land. G.S. 160D-703 also allows different zoning-district structures and jurisdiction-wide development standards.
- G.S. 160D-501 allows comprehensive planning to consider future development, utilities and transportation, public-service capacity, infrastructure, economic development, environmental resources, and water and air quality. This provides a strong planning framework for studying whether and how data centers should be accommodated.

What are the concerns with Data Centers?

- Electricity demand and grid capacity: Large data centers can require extremely large and continuous electricity loads. Current research reports that a single modern AI data center can use as much electricity as roughly 100,000 homes, with some larger facilities expected to use substantially more.
- Water consumption: Cooling systems can require significant amounts of water. Some facilities can use up to approximately 300,000 gallons per day and large facilities potentially reaching millions of gallons per day.
- Wastewater and utility capacity: A major facility may affect water, sewer, electrical, and other utility systems.
- Noise: Continuous cooling equipment, HVAC systems, transformers, pumps, and periodic testing of emergency generators can create recurring noise.
- Air emissions and backup generation: Backup generators and other onsite combustion equipment may produce nitrogen oxides, particulate matter, and other emissions.
- Heat / thermal impacts: Data centers reject substantial heat from computing and cooling equipment. The magnitude of an effect will depend on facility size, design, climate, and surrounding land cover.
- Land consumption and development pattern: Large facilities can occupy substantial acreage, create large building footprints and impervious surfaces, and change the pattern of surrounding development.
- Stormwater: Large buildings, parking areas, equipment yards, and other impervious surfaces can increase stormwater runoff and create drainage-management issues.
- Building scale, buffering, and compatibility: Large structures and mechanical equipment may be visually and physically incompatible with nearby residential areas if setbacks, buffers, landscaping, screening, lighting, and equipment-placement standards are not tailored to the use.
- Traffic and access: Construction traffic, employee traffic, service vehicles, fuel deliveries, utility work, and emergency access should be evaluated.
- Fire protection and emergency response: Large electrical systems, battery systems where present, generators, transformers, fuel systems, and specialized equipment can create fire-protection and emergency-response considerations.
- Information and transparency: The City may need sufficient information about peak power demand, water use, cooling systems, generator operation, emissions, noise, hazardous materials, emergency response, and utility requirements to evaluate an application.
- Economic and community-benefit questions: Data centers can represent substantial capital investment, but they may employ comparatively few permanent workers relative to the size of the facility.

What are potential regulatory remedies?

- Create a clear definition for data centers and related uses, including associated power, cooling, security, and utility infrastructure.
- Determine whether data centers should be permitted by right, subject to a conditional/special-use process, or prohibited in selected districts.
- Establish minimum lot size and maximum building/site-size standards, potentially scaled to zoning district and facility intensity.
- Create larger setbacks from property lines and enhanced separation from residentially zoned property.
- Require enhanced landscape buffers, opaque screening, fencing, and tree preservation where appropriate.
- Establish maximum building height, building size, facade, roof, and architectural standards appropriate to the City's industrial/commercial context.
- Regulate outdoor mechanical equipment, generators, transformers, cooling equipment, fuel systems, and similar apparatus by location and setback.
- Require a professional noise study before approval and establish enforceable daytime and nighttime sound limits at property lines or other specified measurement points. Limit generator testing to specified days/hours and require noise-control measures.
- Require applicants to provide maximum and average water demand, source of water, wastewater flows, cooling technology, and emergency water requirements.
- Require applicants to demonstrate adequate water, sewer, electric, fire protection, and other utility capacity before approval.
- Evaluate whether certain facilities should be required to use municipal water/sewer or satisfy specific utility-extension/annexation requirements where legally appropriate.
- Require stormwater analysis and stronger onsite stormwater controls where large impervious areas are proposed.
- Establish lighting standards that minimize glare and spillover onto neighboring properties.
- Establish performance standards for vibration, heat, odors, smoke, dust, and other measurable external impacts.
- Require traffic/access analysis for major facilities and establish appropriate driveway, circulation, emergency-access, and construction-management standards.
- Establish fire-protection and emergency-response requirements in coordination with the Fire Department and other emergency-service providers.
- Require disclosure of peak electrical load, expected annual electricity use, backup-generation capacity, fuel storage, water consumption, cooling systems, and other information needed for review.
- Consider application thresholds so that smaller, lower-impact facilities are not regulated identically to very large campuses.

- Coordinate zoning standards with the City's comprehensive plan and infrastructure-capacity planning.

Recommendation: Adopt a temporary moratorium to study this land-use

Moratorium Draft Ordinance

CITY OF KING

ORDINANCE NO. 2026-___

AN ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON DEVELOPMENT APPROVALS FOR DATA CENTERS AND RELATED HIGH-INTENSITY DATA PROCESSING USES

CITY OF KING, NORTH CAROLINA

WHEREAS, pursuant to N.C. Gen. Stat. § 160D-107 local governments may adopt an ordinance authorizing a temporary moratorium on any development approvals required by law; and

WHEREAS, the City's current development regulations do not contain a comprehensive set of standards specifically addressing “cryptocurrency mining,” “data center,” “data processing facility,” and other associated uses as a specific use; and

WHEREAS, data centers may create unusually large demands for electricity and water and may involve substantial cooling systems, backup power generation, mechanical equipment, large building footprints, impervious surfaces, noise, air emissions, heat, stormwater, fire-protection needs, and other impacts that warrant further study; and

WHEREAS, the City is considering regulations addressing the definition, location, size, setbacks, buffering, landscaping, utilities, stormwater, fire protection, sound mitigation, performance standards, outdoor equipment, lighting, access, and approval process for data centers and related uses; and

WHEREAS, the King City Council believes such a moratorium will protect the public interest and welfare of the residents of the City of King until such regulations regarding the aforementioned uses are adopted, and until the City can assess the potential impact of such uses on utility extensions made pursuant to the King City Code.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of King, North Carolina, that the following provisions apply:

Section 1. A temporary moratorium is hereby imposed commencing on _____, 2026, and expiring no later than _____, 2026, or upon the effective date of amendments to the City's zoning and development regulations specifically addressing data centers, data processing facilities, cryptocurrency mining operations, artificial intelligence computing facilities, and other substantially similar high-intensity data processing uses, whichever occurs first. The moratorium shall apply within the corporate limits of the City of King and, to the extent applicable under the City's planning and development jurisdiction, within any area subject to the City's zoning and development regulations. For purposes of this moratorium, the term "data center" or "high-intensity data processing use" shall include a building, dedicated space within a building, or group of buildings containing computer systems, servers, and associated infrastructure used primarily for the storage, processing, computing, hosting, or distribution of large amounts of data or computational activity. Such uses may include, but are not limited to, artificial

intelligence computing, cryptocurrency mining, cloud computing, cloud storage, application hosting, video and technical streaming, genome sequencing, weather modeling, or other computationally intensive activities. Such facilities may include substantial electrical infrastructure, utility substations, emergency generators, cooling systems, air-handling equipment, water-cooling or water-storage systems, fuel storage, telecommunications infrastructure, and other infrastructure necessary to support the operation of the facility.

The moratorium shall not apply to computer equipment, server rooms, or data-processing equipment that is clearly incidental and subordinate to a permitted principal use and is intended solely to support the on-site operations of that principal use, provided such equipment complies with all other applicable City regulations. Projects classified as exempt from a development moratorium pursuant to G.S. 160D-107(c), and development for which vested rights have been established under applicable law, shall not be subject to this moratorium. Nothing in this ordinance shall be construed to impair any vested right or other protection provided by applicable law.

Section 2. In accordance with G.S. 160D-107, the City Council makes the following statements:

(1) The City Council finds that data centers and other high-intensity data processing uses can differ substantially from ordinary commercial, office, industrial, and technology-related uses because of their potential intensity of electrical consumption, water demand, land consumption, building size, mechanical equipment, cooling systems, emergency power generation, noise, lighting, heat generation, traffic associated with construction and operation, stormwater impacts, utility infrastructure requirements, and other characteristics that may affect surrounding properties and the community. The City is currently evaluating whether its existing zoning and development regulations adequately address the unique characteristics and potential impacts of these uses. The City is particularly seeking to evaluate appropriate standards relating to, but not limited to, building scale and height; setbacks; buffering and landscaping; noise; lighting; screening of mechanical equipment; emergency generators and other accessory infrastructure; utility substations; water and sewer capacity; electrical infrastructure; stormwater management; traffic and transportation impacts; fire protection and emergency response; air quality; heat; environmental impacts; and compatibility with surrounding land uses. The City Council has considered allowing these uses to continue to be reviewed under the City's existing zoning and development regulations while amendments are prepared. The City Council determines that this alternative is inadequate because the City's existing regulations may not contain use-specific standards designed to

address the intensity, scale, infrastructure requirements, and potential impacts associated with these uses. The temporary moratorium is therefore necessary to preserve the City's ability to study these issues and develop appropriate regulations before new high-intensity data processing uses are approved under standards that may not adequately address their unique characteristics.

(2) During the moratorium, the City shall not accept for processing, process, or issue, as applicable, development approvals for new data centers, data processing facilities, cryptocurrency mining operations, artificial intelligence computing facilities, or other substantially similar high-intensity data processing uses, to the extent such approvals are subject to a moratorium under G.S. 160D-107. The development approvals subject to this moratorium shall include those approvals identified by the City Attorney and Planning Department as being legally subject to the moratorium based upon the City's zoning ordinance and applicable North Carolina law. The moratorium is intended to temporarily prevent new covered uses from proceeding under existing regulations while the City evaluates appropriate land-use standards, development requirements, approval procedures, and infrastructure considerations for such uses.

(3) The moratorium shall commence on _____, 2026, and shall terminate on _____, 2027, unless terminated earlier upon adoption and effectiveness of appropriate amendments to the City's zoning or development regulations addressing the covered uses. The City Council finds that this duration is reasonably necessary to allow sufficient time for City staff to evaluate the City's existing regulations, research the potential impacts associated with data centers and related high-intensity data processing uses, consult with utility providers and emergency-service providers, develop appropriate regulatory standards, prepare proposed amendments, obtain Planning Board review and recommendation, and allow the City Council sufficient time to consider and act upon the proposed amendments.

(4) King Planning and Development Staff will study the impacts of data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities on communities within the first thirty (30) days of the moratorium. Concurrently, the Planning and Development Staff will investigate how other communities in North Carolina and across the United States have addressed these impacts through zoning regulations. Planning and Development staff will develop the land use regulations required to mitigate negative impacts associated with land uses described as data centers, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities. Subsequently, in the final thirty (30) days, a series of text amendments to the King Code of Ordinances will be proposed which will follow the legislative process for

adoption. The research, policy development, and legislative processes necessitate an adequate moratorium limit of sixty (60) days.

Section 3. Nothing in this ordinance shall be construed to apply to a project or development approval exempted from a moratorium by G.S. 160D-107(c), or to impair vested rights established under applicable law.

Section 4. The purpose of this moratorium is to allow the City sufficient time to investigate the land-use, utility, infrastructure, environmental, public-safety, and neighborhood-compatibility impacts of data centers and to prepare appropriate zoning and development standards. Temporarily pausing covered development approvals will prevent applications from being evaluated solely under existing general standards while the City completes this work.

Section 5. If any section, subsection, sentence, phrase, or part of this ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

Section 6. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ____ day of _____, 2026.

ATTEST:

_____
Richard E. McCraw, Mayor

_____
Nicole Branshaw, City Clerk

City Seal: