



ORDINANCE NO. 2026-17

AMENDING CHAPTER 32

**AN ORDINANCE IMPOSING A 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, NORTH
CAROLINA**

WHEREAS, the City Council of the City of King (“City Council”) is vested with authority under Article 8 of Chapter 160A and Chapter 160D of the North Carolina General Statutes to adopt ordinances regulating the use of land within the corporate limits of the City of King and within the City’s extraterritorial jurisdiction, as established pursuant to G.S. 160D-202 and Sec. 32-3 of the Code of Ordinances of the City of King (“Code of Ordinances”), for the purpose of promoting the public health, safety, morals, and general welfare, as set forth in Sec. 32-1 of the Code of Ordinances; and

WHEREAS, G.S. 160D-107 authorizes local governments to adopt a temporary moratorium on any development approval required by law, subject to the requirements set forth therein, and Sec. 32-5(b) of the Code of Ordinances separately codifies this authority together with its accompanying procedural and substantive requirements; and

WHEREAS, jurisdictions across North Carolina and the nation have experienced a significant increase in development interest in large-scale data centers, cryptocurrency mining operations, and associated battery energy storage systems, driven by the rapid growth of cloud computing, artificial intelligence, and digital currency markets, and the City Council desires to ensure that the City’s development regulations are prepared to address such uses, and any future inquiries or applications regarding such uses, before any such application is received; and

WHEREAS, Chapter 32 of the Code of Ordinances, including the Table of Uses set forth in Article IV (Sec. 32-201—Sec. 32-204), does not separately identify or list “data center,” “cryptocurrency mining operation,” or “battery energy storage system” (other than a battery storage system accessory to a solar energy system regulated under Sec. 32-260) as a distinct permitted or special use in any zoning district, meaning that any such use proposed within the City at this time would necessarily have to be evaluated, if at all, under an existing use category not designed or intended to address the specific impacts of such uses; and

WHEREAS, the City has historically relied upon the Stokes County comprehensive land use plan in the absence of a City-specific comprehensive plan; in 2025, the City Council authorized the preparation of the City's own comprehensive land use plan; in 2026, the City entered into a contract with Kimley-Horn and Associates, Inc. to oversee that planning process, which formally commenced in June 2026 and remains ongoing and incomplete as of the date of this Ordinance; and the City Council finds that approving development approvals for high-impact, atypical land uses such as data centers, cryptocurrency mining operations, and battery energy storage systems before that comprehensive planning process identifies appropriate land use policies, growth patterns, and siting considerations for such uses risks approving development that is inconsistent with, or that forecloses options later recommended by, that plan; and

WHEREAS, data centers, cryptocurrency mining operations, and stand-alone battery energy storage systems present potential adverse impacts that are not adequately addressed by the City's existing development regulations, including but not limited to: (a) substantial water consumption for cooling purposes; (b) significant noise generation from cooling equipment, backup generators, and related mechanical equipment; (c) fire, safety, and hazardous materials concerns associated with the storage of large quantities of lithium-ion or other battery cells and backup fuel; and (d) land use compatibility concerns where such facilities are located in or near residential, agricultural, or other sensitive zoning districts or uses; and

WHEREAS, the City Council finds that additional time is needed for City staff and the Planning Board to study these issues, to evaluate whether and how the Table of Uses and other provisions of Chapter 32 should be amended to specifically address data centers, cryptocurrency mining operations, and battery energy storage systems, to consider appropriate performance standards — including without limitation noise limitations, buffering and screening, setbacks, fire and life-safety standards, and decommissioning requirements — to determine whether such uses should be permitted by right, by special use permit, by development agreement, or otherwise, and to investigate whether, and to what extent, any such interim standards can be coordinated with the City's ongoing comprehensive land use planning process described above, it being understood that the incomplete status of that process may limit the extent to which such coordination is presently achievable; and

WHEREAS, the City Council has considered alternative courses of action, including relying on existing use categories and development standards, processing any applications under the City's general administrative procedures without modification, or adopting a hastily prepared text amendment without adequate study and public input, and has determined that each such alternative is inadequate because it would not provide sufficient time to develop appropriate, tailored standards consistent with the City's comprehensive plan and the protection of the public health, safety, and welfare; and

WHEREAS, the City Council finds that a moratorium of sixty (60) days is reasonable in duration and reasonably necessary to allow City staff and the Planning Board time to for study and drafting, as described herein, and does not exceed the time necessary to correct, modify, or resolve the conditions described herein; and

WHEREAS, this moratorium is not adopted for the purpose of developing or adopting new or amended plans or development regulations governing residential uses, and no residential use is subject to this moratorium; and

WHEREAS, the City Council, having called for and conducted a duly noticed legislative hearing on September 8, 2026, with notice published in a newspaper of general circulation in the City not less than seven (7) days prior to the date of the hearing in accordance with G.S. 160D-107(b) and Sec. 32-5(b)(2) of the Code of Ordinances, and having considered all public comment received at said hearing, finds that adoption of this Ordinance is necessary to protect the public health, safety, and welfare of the City's residents pending the adoption of appropriate development regulations addressing data centers, cryptocurrency mining operations, and battery energy storage systems.

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

Section 1. Definitions. For purposes of this Ordinance, the following terms shall have the meanings ascribed below (new definitions added to the Code of Ordinances by reference for the duration of this Ordinance):

(a) Data Center. Any building, structure, or group of buildings or structures, or any portion thereof, containing one or more large-scale computer systems, server installations, or networked server computers, together with associated cooling, electrical, and backup power equipment, used or intended to be used for data storage, data processing, web hosting, cloud computing, application hosting, streaming services, artificial intelligence or artificial intelligence training, or other similar or related uses, processes, or services offered to, or used by, off-site users or locations.

(b) Cryptocurrency Mining Operation. Any building, structure, or group of buildings or structures, or any portion thereof, containing one or more large-scale computer systems or networked server computers used for computationally intensive applications such as blockchain technology, validation of blockchain transactions, cryptocurrency mining, or other similar or comparable functions.

(c) Battery Energy Storage System ("BESS"). Any stand-alone facility or installation consisting of one or more devices or systems that store electrical energy for later use or dispatch to the electrical grid, to a Data Center, or to a Cryptocurrency Mining Operation, other than a battery storage system that is clearly accessory and incidental to a solar energy system regulated under Sec. 32-260 of the Code of Ordinances and sized solely to serve the on-site principal use.

(d) Exclusions. The terms defined in this Section shall not include: (1) electronic gaming, internet sweepstakes, video sweepstakes, or similar uses regulated under Sec. 32-261 of the Code of Ordinances; (2) data processing, computing, or battery storage equipment that is clearly incidental and subordinate to a permitted principal use specifically identified in the Table of Uses set forth in Article IV of Chapter 32 (including, without limitation, hospitals, medical facilities, financial institutions, offices, and educational institutions), and that is intended solely to support the on-site operations of such principal use, provided that such equipment is not offered to, or used by, off-site users or off-site locations; or (3) any use for which a valid development approval has been issued, or a

complete application accepted, prior to the effective date of this Ordinance, to the extent addressed in Section 7 below.

Section 2. Moratorium Imposed.

A temporary moratorium is hereby imposed, effective upon adoption of this Ordinance, upon the acceptance, processing, and approval of any development approval required by law — including, without limitation, zoning permits, building permits, special use permits, zoning map amendments (rezonings), site plan approvals, and preliminary or final subdivision plat approvals — for the establishment, construction, erection, installation, alteration, or expansion of any Data Center, Cryptocurrency Mining Operation, or Battery Energy Storage System, as those terms are defined in Section 1, anywhere within the corporate limits of the City of King and within the City's extraterritorial jurisdiction as established pursuant to Sec. 32-3 of the Code of Ordinances and G.S. 160D-202.

Section 3. Statement of Problems or Conditions Necessitating the Moratorium; Alternatives Considered.

(a) The problems and conditions necessitating this moratorium are those described in the WHEREAS clauses of this Ordinance, including: (i) the absence of a specifically identified use category, development standards, or performance standards in Chapter 32 of the Code of Ordinances addressing Data Centers, Cryptocurrency Mining Operations, or Battery Energy Storage Systems; (ii) the significant water consumption, noise, fire and safety, and land use compatibility impacts associated with such uses; and (iii) the City's ongoing, and as-yet incomplete, comprehensive land use planning process being overseen by Kimley-Horn and Associates, Inc., which is intended to establish land use policies, growth patterns, and siting considerations that should inform — and not be undermined or foreclosed by — decisions approving high-impact, atypical uses such as those addressed by this Ordinance.

(b) The City Council considered, and rejected as inadequate, the following alternative courses of action: (1) taking no action and allowing such uses to be evaluated under existing, non-tailored use categories; (2) directing staff to process any applications for such uses under existing standards without a moratorium; (3) adopting a text amendment to Chapter 32 addressing such uses without a moratorium and without adequate time for study, drafting, and public engagement; and (4) deferring any interim action entirely until completion of the City's comprehensive land use planning process. The City Council finds that each such alternative is inadequate because alternatives (1) through (3) would not provide the time necessary for the City to develop appropriate, tailored standards prior to the potential submission and processing of an application for such a use, and alternative (4) is inadequate because the comprehensive planning process is not expected to conclude within a period consistent with the reasonable-duration requirements of G.S. 160D-107(a), making a short-term moratorium the more proportionate interim measure.

Section 4. Development Approvals Subject to Moratorium; Relationship to the Problems Identified.

The development approvals identified in Section 2 are subject to this moratorium because each constitutes a step in the approval process by which a Data Center, Cryptocurrency Mining Operation, or Battery Energy Storage System could be established, constructed, altered, or expanded within the City's jurisdiction under regulations that do not currently, and adequately, address the impacts described in Section 3. Pausing the acceptance, processing, and approval of such development approvals for the duration of this moratorium will allow the City to complete the study and regulatory drafting process described in Section 6 before any such use may be approved, thereby directly addressing the problems and conditions identified above.

Section 5. Duration; Termination Date.

This moratorium shall be effective as of the date of adoption of this Ordinance and shall terminate sixty (60) days thereafter, unless earlier terminated or subsequently extended by the City Council in accordance with G.S. 160D-107(e) and applicable law. The City Council finds that a sixty (60)-day duration is reasonably necessary, and does not exceed the time necessary, to complete the schedule of actions described in Section 6.

Section 6. Schedule of Actions to Be Taken During the Moratorium.

During the moratorium period, the following actions shall be taken:

- (a)** City planning staff shall research data center, cryptocurrency mining, and battery energy storage system regulations adopted by other North Carolina local governments, evaluate the impacts specific to the City of King, and prepare a preliminary draft of proposed text amendments to Chapter 32 addressing such uses, including proposed definitions, zoning district applicability, and performance standards. As part of this work, staff shall consult with Kimley-Horn and Associates, Inc. to investigate whether, and to what extent, it is feasible to coordinate any such interim standards with the City's ongoing comprehensive planning process, and shall report to the City Council whether such coordination is achievable within the moratorium period or whether the comprehensive planning process remains too preliminary at this time to inform interim standards.
- (b)** Staff shall present its preliminary research and any draft text amendment to the Planning Board at the Planning Board's next regularly scheduled meeting occurring during the moratorium period for review and discussion, and the Planning Board shall advise staff and the City Council whether it believes it will have sufficient information to conduct a formal public hearing on any proposed text amendment prior to expiration of the moratorium.
- (c)** The City Council shall receive a status update from staff and the Planning Board at the City Council's next regularly scheduled meeting(s) occurring during the moratorium period, and shall determine whether to proceed with a public hearing on a proposed text amendment to Chapter 32 prior to expiration of the moratorium, or whether, based on new facts or conditions, an extension of the moratorium is warranted in accordance with G.S. 160D-107(e).
- (d)** Prior to expiration of the moratorium, the City Council shall consider adoption of amendments to Chapter 32 addressing Data Centers, Cryptocurrency Mining Operations,

and Battery Energy Storage Systems, or shall consider whether an extension of the moratorium is warranted under G.S. 160D-107(e).

Section 7. Exempt Projects.

Consistent with G.S. 160D-107(c), and absent an imminent threat to public health or safety, this moratorium shall not apply to: (a) any project for which a valid building permit issued pursuant to G.S. 160D-1110 is outstanding as of the effective date of this Ordinance; (b) any project for which a special use permit application has been accepted as complete as of the effective date of this Ordinance; (c) development set forth in a site-specific vesting plan approved pursuant to G.S. 160D-108.1; (d) development for which substantial expenditures have already been made in good-faith reliance on a prior valid development approval; or (e) preliminary or final subdivision plats accepted for review by the City prior to the call for the hearing on this Ordinance, provided that any such preliminary plat, if subsequently approved, shall be allowed to proceed to final plat approval without being subject to this moratorium. If a complete application for a development approval subject to this moratorium was submitted prior to the effective date of this Ordinance, G.S. 160D-108(b) shall apply when permit processing resumes upon expiration or termination of the moratorium.

Section 8. Scope.

This moratorium applies throughout the corporate limits of the City of King and within the City's extraterritorial jurisdiction as established pursuant to Sec. 32-3 of the Code of Ordinances and G.S. 160D-202. This moratorium is not adopted for, and does not apply to, the development of any residential use.

Section 9. Conflict with Other Ordinances.

To the extent any provision of the Code of Ordinances conflicts with this Ordinance, this Ordinance shall control for the duration of the moratorium, after which the provisions of the Code of Ordinances in conflict herewith, if not otherwise amended, shall resume full force and effect.

Section 10. Severability.

If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

Section 11. Expedited Judicial Review.

As provided in G.S. 160D-107(f), any person aggrieved by the imposition of this moratorium may apply to the General Court of Justice for an order enjoining its enforcement, and any such action shall be scheduled for expedited hearing with priority accorded in accordance with that statute.

Section 12. Effective Date.

This Ordinance shall become effective immediately upon adoption.

Adopted by the City Council of the City of King, North Carolina, this 8th day of September, 2026,
following a duly noticed legislative hearing held the same date.

Mayor, City of King, North Carolina

ATTEST:

City Clerk