



CITY OF KING CITY COUNCIL

MEETING DATE:

SEPTEMBER 8, 2026

PART A

Subject:	PUBLIC HEARING – Consider a Moratorium on Data Centers	
Action Requested:	Conduct the public hearing, receive public comment, and consider whether to adopt a temporary moratorium of 60 days or less on specified development approvals for data centers within the City of King's zoning jurisdiction.	
Attachments:	- Staff Research - Public Hearing Notice - Ordinance 2026-17	
Todd Cox, Int. Planning & Zoning Official Emerson Wright, Planning & Zoning intern	This abstract requires review by:	
	City Manager	City Attorney X

PART B

Introduction and Background:
Tonight, staff is bringing forward a proposed temporary moratorium on data centers, cryptocurrency mining operations, and other similar high-intensity data processing uses. As artificial intelligence, cloud computing, cryptocurrency, and other technologies continue to grow, communities are seeing increased interest in facilities that can have significant demands for electricity, water, land, telecommunications, and other infrastructure. These uses can provide economic benefits, but they are also substantially different from many of the traditional commercial and industrial uses that our existing zoning regulations were written to address. The purpose of this moratorium is not to permanently prohibit these uses or to discourage economic development. Rather, it would give the City time to study these emerging uses and determine whether our current regulations are adequate to address their potential impacts. The City's current ordinances do 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. Staff believes it is important for King to take a proactive approach and determine where, and under what standards, these uses may be appropriate in our community before we receive an application that our current regulations may not adequately address.

Discussion and Analysis:

The City's current development regulations 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.

The proposed moratorium 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.

The proposed moratorium 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:

Cost to advertise and legal review

Recommendation:

Conduct the legislative hearing and receive public comment. After the hearing and legal review, consider the proposed moratorium ordinance and determine whether adoption, modification, continuation to a later meeting, or no action is appropriate.