

ORDINANCE NO._____

AN ORDINANCE AMENDING CHAPTER 114 OF THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, PERTAINING TO DATA CENTERS AND CRYPTOCURRENCY MINING; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That Sec 114-1 Code of Ordinances, City of Kingsport, Tennessee is amended by adding the existing text:

Sec. 114-1. – Definitions:

Cryptocurrency Mining means the process by which cryptocurrency transactions are verified and added to the public ledger, known as the block chain, and also the means through which new units of crypto are released, through the use of data centers. This definition does not include use of not more than five computers from which cryptocurrency is mined in an enclosed structure, provided the cryptocurrency is not mined for commercial purposes.

Data Center means a facility consisting of buildings or structures specifically designed or modified for storage, management, processing, and/or transmission of digital data. This includes *Cryptocurrency Mining*. Such facilities may include high-density computer and/or network equipment, systems, servers, appliances, air handlers, power generators, water cooling and storage facilities, utility substations, and other associated utility infrastructure to support sustained operations. Administrative areas and offices for the purpose of supporting the primary activity may be located within the buildings.

SECTION II. That Sec 114-191(a)(2) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and replacing with:

(2) Credit agencies, brokers, travel agencies, real estate offices, finance, photography studios, law offices.

SECTION III. That Sec 114-353(1) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and replacing with:

(1) Offices for brokers, businesses, credit agencies, finance, government, law, medical, photography, real estate and travel agencies.

SECTION IV. That Sec 114-199(d)(2) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and replacing with:

(2) Cryptocurrency Mining and Data Centers, provided that upon findings of fact that all of the following criteria are met:

a. A perimeter minimum yard of 100 feet;

b. All digital data operations use shall be conducted in a completely enclosed building;

c. All facilities shall not be located within 500 feet of any residential use or district. This includes any zoning district that permits single-family residences or dwellings. The measurement shall be made from the nearest property line or zoning line of the residential use or district, whichever is closer, to the nearest property line of the property that contains the data center use;

d. The applicant shall demonstrate through a sound study conducted by a professional acoustical expert that the sound generated by a data center shall be limited to a maximum decibel level of 60 (dBA) as measured from the property line of the use. Such sound study shall be conducted using generally accepted methodology. A sound study shall be conducted at the following phases:

1. A preliminary study shall be conducted and supplied as part of the special exception application process. The preliminary sound study shall include recommended sound reducing materials or systems as needed to meet the required sound limit.

2. An interim sound study shall be conducted during the building permit approval process based upon the proposed user or users of the data center uses depicted on the building plans. Any sound reducing materials or systems recommended by interim sound study shall be incorporated into the construction plans for the use.

3. An as-built sound study shall be conducted six months after issuance of the certificate of occupancy. If it is determined by the as-built sound study that there is a violation of the aforesaid noise limits, it shall be considered a violation of this ordinance.

e. The applicant shall provide a vibration study prepared by a qualified professional that demonstrates that no vibration from the data center or associated equipment will be perceptible to the human sense of feeling beyond the property line.

SECTION V. That Sec 114-564(5) Code of Ordinances, City of Kingsport, Tennessee is amended by adding the following text as a new subparagraph e.:

e. Data Center: one parking space per 8,000 square feet of floor area designed and intended to be accessible regularly by employees, or one parking space for every one employee, based upon the maximum number of employees on site during the largest shift, whichever is lesser.

SECTION VI. That Sec 114-194(c) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and replacing with:

(c) Special Exceptions. Special exceptions. Special exceptions are permitted only with the approval of the board of zoning appeals and are allowed in the B-2 district as follows:

(1) Communication facilities and facilities with drive-throughs with a weekday peak hour volume of 30 vehicles or greater per 1000 square feet (per the 8th edition ITE Traffic Generation Manual), as measured for the entire site;

(2) Data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property; when data centers as accessory uses are considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION VII. That Sec 114-203(c) Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and replacing with:

(c) Special Exceptions. Special exceptions. Special exceptions are permitted only with the approval of the board of zoning appeals and are allowed in the B-2E district as follows:

- (1) Communication facilities and facilities with drive-throughs with a weekday peak hour volume of 30 vehicles or greater per 1000 square feet (per the 8th edition ITE Traffic Generation Manual), as measured for the entire site;
- (2) Data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property; when data centers as accessory uses are considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION VIII. That Sec 114-195(c) Code of Ordinances, City of Kingsport, Tennessee is amended by adding as a new subsection (3) the following text:

(3). Data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property. When data centers as accessory uses are considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION IX. That Sec 114-227 Code of Ordinances, City of Kingsport, Tennessee is amended by deleting the existing text and replacing with:

Sec. 114-227. – Special exceptions

Permitted only with approval of board of zoning appeals: Helistops; institution for human care; open-air businesses such as plant sales, lawn furniture, playground equipment, and garden supplies; minor automobile repair centers; and parking lots and structures; data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property. When data centers as accessory uses are considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION X. That Sec 114-382 Code of Ordinances, City of Kingsport, Tennessee is amended by adding as a new subsection (8) the following text:

(8) data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property. When data centers as accessory uses are

considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION XI. That Sec 114-191 Code of Ordinances, City of Kingsport, Tennessee is amended by adding as a new subsection (8) the following text:

(8) data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property. When data centers as accessory uses are considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION XII. That Sec 114-192(d) Code of Ordinances, City of Kingsport, Tennessee is amended by adding as a new subsection (2) the following text:

(2) Data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property; When data centers as accessory uses are considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION XIII. That Sec 114-355 Code of Ordinances, City of Kingsport, Tennessee is amended by adding the following new text:

Sec. 114-355. – Special Exceptions

Data centers no larger than a total accumulative allotment of 2,000 sq. ft. net floor area in size as an accessory use strictly operated in support of the primary business on the same property. When data centers as accessory uses are considered, cryptocurrency mining must not be an element of the accessory data center proposal.

SECTION XIV. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee requiring it.

PAUL W. MONTGOMERY, Mayor

ATTEST:

ANGELA MARSHALL, Deputy City Recorder

APPROVED AS TO FORM:

RODNEY B. ROWLETT III, City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____