



AGENDA ACTION FORM

Conduct a Public Hearing and Consideration of an Ordinance to Amend the Zoning Ordinance as it Pertains to Data Center and Cryptocurrency Mining Land Uses

To: Board of Mayor and Aldermen

From: Chris McCartt, City Manager *CM*

Action Form No.: AF-16-2026

Work Session: January 20, 2026

First Reading: January 20, 2026

Final Adoption: February 3, 2026

Staff Work By: K. Weems

Presentation By: Ken Weems

Strategic Focus Area: 6. Strong & Vibrant Neighborhoods

Recommendation:

- Hold Public Hearing
- Approve Ordinance

Executive Summary:

If approved, this zoning text amendment would amend multiple sections of Section 114 of the City Code and will create definitions, development standards, and location standards for proper siting of data center and cryptocurrency mining land uses.

Data center and associated cryptocurrency mining uses are emerging land uses in East Tennessee and are not currently addressed specifically in the City's zoning code. The City's existing code was created without anticipation of mass digitization. Subsequently, an amendment to the City's code is needed to best protect existing land uses and provide an appropriate framework for siting data centers, to include data centers that function as cryptocurrency mines. A clear distinction should be made between standard data centers and data centers used as cryptocurrency mining facilities, as the latter constitute a high-intensity land use with notable sound impacts that warrant careful consideration when sited adjacent to lower-intensity uses.

Staff proposes requiring a special exception to be granted by the Kingsport Board of Zoning Appeals for any data center siting proposal. Through the special exception process, data centers could locate as a principal use only in the City's M-2 (General Manufacturing) zone. The amendment also contains a provision for data centers as accessory uses for the City's existing commercial zones. It is important to note that if a data center is proposed as an accessory use, cryptocurrency mining must not be an element of the proposal.

No calls or comments have been received on this item. During their December regular meeting, the Kingsport Regional Planning Commission voted unanimously to send a positive recommendation to the Board of Mayor and Aldermen in support of approving this text amendment. The notice of public hearing was published on December 29, 2025.

Attachments:

1. Notice of Public Hearing
2. Ordinance
3. Supplemental Information

| | Y | N | O |
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| Baker | — | — | — |
| Cooper | — | — | — |
| Duncan | — | — | — |
| George | — | — | — |
| Mayes | — | — | — |
| Phillips | — | — | — |
| Montgomery | — | — | — |