MEMO TO: Planning Board

FROM: Planning Staff

SUBJECT: Consideration of adopting an ordinance imposing a one-year moratorium on the acceptance, processing, and approval of applications for data centers, data processing facilities, cryptocurrency mining operations, and other uses associated with data processing facilities within the City of Lincolnton, North Carolina, pursuant to NC General Statute 160D-107.

DATE: July 21, 2026

Background

This ordinance proposes a temporary moratorium, in accordance with N.C.G.S. 160D-107, on the approval of development applications for data centers, data processing facilities, cryptocurrency mining operations, and other related uses within the City of Lincolnton.

These types of facilities have distinct operational and physical characteristics that set them apart from traditional commercial or industrial developments. Data centers and similar facilities typically require substantial electrical capacity, advanced cooling systems, and significant security measures. Cryptocurrency mining operations involve continuous, high-intensity computing activities that lead to high energy consumption and, at times, persistent noise impacts.

Temporary moratoriums halting development approvals for data centers and similar uses have been enacted by several local governments across North Carolina. Reports indicate that additional local governments throughout the state are also assessing the need for a moratorium.

County	Moratorium Period	Population
Rowan	1 year	148000
Orange	1 year (April 2026)	148696
Chatham	1 year (February 2026)	86390
Cumberland	6 months (expires 12/15/26)	335000
Harnett	12 months (May 2026)	14000
Pasquotank	12 months (May 2026)	40000
Northampton	32 months (expires Jan 2029)	17000
Gates	12 months (December 2025)	10000
Swain	12 months	14000
Chester	6 months	33000
Town	**Moratorium Period**	**Population**
Hillsborough	2 months	>10,000
Durham	12 months (May 2026)	310342
Apex	12 months (April 2026)	85721
Charlotte	150 days	964784
Elizabeth City	12 months (May 2026)	19778
Kings Mountain*	182 days (February 2026)	12279
Holly Springs	Up to 12 months	52000
Boone	12 months	20000
Wendell	Through 12/31/ 2026	19600
Woodfin	12 months (May 2026)	8200
Canton	12 months (February 2026)	4400
*considering extending moratorium period		

Currently, the City's Unified Development Ordinance (UDO) does not specifically define or address data centers, data processing facilities, or cryptocurrency mining operations. It also lacks established use classifications, development standards, and review criteria tailored to these types of facilities. This regulatory gap creates uncertainty for both applicants and the City of Lincolnton, limiting the City's ability to effectively site, design, and review such facilities.

Without clearly defined standards, there is a risk that facilities with substantial infrastructure demands and external impacts may be developed in areas that are unsuitable or lack appropriate mitigation measures.

While data centers and related facilities can contribute to economic development and tax revenue, they may also generate various land use and infrastructure impacts, including but not limited to:

- High energy demand, potentially straining local electrical infrastructure and necessitating substantial utility upgrades
- Significant water usage for cooling systems, depending on facility design
- Noise impacts from cooling equipment, backup generators, and continuous operations
- Visual impacts related to large building footprints, security fencing, and mechanical equipment
- Limited employment density relative to building size and land consumption

Considering these factors, it is crucial for the City of Lincolnton to proactively evaluate how these uses should be defined, where they should be permitted, and what performance standards or mitigation measures should be implemented. A temporary moratorium on accepting and processing new development applications for such facilities is a reasonable and necessary step, allowing City staff and the Planning Department sufficient time to study these issues, engage with stakeholders, draft appropriate amendments to the Unified Development Ordinance, and adopt the needed changes.

Planning Board Vote:

3-2 in favor of recommending approval of the Moratorium

Planning Board Recommendation:

Approve the Moratorium

Motions:

Motion to approve

Or

Motion to deny

ORDINANCE OF THE CITY OF LINCOLNTON CITY COUNCIL INSTITUTING A TEMPORARY MORATORIUM ON THE PERMITTING OF DATA CENTERS, DATA PROCESSING FACILITIES, CRYPTOCURRENCY MINING OPERATIONS AND ANY USE ASSOCIATED WITH DATA PROCESSING FACILITIES WITHIN THE CITY OF LINCOLNTON, NORTH CAROLINA PURSUANT TO NORTH CAROLINA GENERAL STATUTE §160D-107

WHEREAS, the City of Lincolnton City Council (the "Council") is responsible for promoting the health, safety, and general welfare of the residents; and

WHEREAS, North Carolina General Statute § 160D-107 authorizes local governments to adopt temporary moratoria on development approvals under certain conditions; and

WHEREAS, the Planning Department has observed a recent increase in inquiries and potential applications for high-impact facilities, specifically data centers; and

WHEREAS, data centers, data processing facilities, cryptocurrency mining operations, and other uses associated with data processing facilities present unique challenges and potential impacts not adequately addressed by the current zoning and development regulations, including but not limited to:

• Extremely high energy consumption and strain on existing utility infrastructure;
• Significant noise generation from cooling systems and backup generators, affecting adjacent residential areas and general quality of life;
• Substantial water usage for cooling purposes;
• Potential environmental impacts, including hazardous material storage and electronic waste disposal; and
• Land use compatibility concerns; and

WHEREAS, the existing regulations were not developed with these specific types of high-impact uses in mind, and Lincolnton needs time to develop appropriate, comprehensive standards to ensure that any future development of such facilities is consistent with the long-term land use plan and protects the public interest; and

WHEREAS, the Planning Department has considered alternative courses of action, such as relying on existing general use permits or zoning amendments, but determined these were inadequate because they lack the specific performance standards (e.g., noise limits, utility capacity requirements, setbacks) needed to mitigate the unique impacts of these facilities effectively; and

WHEREAS, a temporary moratorium on accepting and processing new applications for such facilities is a reasonable and necessary measure to allow City staff sufficient time to study the issues, engage with stakeholders, and draft appropriate amendments to the zoning and development regulations;

NOW, THEREFORE, BE IT ORDAINED by the City of Lincolnton City Council:

Section 1. Moratorium Imposed

A temporary moratorium is hereby imposed for a period of one (1) year from the effective date of this Ordinance. During this period, the City shall not accept, process, or approve any applications for the following development approvals:

- Conditional Zonings
- Zoning Map Amendments
- Any other development approval required by law

for the establishment, construction, or erection of data centers, data processing facilities, cryptocurrency mining operations, and other uses associated with data processing facilities.

Section 2. Scope and Exemptions

This moratorium shall apply to all incorporated and extraterritorial jurisdictional areas of the City of Lincolnton.

Section 3. Plan of Action and Schedule

During the effective period of this moratorium, the City of Lincolnton City Council and City Staff shall take the following actions:

- **Month 1-4**: Study the potential impacts (energy, water, noise, land use) of data centers and cryptocurrency mining facilities, in consultation with local utility providers and the UNC School of Government.
- **Month 4-6**: Draft specific land use ordinance amendments and performance standards to regulate these facilities, including appropriate zoning districts, setback requirements, noise limitations, and utility capacity conditions.
- **Month 6-10**: Hold public workshops and Planning Board meetings to review the draft amendments and gather public input.
- **Month 10-12**: The Planning Board will provide a recommendation to the City Council. The City Council will hold the necessary public hearings to consider and potentially adopt the final ordinance amendments.

Section 4. Duration and Termination

This Ordinance shall be in full force and effect from August 6, 2026, until August 5, 2027, unless earlier terminated, extended, or modified by the City Council in accordance with North Carolina law. The stated duration is reasonably necessary to address the identified problems. A twelve-month duration is necessary to complete the multi-phase study, drafting, public engagement, and adoption schedule outlined in Section 3.

Section 5. Severability

If any section 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 sections or parts.

Adopted this the _____ day of _____, 20_____.

_____
Ed Hatley, Mayor
Lincolnton City Council

Attest:

_____
Daphne Ingram, City Clerk