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 September 3, 2026 until September 3, 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