

AN ORDINANCE IMPOSING A TEMPORARY MORATORIUM ON DEVELOPMENT APPROVALS FOR DATA CENTERS, CRYPTOMINING, AND RELATED HIGH-IMPACT DATA PROCESSING FACILITIES IN RALEIGH.

WHEREAS, the Raleigh City Council are responsible for promoting the health, safety, and general welfare of the City's 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 City Council have observed a recent increase in inquiries and potential applications for high-impact facilities in neighboring counties, specifically data centers and cryptocurrency mining operations, and acknowledges existing data center facilities that could be expanded in Raleigh; and

WHEREAS, these types of high-impact facilities present unique challenges and potential impacts not adequately addressed by the City's current Unified Development Ordinance (UDO) or zoning regulations, including but not limited to:

- Extremely high energy consumption and strain on existing utility infrastructure;
- Utility rate increases by 3.4% for residents to fund these private commercial uses would make affordable living based on HUD guidelines (housing and utility no more than 30% of income) even more difficult in Raleigh;
- 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, such as those from hazardous materials storage, electronic waste disposal, and other forms of pollution affecting air, water and soil quality;
- Remediation and other obligations for abandoned infrastructure, should such facilities not be put to their intended use, or their construction fail to come to fruition;
- Land use compatibility concerns in districts with residential uses; and

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

WHEREAS, we are currently in a drought and a water shortage crisis in the city, and data centers are known for their wasteful water consumption; and

WHEREAS, the table of permitted uses in the current zoning ordinance does not specify data centers, data processing facilities, cryptocurrency mining operations, or any other uses associated with data processing facilities; and

WHEREAS, the recent withdrawal of the annexation request for the data center on August 18, 2026, to which the purpose of such facility was also not made transparent, indicates that

this proposal was put together with little forethought and care for the general public's welfare and needs; and

WHEREAS, the proposal to put a data center in historic Black communities of Southeast Raleigh is an open betrayal to the people, particularly in light of Raleigh City Council 2023 resolution to hold themselves accountable for the harm done against Black and brown people to this day; and

WHEREAS, with the promise of jobs to local residents not a guarantee and the hiring of out-of-state workers to be more likely, the establishment of a data center is unlikely to yield the economic benefits which business interests claim; and

WHEREAS, the case of *Ashby v. Town of Cary*, 161 N.C. app. 499, 588 S.E.2d 572 (2003), has determined that a municipality has the power to refuse any rezoning request as long as the decision has "plausible basis" and is neither "capricious" nor "arbitrary"; and

WHEREAS, the City of Raleigh shall place the welfare, in particular our most disenfranchised, before the needs of the developer who wished to profit by adding harm to the Black and brown community members of Raleigh; and

WHEREAS, a temporary moratorium on accepting and processing new applications for such facilities is a reasonable and necessary measure to allow City staff and the Planning Department sufficient time to study the issues, engage with stakeholders, draft appropriate amendments to the Unified Development Ordinance and consider appropriate provisions for the future LDC; and

Therefore, we demand a moratorium from the City of Raleigh on the use of property within, including unincorporated areas of Wake County and outside any municipal extraterritorial jurisdictions for data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities for a period of thirty-two (32) months from the effective date of this Ordinance. All development approvals for data centers, data processing facilities, cryptocurrency mining operations, and any uses associated with data processing facilities are subject to the moratorium, including expanding the development of existing data centers.

NOW, THEREFORE, BE IT ORDAINED by the Raleigh City Council:

Section 1. Moratorium Imposed

A temporary moratorium is hereby imposed on the use of property within the City of Raleigh, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities for a period of thirty-two months from the effective date of this Ordinance. Should the City need to allow more time to design adequate regulations to protect its residents and environment, an amendment can be implemented to extend the duration in accordance with North Carolina General Statute § 160D-107.

During this period, the City shall not accept, process, or approve any applications for the following development approvals regarding data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities:

- Special Use Permits
- Conditional Use Permits
- Zoning Map Amendments (rezoning requests)
- Building Permits (except for interior renovations that do not expand capacity or impact energy use, water use, noise levels, surrounding residents or the environmental)
- Any other development approval required by law for the establishment, construction, erection, alteration, or expansion of any data center, cryptocurrency mining facility, or other high-impact data processing facility.

Section 2. Exemptions

Exemptions include: Any development that has received a valid development approval in accordance with G.S. 160D-107(c) prior to the effective date of this ordinance.

Section 3. Plan of Action and Schedule

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

- Month 1-6, study the potential impacts (energy, water, noise, pollution, rate hikes, land use) of data centers, cryptocurrency mining and other data processing facilities, in consultation with local utility providers, Raleigh residents, and subject matter experts.
- Month 6-12: Draft specific land use ordinance amendments and performance standards to regulate these facilities.
- Month 12-18: Hold public workshops and City meetings to gather public input, review the draft amendments, and revise them, if necessary, based on public input.
- Month 18-24: The City Council will examine data and provide a recommendation for regulation.
- Month 24-32: The City Council will hold the necessary public hearings to consider and potentially adopt the final ordinance amendments.
- Public input and expert advice will be sought during each part of the process.

Section 4. Duration and Termination

This Ordinance shall be in full force and effect for a period of thirty-two months from the effective date of this Ordinance, unless earlier terminated, extended, or modified by the City Council in accordance with North Carolina law. The stated duration is reasonably necessary to identify and address the problems.

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_____