ORDINANCE 2026-23

ORDINANCE OF THE TOWN OF NASHVILLE TOWN COUNCIL INSTITUTING A TEMPORARY MORATORIUM ON THE PERMITTING OF DATA CENTERS, DATA PROCESSING FACILITIES, CRYPTOCURRENCY MINING OPERATIONS AND SIMILAR USES

WHEREAS, NCGS §160D-107 authorizes local governments to adopt a temporary moratorium on any development approval required by law; and

WHEREAS, the Town of Nashville Land Use Plan does not define data centers, cryptocurrency mining, data processing facilities, data centers, and other uses associated with data centers as specific uses; and

WHEREAS, after duly noticing a public hearing in accordance with N.C. Gen. Stat. § 160D-601, the Town Council held a public hearing at the July 22, 2026, regular meeting to receive public input on the proposed moratorium;

WHEREAS, the Town of Nashville at their July 22, 2026, regular meeting passed a resolution authorizing the Town to initiate the moratorium process and a additional notice of public hearing for the August 04, 2026 regular meeting;

WHEREAS, after duly noticing a public hearing in accordance with N.C. Gen. Stat. § 160D-601, the Town Council held a public hearing at the August 04, 2026, regular meeting to receive the public input on the proposed moratorium;

WHEREAS, the Town Council hereby adopts a temporary moratorium on development approvals for data centers, data processing facilities, cryptocurrency mining operations, and similar uses to protect the public interest and welfare of the residents of the Town of Nashville until regulations regarding the aforementioned uses are adopted.

NOW, THEREFORE, Be It Ordained by the Town Council of the Town of Nashville, Nash County as follows:

SECTION 1. A temporary moratorium is hereby imposed commencing on July 23, 2026, and expiring on July 23, 2027, or upon approval of new zoning regulations regarding data centers, data processing facilities, cryptocurrency mining operations, and similar uses not yet defined in the Chapter 18 of the Town of Nashville General Ordinance Land Use Regulations, This moratorium specifically includes all land uses that involve data centers, data processing facilities, cryptocurrency mining, and similar uses in the incorporated areas and planning jurisdiction of the Town of Nashville.

SECTION 2. For purposes of this moratorium, "Data Center," "Data Processing Facility," and "Cryptocurrency Mining Operation" are used interchangeably to describe the use of land in which a building or dedicated space within a building, houses computer systems and

associated components, such as telecommunication and data processing systems, to be used for remote storage, processing, or distribution of large amounts of data. Examples of such data include but are not limited to: computationally intensive applications such as cryptocurrency mining, artificial intelligence computing, weather modeling, genome sequencing, application hosting, cloud storage, video and technical streaming services, etc. To support operations, such facilities may utilize air handlers, power generators, water cooling and storage facilities, utility substations, and other infrastructure.

SECTION 3. This moratorium shall not apply to:

a. Data processing equipment or server rooms that are clearly incidental and subordinate to a permitted principal use and are intended solely to support the on-site operations of such principal use, provided that such equipment or server rooms comply with all applicable provisions of the Town Zoning Ordinance. Such principal use may include, but is not limited to, hospitals, medical facilities, financial institutions, offices, educational institutions, or similar uses, as long as such data processing activities are not offered as a primary service to off-site users; and

b. Single-family and two-family residential dwellings

SECTION 4. Pursuant to the requirements of N.C. Gen. Stat. § 160D-107, the Town makes the following statements:

a. Data centers, data processing facilities, cryptocurrency mining operations, and other uses associated with data processing facilities require considerable amounts of electricity and water usage, which threaten to strain the Town's ability to provide these utilities to existing residences and businesses. Further uncertainty lies in the extent of greenhouse gas emissions, pollution, e-waste, noise, and other local impacts that these uses will have on residents and businesses near the facilities. The Nashville Planning Department is in the process of researching and studying the effects of these uses and will develop zoning standards in light of these findings. It is necessary and in the public interest for the Town to have sufficient time to develop such standards. The Town has looked at alternative solutions to a moratorium; however, there is no substitute for careful and deliberate planning, especially in light of the threat to public resources these uses pose without a thorough and coordinated plan to provide necessary utilities to these uses. The Town has determined that to simply allow this intensive land use to be permitted without regard to location, height, size, density, population, need for resources, and capacity to provide resources would be counter to the Town's goal of providing organized and responsible growth, and hinder implementation of the forthcoming updates to the Land Use Plan.

b. 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. A moratorium on these approvals will provide the Town with the opportunity to conduct meaningful research of the effects of these uses; evaluate the Town's capacity to provide utilities to these uses; and develop appropriate regulations as are necessary to ensure organized and responsible growth without sacrificing public

health and safety.

c. The moratorium shall begin on July 23, 2026, and shall last until July 23, 2027, or upon adoption of zoning regulation(s) addressing the land uses of data centers, data processing facilities, cryptocurrency mining, and associated uses, whichever occurs earlier. This moratorium is necessary to allow Town staff sufficient time to study these uses and their impacts, to consider zoning standards to appropriately address any such impacts, and to prepare amendments to the UDO to address data centers, data processing facilities, cryptocurrency mining, and associated uses prior to the expiration of the moratorium.

d. In the first four months of the moratorium, Planning Staff intends to study the impacts of data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities on the community, analyzing the effects on both residential and commercial areas within the town. Planning Staff intends to simultaneously investigate how other communities in North Carolina and surrounding States have addressed these impacts through zoning regulations. Planning Staff will develop the land use regulations required to ensure that data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities exist in harmony with the principles of organized and responsible growth. Subsequently, it is anticipated that a series of text amendments to the Land Use Plan will be proposed. In the following months, the legislative process will be followed to adopt such amendments. Public input will be sought during each part of the process. The research, policy development, and legislative processes necessitate a moratorium of at least twelve (12) months.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this ordinance is, for any reason, held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 6. This ordinance shall become effective upon its adoption by the Town of Nashville Town Council.

PASSED, APPROVED, and ADOPTED this 4th day of August 2026.

Brenda Brown

Brenda Brown, Mayor

ATTEST:

Louise Bennett

Louise Bennett, Town Clerk

OFFICIAL SEAL

NASHVILLE, NORTH CAROLINA

(SEAL)