AN ORDINANCE EXTENDING THE TEMPORARY MORATORIUM ON DEVELOPMENT APPROVALS FOR DATA CENTERS, CRYPTOCURRENCY MINING OPERATIONS, AND ANY USE ASSOCIATED WITH DATA CENTER PROCESSING FACILITIES WITHIN THE CITY OF DURHAM PURSUANT TO N.C.G.S. §160D-107

WHEREAS, pursuant to N.C.G.S. § 160D-107 local governments may adopt an ordinance authorizing a temporary moratorium on any development approvals required by law; and

WHEREAS, the Unified Development Ordinance does not specifically define "cryptocurrency mining," "data center," "data processing facility," and other associated uses as a specific use; and

WHEREAS, the Durham Code of Ordinances does not consider the impact of the aforementioned uses on existing City infrastructure and how the impact will affect utility extensions; and

WHEREAS, the Durham City Council at its May 4, 2026 regular meeting held a legislative hearing and passed a 60-day moratorium in accordance with N.C.G.S. § 160D-601; and

WHEREAS, the Durham City Council believes that the May 4, 2026 moratorium should be extended in accordance with N.C.G.S. § 160D-107(e); and

WHEREAS, the Durham City Council at its June 15, 2026 regular meeting held a legislative hearing to impose a 10-month moratorium extension, totaling a 12-month moratorium, in accordance with N.C.G.S. § 160D-601; and

WHEREAS, the Durham City Council believes such a moratorium will protect the public interest and welfare of the residents of the City of Durham until such regulations regarding the aforementioned uses are adopted, and the City can assess the potential impact of such uses on utility extensions made pursuant to the Durham City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURHAM:

Section 1. The May 4, 2026 temporary moratorium is hereby extended commencing on July 4, 2026 and expiring no later than May 3, 2027, or on approval of new zoning regulation regarding data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities not yet defined by the Durham Unified Development Ordinance. The moratorium specifically includes the corporate limits of the City of Durham. For the purposes of this moratorium a data center, data processing facility, or cryptocurrency mining operation is a building, a dedicated space, 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 (A.I.) computing, weather modeling, genome sequencing, application hosting, cloud storage, or video and technical streaming services, etc. Such facilities may include air handlers, power generators, water cooling and storage facilities, utility substations, and other

infrastructure to support operations. This moratorium shall apply to expansions of existing data centers and new development applications for data centers, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities.

This moratorium shall not apply to data processing equipment or server rooms that are clearly incidental and subordinate to a permitted principal use and are intended solely to support on-site operations of such principal use, provided such equipment or server rooms comply with all applicable provisions of the Durham Unified Development Ordinance. Such principal uses may include, but are not limited to, hospitals, medical facilities, financial institutions, offices, educational institutions, governmental institutions, or similar uses, as long as such data processing activities are not offered as a primary service to off-site users. Development approvals as classified under N.C.G.S. § 160D-107(c) are excluded from this moratorium as a matter of law.

Section 2. In compliance with the requirements of N.C.G.S. § 160D-107 the City of Durham makes the following statements:

(1) Data center, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities require considerable amounts of electricity and water usage, which can result in greenhouse gas emissions, as well as additional pollution, e-waste, noise, and other local impacts to residents and communities living near the facilities. The Durham Planning & Development Department is in the process of developing zoning standards and mitigation methods for these intensive land use types which may cause detrimental harm to the natural environment and the quality of life of City residents. The City seeks time to develop such standard. The City has looked at alternative solutions to a moratorium but found none. The City has determined that to simply allow this intensive land use to be permitted without regard to location, height, size, density, population, industry, residence or other purpose would be counter to the stated goals of the Durham Comprehensive Plan and hinder implementation of the City of Durham Code of Ordinances and the adopted Unified Development Ordinance.

(2) The Unified Development Ordinance table of permitted uses does not include "data centers" nor does the ordinance provide a definition of this use or similar uses. The City seeks to update the Unified Development Ordinance definition section and table of uses to specifically define data center, data processing facility, and cryptocurrency mining operation as a specified land use, separate and apart uses which may align with the intensity of the uses. The City further seeks to review the City Code of Ordinances to address the potential impact to infrastructure and utility extensions. Therefore, the City seeks to place a moratorium on the use of property within the City of Durham planning jurisdiction for data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities for a period of twelve (12) months or until such a time that specific land use standards for the uses can be developed. 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.

(3) The moratorium shall begin May 4, 2026 and shall last until May 3, 2027, or upon a Unified Development Ordinance and/or Durham Code of Ordinances text amendment addressing

the land uses of data centers, data processing facilities, cryptocurrency mining, and associated uses, whichever comes first. These twelve (12) months are necessary to allow Durham Planning & Development staff time to study theses uses and their impacts, to consider zoning standards and mitigation methods, and to prepare an amendment to the Unified Development Ordinance and/or the Durham Code of Ordinances to address data centers, data processing facilities, cryptocurrency mining, and other uses associated with data processing facilities prior to the expiration of the moratorium.

(4) Durham Planning & Development Staff will study the impacts of data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities on communities within the first six (6) months of the moratorium. Concurrently, Planning & Development Staff will investigate how other communities in North Carolina and across the United States have addressed these impacts through zoning regulations. Planning & Development staff will develop the land use regulations required to mitigate negative impacts associated with land uses described as data centers, data processing facilities, cryptocurrency mining, and any other uses associated with data processing facilities. Subsequently in the final six (6) months, a series of text amendments to the Unified Development Ordinance and/or the Durham Code of Ordinances will be proposed which will follow the legislative process for adoption. These research, policy development, and legislative processes necessitate an adequate moratorium limit of twelve (12) months.

Section 3. In accordance with N.C.G.S. § 160D-107(e) the City of Durham shows the following:

The City of Durham has taken all reasonable steps outlined in the May 4, 2026 60-day moratorium to address the problems and conditions leading to the imposition of the moratorium. The City staff has begun researching the effects of data centers, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities on the Durham community, such effects include, but are not limited to, noise, pollution, and e-waste. The City has determined that an extension is necessary in order to continue researching the effects of data centers, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities, and to draft ordinance provisions, and bring such ordinances before the governing body for consideration. The research, policy development, and legislative processes necessitate an adequate moratorium extension of ten (10) months, for a moratorium limit totaling twelve (12) months.

Section 4. If any section, subsection, sentence, phrase 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 portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that anyone or more sections, subsections, sentences, clause, or phrases be declared invalid.

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. This ordinance is effective upon adoption.

Adopted this the 15th day of June, 2026.

APPROVED BY
CITY COUNCIL
Paula Roland
JUN 15 2026

CITY CLERK