

Agenda Item Report

Agenda Item No. AIR-2866

Submitted by: Barbie Bruce

Submitting Department: Town Clerk

Meeting Date: August 11, 2026

Subject:

Public Hearing for Ordinance (ORD2026014) Imposing a Proposed Moratorium for Data Centers

Information: The Board of Commissioners will conduct a public hearing pursuant to North Carolina General Statute § 160D-107, allowing local governments to place a temporary moratorium on any development approval required by law. The Board of Commissioners desires to study these impacts and to consider appropriate zoning definitions, standards, and regulations applicable to data center development before such uses are permitted to locate within the Town. Staff is requesting the Board of Commissioners to consider adoption of Ordinance (ORD2026014) Imposing a Proposed Moratorium for Data Centers and directed the Town Clerk to schedule a public hearing for August 11, 2026.

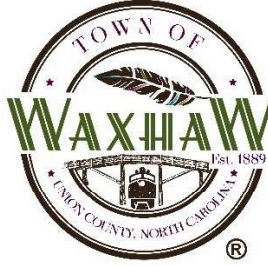
Recommended Action:

- **MOTION** to Open and Close the public hearing

Presenter: Kevin Robinson, Development Services Director

ATTACHMENTS

[DRAFT ORDINANCE ORD2026014 - Imposing Moratorium for Data Centers - 2026.08.11\(v4\)](#)



**AN ORDINANCE IMPOSING A TEMPORARY MORATORIUM ON THE
ACCEPTANCE, PROCESSING, AND APPROVAL OF APPLICATIONS
FOR NEW DATA CENTER DEVELOPMENT WITHIN THE TOWN OF
WAXHAW, NORTH CAROLINA PURSUANT TO
NORTH CAROLINA GENERAL STATUTE § 160D-107**

WHEREAS, pursuant to North Carolina General Statute § 160D-107, local governments may adopt a temporary moratorium on any development approval required by law;

WHEREAS, the Town of Waxhaw Land Development Code (“LDC”) currently does not specifically define or regulate “data center,” “data processing facility,” “cryptocurrency mining,” and other associated uses as specific uses;

WHEREAS, the Town of Waxhaw’s ordinances currently do not account for the impact of the foregoing uses on existing development and existing and future extensions of Town infrastructure, including electric utility capacity, water consumption, noise, heat generation, lighting, traffic, and the character of surrounding neighborhoods;

WHEREAS, the Town of Waxhaw Board of Commissioners (“Board”) desires to study these impacts and to consider appropriate zoning definitions, standards, and regulations applicable to data center development before such uses are considered for approval within the Town;

WHEREAS, the Board held a properly noticed legislative public hearing on this moratorium on August 11, 2026, in accordance with North Carolina General Statute § 160D-601; and

WHEREAS, the Board believes such a moratorium will protect the public interest and welfare of the residents of the Town of Waxhaw until it can complete its studies and prepare and adopt such ordinance regulations.

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the Town of Waxhaw, North Carolina:

Section 1. Imposition and Term of Moratorium.

A temporary moratorium is hereby imposed on the acceptance, processing, and approval of applications for new data center development, including data centers, cryptocurrency mining, data storage and processing, related telecommunications equipment and infrastructure, and uses

associated with data processing facilities not yet defined in the LDC, within the Town of Waxhaw commencing on August 11, 2026, and expiring no later than August 10, 2027, or upon the Town's adoption of new regulations and/or policies addressing data center development, whichever occurs first. The Board may terminate this moratorium earlier than its stated expiration upon passage of a resolution or ordinance by a majority vote of the Board.

Section 2. Definitions.

For purposes of this moratorium, "data center" means any building, dedicated space within a building, structure, or group of buildings, containing one or more large-scale computer systems, servers, or networked computing equipment used for data storage, data processing, cloud computing, web hosting, application hosting, streaming, or other similar off-site data services, together with associated support infrastructure including but not limited to backup power generation equipment, redundant electrical and data communications connections, cooling systems, and enhanced security features. The term "data center" includes facilities reasonably classified under NAICS Code 518210 (Data Processing, Hosting, and Related Services) or functionally equivalent uses and includes cryptocurrency mining, artificial intelligence (A.I.) computing, and similar computationally intensive operations.

This moratorium shall not apply to facilities or equipment that is clearly incidental and subordinate to a permitted principal use and whose primary purpose is to support the internal data processing operations of an institution, government entity, healthcare provider, telecommunications provider, or other permitted principal use on the same site, so long as data processing services are not offered as a primary service to off-site users.

Section 3. Scope of Moratorium.

1. This moratorium prohibits the acceptance, processing, and approval of any zoning, site plan, building, or other development permit application within the Town's planning jurisdiction for the purpose of establishing a new data center.
2. This moratorium prohibits the rezoning of any property for the purpose of establishing a data center use.
3. This moratorium does not apply to applications determined to be complete and vested prior to the commencement date stated in Section 1, or to property or projects otherwise exempt under N.C.G.S. § 160D-107(c) or applicable North Carolina law.

Section 4. Required Statements.

In compliance with N.C.G.S. § 160D-107(d), the Board makes the following statements:

1. **Problems or conditions necessitating the moratorium.** The Town has observed a substantial and increasing volume of data center development activity across North Carolina and the surrounding region. The Town's LDC does not currently define "data center" as a land use, nor does it contain standards addressing the electrical, water, noise, heat, lighting, and infrastructure impacts associated with such facilities. Absent clear standards, Town staff must rely on discretionary interpretation to evaluate applications, which creates uncertainty and risks for applicants, staff, and the community. The Town has

considered proceeding without a moratorium but has determined that immediate piecemeal regulation, without adequate study, would not sufficiently address these concerns. The Town also determined that allowing such intensive land uses to be permitted without regard to location, height, size, density, neighboring uses, and the impacts on utilities and infrastructure would be inconsistent with the Town's Comprehensive Plan and ordinances, yielding results that are not in the best interests of the Town and its residents.

2. **Development approvals subject to the moratorium.** This moratorium applies to the acceptance, processing, and approval of zoning, site plan, building, and related development applications for new data center development, and to the rezoning of property for such use, as described in Sections 2 and 3 hereinabove. The moratorium will provide the Town the opportunity to research the impacts of data center development; evaluate the approaches taken by other North Carolina jurisdictions; and draft and adopt appropriate definitions, use standards, and siting criteria for data centers within the Town's LDC.
3. **Duration of the moratorium.** The moratorium shall commence on August 11, 2026 and terminate no later than August 10, 2027, unless terminated earlier as provided in Section 1. This duration is reasonably necessary to allow town the time to research impacts of data center uses and prepare an ordinance(s) addressing them.
4. **Actions proposed during the moratorium.** During the term of the moratorium, the Town proposes to allow Town staff to undertake an initial phase to study data center developments and the impacts resulting from such uses, monitor and review any related legislation from the North Carolina General Assembly that is currently proposed and under review, as well as engage the public and industry stakeholders as needed. Following this initial period of study and engagement, Town staff will draft proposed LDC amendments, continue any additional study and engagement as needed, and complete the legislative process required for adoption, including review by the Planning Board and public hearing before the Board of Commissioners.

Section 5. Early Termination. This moratorium shall terminate sooner than the date stated in Section 1 upon the effective date of an ordinance adopted by the Board of Commissioners establishing zoning definitions and regulations applicable to data center development.

Section 6. Renewal or Extension. Nothing in this ordinance shall preclude the Board from renewing or extending this moratorium in accordance with, and to the extent permitted by, N.C.G.S. § 160D-107(e).

Section 7. Severability. 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 Town of Waxhaw Board of Commissioners hereby declares that it would have adopted this ordinance, and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

ORDINANCE: ORD2026014

Section 8. Conflicting Ordinances. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 9. Effective Date. This ordinance shall become effective immediately upon adoption.

ADOPTED AND MADE EFFECTIVE UPON APPROVAL on this the 11th day of August 2026.

Robert J. Murray, III
Mayor, Town of Waxhaw

ATTEST:

Barbara Bruce, Town Clerk

APPROVED AS TO FORM:

Matthew C. Dellinger, Town Attorney