



ORDINANCE OF THE BOILING SPRING LAKES BOARD OF COMMISSIONERS INSTITUTING A TEMPORARY MORATORIUM ON DEVELOPMENT APPROVALS FOR DATA CENTERS, DATA PROCESSING FACILITIES, CRYPTOCURRENCY MINING OPERATIONS AND ANY USE ASSOCIATED WITH DATA PROCESSING FACILITIES WITHIN THE CITY OF BOILING SPRING LAKES, NORTH CAROLINA 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 approval required by law; and

WHEREAS, the City of Boiling Spring Lakes Unified Development Ordinance does not define data centers, data processing facilities, cryptocurrency mining operations, and other uses associated with data centers as specific uses; and

WHEREAS, the City of Boiling Spring Lakes Unified Development Ordinance does not consider the impact of the aforementioned uses on existing City infrastructure and how the impact will affect adjacent properties and utility extensions; and

WHEREAS, the City of Boiling Spring Lakes Board of Commissioners passed a resolution on May 12, 2026 calling for a public hearing; and

WHEREAS, the City of Boiling Spring Lakes at its June 2, 2026 meeting held a legislative hearing regarding this moratorium in accordance with N.C.G.S. 160D-601; and

WHEREAS, the City of Boiling Spring Lakes Board of Commissioners believe such moratorium will protect the public interest and welfare of the residents of Boiling Spring Lakes until such regulations regarding the aforementioned uses are adopted.

NOW, THEREFORE BE IT ORDAINED by the City of Boiling Spring Lakes Board of Commissioners as follows:

Section 1. A temporary moratorium is hereby imposed commencing on June 2, 2026, and expiring no later than June 2, 2027 or on approval of new zoning regulations regarding data centers, data processing facilities, cryptocurrency mining operations, and uses associated with data processing facilities not yet defined in the City of Boiling Spring Lakes Unified Development Ordinance. For the purposes of this moratorium, a data center or data processing facility refers to a building, a dedicated space within a

building, or group of buildings housing 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 (AI), weather modeling, genome sequencing, application hosting, cloud storage, 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 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 other applicable provisions of the City of Boiling Spring Lakes Unified Development Ordinance. Such principal use may include, but is not limited to, hospital, medical facilities, financial institutions, offices, educational institutions, or similar uses, so long as such data processing activities are not offered as a primary service to off-site users. Projects classified as exempt in accordance with N.C.G.S. 160D-107(c) are also 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 Boiling Spring Lakes makes the following statements:

1. Data centers, data processing facilities, cryptocurrency mining operations, and other uses associated with data processing facilities require considerable amounts of electricity and water usage, and their operation can result in high greenhouse gas emissions, widespread pollutant exposure from back-up diesel generators, e-waste, noise, and other local impacts to residents and communities living near the facilities. The City of Boiling Spring Lakes Planning 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 for City residents. The City seeks time to develop such standards. 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 City of Boiling Spring Lakes Comprehensive Land Use Plan and hinder implementation of the Unified Development Ordinance.
2. The Unified Development Ordinance table of permitted uses does not currently include data centers and does not 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 operations as specified land uses. The City further seeks to review the zoning ordinance and include supplemental performance standards. Therefore, the City seeks to place a moratorium on the use of property within the City of Boiling Spring Lakes planning jurisdiction for data centers, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities for a period of twelve (12) months or until such time that specific land use standards for these uses are 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 on June 2, 2026 and shall last until June 2, 2027, or upon a zoning ordinance text amendment addressing the land uses of data centers, data processing facilities, cryptocurrency mining operations, and associated uses, whichever comes first. This twelve (12) month moratorium is necessary to allow City planning staff sufficient time to study these uses and their impacts, to consider zoning standards and mitigation methods, and to prepare an amendment to the Unified Development Ordinance to address data centers, data processing facilities, cryptocurrency mining operations, and associated uses prior to the expiration of the moratorium.
4. The City of Boiling Spring Lakes planning staff will study the impacts of data centers, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities on communities within the first four (4) months. At the same time, planning staff will investigate how other communities in North Carolina and across the United States have addressed these impacts through zoning regulations. Planning staff will develop land use regulations required to mitigate the negative impacts associated with land uses described as data centers, data processing facilities, cryptocurrency mining operations, and any other uses associated with data processing facilities. Subsequently, a series of text amendments to the Unified Development Ordinance will be proposed. In the following six (6) to eight (8) 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 an adequate moratorium time limit of twelve (12) months.

Section 3. 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 Board of Commissioners hereby declares that it would have passed 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.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This ordinance is effective upon adoption.

Adopted this 2nd day of June 2026.

 Jeff Winecoff, Mayor

ATTEST:

 Tanya Shannon, City Clerk

DATE: _____