ORDINANCE 25-26

AN ORDINANCE IMPOSING A TEMPORARY MORATORIUM ON ACCEPTANCE, PROCESSING, AND APPROVAL OF APPLICATIONS FOR TELLECOMMUNICATIONS AND NEW DATA STORAGE FACILITIES WITHIN THE CITY OF STATESVILLE, NORTH CAROLINA AND ITS EXTRATERRITORIAL JURISDICTION PURSUANT TO NORTH CAROLINA GENERAL STATUTE §160D-107

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

WHEREAS, on July 7, 2026 and July 9, 2026, the City staff provided information to the Statesville City Council about telecommunications and data storage facilities ("data centers") in the City of Statesville corporate limits and its extraterritorial jurisdiction ("ETJ") including: how they are defined in the Unified Development Ordinance ("UDO") as a warehouse, the zoning districts they are allowed, the data center inventory and inquiries in Statesville, the legal constraints with modifying certain land use requirements in the UDO, and the legal application of the permit choice statute; and

WHEREAS, the City needs time to analyze and study the unique development, infrastructure and environmental impacts of data centers and to consider appropriate regulatory and policy changes to address those impacts; and

WHEREAS, on August 10, 2026, the Statesville City Council held a properly noticed legislative public hearing on this moratorium in accordance with N.C.Gen.Stat. §160D-601(a); and

WHEREAS, the Statesville City Council recognizes that certain property and/or projects are exempt form this moratorium under N.C.Gen.Stat. §160D-107(c) and acknowledges that the City of Statesville cannot enforce this moratorium as to exempt property and/or projects.

NOW, THEREFORE, BE IT ORDAINED, by the City of Statesville City Council:

Section 1. A temporary moratorium is hereby imposed on the acceptance, processing and approval of applications for new telecommunications and data storage facilities in the City of Statesville and its ETJ, commencing on September 14, 2026, and expiring no later than March 13, 2027, or upon the City Council approval of new regulations and/or policies regarding data centers, whichever occurs first.

This moratorium shall not apply to facilities whose primary purpose is supporting the internal operations of an institution, government entity, healthcare provider, telecommunications provider, or other permitted principal use 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. Gen. Stat. §107(c) are also excluded from this moratorium as a matter of law.

Section 2. In compliance with the requirements of N.C. Gen. Stat. §160D-107(d), the City of Statesville makes the following statements:

(1) Data centers, and any other uses associated with data processing facilities, require considerable amounts of electricity, land and water, and their operation can result in noise and light pollution, the creation of heat islands, and other environmental impacts to residents and communities living near the facilities. The City of Statesville seeks time to research and analyze these rapidly evolving and intense land use types to assess potential harm to the natural environment and quality of life of City residents and to develop standards to address the same. The City has looked at alternative solutions to a moratorium and has not found a sufficient approach, largely due to state law. The City is constrained from modifying certain land use requirements in the UDO due to Session Law 2024-57 (SB 382) which limits the ability of local governments to down-zone property without the written consents of all affected property owners.

(2) The moratorium applies to the acceptance, processing and approval of applications for new telecommunications and data storage facilities as defined in the UDO. The conditions leading to the moratorium are the emergence of data centers, in particular

hyperscale facilities, and the need to address the impacts of their operation on factors including, but not limited to, water consumption, energy demand, noise, and land use compatibility. A moratorium on data center approvals will provide the City of Statesville with the opportunity to conduct meaningful research on the effects of these uses; develop appropriate regulations as are necessary to ensure organized and responsible growth without sacrificing progress towards comprehensive plan goals and policies; and determine the best regulatory framework given Statesville's existing treatment of data centers as a monolithic land use.

(3) The moratorium shall begin on September 14, 2026, and end on March 13, 2027, or upon the adoption of specific standards addressing the uses of data centers, telecommunications and data storage facilities, and associated uses and any necessary amendments, whichever comes first. The 180-day moratorium is necessary to allow sufficient time for the City to analyze the unique development, infrastructure and environmental impacts of data centers and prepare to consider appropriate regulatory and policy changes to address those impacts.

(4) The City of Statesville will study the impacts of these facilities within the first 75 days of the moratorium. Concurrently, the City will investigate how other communities in North Carolina and across the United States have addressed these impacts through regulations. The City of Statesville will create an interdisciplinary workgroup to convene policy and impact analyses during this time. Subsequently, in the final 75 days, any necessary City Code amendments or policy updates will be proposed which will follow the appropriate legislative process for adoption. The research, policy development, and legislative processes necessitate an adequate moratorium limit of 180 days.

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 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 any one or more section, 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.

This Ordinance was introduced for the first reading by Council member Robertson, seconded by Council member Lawton, and carried on the 10th day of August 2026 as follows:

AYES: Robertson, Jones, Pfeufer, Allison, Lawton, Nicholson, Pearson, Pressly

NAYES:

The second and final reading of this ordinance was heard on the 14th day of September 2026 and upon motion of Council member Allison, seconded by Council member Robertson, was adopted as follows:

AYES: Robertson, Jones, Pfeufer, Allison, Lawton, Nicholson, Pearson, Pressly

NAYES:

This ordinance is to be in full force and effect form and after the 14th day of September, 2026.

City of Statesville

J. Douglas Hendrix, Mayor

Leah Gaines Messick, City Attorney

ATTEST

Emily Kurfees, City Clerk