

CITY OF CHARLOTTE – RESPONSIBLE DATA CENTER SITING, ENERGY, WATER, COMMUNITY PROTECTION, AND STATE-LAW COMPLIANCE ORDINANCE

SECTION 1. PURPOSE AND FINDINGS

The Charlotte City Council finds that:

1. Large-scale data centers impose extraordinary demands on the electric grid, water systems, and surrounding neighborhoods.
2. These facilities can increase electricity rates, strain water supplies, elevate noise pollution, and accelerate diesel emissions from backup generators.
3. Communities closest to industrial development — disproportionately Black, Brown, working-class, and historically under-resourced neighborhoods — bear the greatest burden when regulations are weak.
4. Cities across the United States have adopted stronger protections than temporary moratoriums, including mandatory renewable energy requirements, water-use permitting, zoning buffers, and public approval for incentives.
5. Charlotte has a responsibility to ensure that any data center development aligns with public health, environmental justice, climate goals, and community well-being.
6. **North Carolina’s Ratepayer Protection Act (SB 730) created GS 160D-974, requiring site assessments for large data centers and explicitly affirming that local governments retain zoning authority — including the ability to downzone — when done consistently with Chapter 160D and the local comprehensive plan.**
7. **Charlotte intends to exercise its zoning authority responsibly, transparently, and in full compliance with state law, avoiding any use of downzoning that could be interpreted as punitive, discriminatory, or inconsistent with the City’s adopted plans.**

“Therefore, the City of Charlotte enacts the following ordinance to establish the strongest local protections in North Carolina.” *(Quoted from your original document.)*

SECTION 2. DEFINITIONS

- **“Data Center”** means any facility exceeding 10,000 sq. ft. designed to house computing, networking, or storage equipment with continuous power loads above 1 MW.

- **“On-Site Renewable Energy”** means solar, geothermal, battery storage, or other non-fossil energy systems located on the parcel.
- **“Water-Intensive Cooling System”** means any cooling method requiring more than 1 million gallons per month.
- **“Environmental Justice Community”** means any census tract identified by the City as historically overburdened by pollution or underinvestment.
- **“Downzoning”** means a zoning map or text amendment that reduces allowable land-use intensity, density, or development rights, conducted in accordance with Chapter 160D.
- **“High-Impact Data Center”** means any data center with a peak monthly electricity demand of 50 MW or more, or any facility meeting the definition under GS 160D-974 (≥ 100 MW).

SECTION 3. CREATION OF DATA CENTER ZONING DISTRICTS

3.1 Establishment of “Data Center Districts”

No data center may be constructed or expanded except within the newly created Data Center zoning districts.

3.2 Minimum Standards

- Minimum parcel size: 20 acres
- Setback from residential property lines: 300 feet
- Maximum noise level: 65 dB at property line, measured continuously
- Backup generator testing limited to 9 AM–5 PM weekdays only
- Mandatory landscaping and visual screening requirements

3.3 Compliance With State Law and Responsible Use of Downzoning

- **Charlotte affirms that all zoning decisions — including downzoning — will be made in accordance with Chapter 160D and GS 160D-974.**
- **Downzoning will only be used when consistent with the Comprehensive Plan, supported by the state-required site assessment, and applied uniformly rather than targeted at individual companies.**

- **Charlotte will not use downzoning as a punitive or reactive measure, nor as a mechanism to indirectly regulate energy policy, which the Legislature considers a state function.**
- **Any rezoning, conditional zoning, or downzoning related to data centers will follow all state notice, hearing, consistency, and vested-rights requirements.**
- **This ordinance does not expand Charlotte’s downzoning authority beyond what state law already provides.**

SECTION 4. ENERGY REQUIREMENTS

4.1 On-Site Renewable Energy Mandate

All new data centers must generate or store at least 20% of peak load through on-site renewable energy or battery storage.

4.2 Carbon and Grid Impact Certification

Prior to approval, the applicant must obtain from Duke Energy:

- A Grid Impact Statement certifying that the project will not increase residential electricity rates.
- A Carbon Impact Assessment demonstrating alignment with Charlotte’s Strategic Energy Action Plan.

4.3 Prohibition on Fossil-Fuel-Only Designs

No data center may rely solely on diesel or natural gas for backup power.

4.4 State-Law-Aligned Energy Review

- **Charlotte will not impose energy-policy requirements that conflict with state authority or utility regulation.**
- **Energy-related conditions will be tied directly to the state-required site assessment under GS 160D-974 and the City’s adopted plans.**

SECTION 5. WATER USE AND COOLING REGULATION

5.1 Water-Use Permit Required

Any data center using more than 1 million gallons per month must obtain a City Water-Use Permit, renewed annually.

5.2 Water Caps and Reporting

- Annual water-use cap established by Charlotte Water.
- Monthly public reporting of water consumption.
- Mandatory disclosure of cooling technology and discharge impacts.

5.3 Prohibition on Water-Intensive Cooling in Drought Conditions

During Stage 1 drought or higher, water-intensive cooling systems must cease operations or switch to air-based cooling.

5.4 Alignment With GS 160D-974 Cooling Requirements

- **High-Impact Data Centers must employ closed-loop cooling systems to minimize water consumption, consistent with GS 160D-974.**
- **Cooling system impacts will be evaluated through the state-required site assessment and used to inform zoning decisions.**

SECTION 6. ENVIRONMENTAL IMPACT REVIEW

6.1 Full Environmental Impact Statement (EIS)

All proposed data centers must complete an EIS covering:

- Air quality and diesel emissions
- Noise impacts
- Water consumption and discharge
- Grid reliability
- Climate impacts
- Cumulative impacts on environmental justice communities

6.2 Public Comment Requirement

A minimum 60-day public comment period and at least two community meetings must be held before approval.

6.3 State-Law-Consistent Environmental Review

- **Charlotte will use the GS 160D-974 site assessment as the foundation for environmental review.**

- **Environmental findings may inform zoning decisions, including downzoning, but only when consistent with Chapter 160D and the Comprehensive Plan.**

SECTION 7. COMMUNITY BENEFITS AND ACCOUNTABILITY

7.1 Community Benefits Agreement (CBA)

Developers must negotiate a binding CBA with affected neighborhoods, including:

- Local hiring commitments
- Community investment funds
- Air and noise monitoring
- Emergency response plans

7.2 Incentive Transparency and Public Approval

No tax incentive, land subsidy, or infrastructure support may be granted unless:

- The full incentive package is published publicly for 30 days, and
- Approved by a two-thirds vote of City Council.

7.3 State-Law-Respectful Community Protections

- **CBAs will not be used as a substitute for zoning authority or as a mechanism to indirectly downzone property.**
- **All community-benefit requirements will be tied to the state-required site assessment and the City's adopted plans.**

SECTION 8. ENFORCEMENT AND PENALTIES

Violations of this ordinance may result in:

- Suspension of operations
- Revocation of permits
- Fines up to \$10,000 per day
- Required corrective action plans

Charlotte may consider zoning amendments, including downzoning, only when consistent with Chapter 160D, the Comprehensive Plan, and the state-required site assessment.

SECTION 9. RELATIONSHIP TO STATE LAW AND DOWNZONING

- 1. This ordinance is intended to complement and implement GS 160D-974 and shall be construed to preserve Charlotte's zoning authority while avoiding conflict with the NC General Assembly.**
- 2. Charlotte will not adopt any blanket ban on data centers or any automatic downzoning triggers.**
- 3. All zoning decisions will be made case-by-case, based on the Comprehensive Plan and the state-required site assessment.**
- 4. Charlotte will coordinate with the NC Utilities Commission, DEQ, and the UNC Collaboratory to ensure alignment with statewide policy direction.**

SECTION 10. EFFECTIVE DATE

This ordinance shall take effect immediately upon adoption.