



CITY OF MCMINNVILLE, TENNESSEE

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June 1, 2026

To: Every Member of the Board
of the Mayor and Aldermen of the
City of McMinnville, Tennessee

Under Section 1-105 of the Municipal Code of the City of McMinnville, Tennessee, I at this moment call a special session of the Board of Mayor and Aldermen of the City of McMinnville to be held at 6:00 p.m., Wednesday, June 3, at City Hall, 101 E. Main Street, McMinnville, Tennessee. The purpose of the meeting is to consider the following:

- A. Public Comment
- B. Consider Ordinance on a Moratorium on the application, approval, permitting, construction, or expansion of:
 - i. Data Centers
 - ii. Bitcoin mining facilities
 - iii. Microchip manufacturing facilities
 - iv. Other similar high-impact uses

Ryle Chastain
Mayor

We, the members of the Board of Mayor and Aldermen of the City of McMinnville, Tennessee, now accept the services of the call, waiving all irregularities.

Sally Brock

Deitra Dunlap

Steve Harvey

Rachel Kirby

Keri Morton

Kara Youngblood



ORDINANCE

AN ORDINANCE OF THE CITY OF MCMINNVILLE, TENNESSEE, IMPOSING A TEMPORARY MORATORIUM ON THE ACCEPTANCE, PROCESSING, AND APPROVAL OF APPLICATIONS FOR LAND USE, ZONING, BUILDING, SITE PLAN, OR CONDITIONAL USE PERMITS FOR DATA CENTERS AND HIGH-DENSITY COMPUTING FACILITIES; REQUIRING A STUDY OF INFRASTRUCTURE, ENVIRONMENTAL, ACOUSTIC, AND UTILITY IMPACTS; PROVIDING FOR EXEMPTIONS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN IMMEDIATE EFFECTIVE DATE.

ORDINANCE NO: 2026-09

APPROVED AS TO FORM:

(City Attorney)

PASSED 1ST READING: ___/___/_____

PASSED 2ND READING: ___/___/_____

PUBLISHED IN THE SOUTHERN STANDARD:
___/___/_____

WHEREAS, pursuant to T.C.A. § 13-7-201 et seq, the City of McMinnville possesses the authority to regulate land use, zoning, and development to protect the health, safety, and general welfare of its citizens; and

WHEREAS, there has been a significant surge in interest, site inquiries, and development applications for "Data Centers" and "High-Density Computing Facilities" across the State of Tennessee, driven by the expansion of artificial intelligence, cloud storage, and cryptographic mining operations; and

WHEREAS, these facilities consume exceptionally high amounts of electrical energy and water, potentially straining public utility grids, driving up infrastructure costs for local ratepayers, and impacting local aquifers and public water supplies; and

WHEREAS, the State of Tennessee recently enacted utility ratepayer protections (such as Public Chapter 796 / HB 1847) to manage infrastructure costs associated with high-demand users, signaling a critical state interest in regulating the impacts of these industries; and

WHEREAS, data centers generate persistent, low-frequency ambient noise from cooling fans, chillers, and electrical substations, which can travel significant distances and negatively impact the peace, quiet, and property values of nearby residential areas; and

WHEREAS, the City's current zoning ordinances and land use plans do not adequately address the unique infrastructure, environmental, acoustic, and community utility impacts specific to large-scale data centers; and

WHEREAS, the City finds that a temporary pause on these specific developments is necessary to allow the Planning Commission and staff sufficient time to study these impacts, coordinate with local utility providers, and draft comprehensive, permanent zoning text amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF MCMINNVILLE, TENNESSEE:

SECTION 1: DEFINITIONS

For the purposes of this Ordinance, the following definitions apply:

- **Data Center:** A facility used primarily for housing computer systems and associated components, such as telecommunications and storage systems, which typically includes redundant or backup power supplies, redundant data communications connections, environmental controls, and high-security devices.
- **High-Density Computing / Crypto-Mining:** Any facility or operation utilizing specialized electronic equipment for the primary purpose of cryptocurrency mining, artificial intelligence processing, or commercial server farming that exceeds an aggregate power density of 250 watts per square foot, or uses a total utility load exceeding one (1) megawatt (MW).

SECTION 2: IMPOSITION OF TEMPORARY MORATORIUM

From and after the effective date of this Ordinance, a temporary moratorium is hereby established on the acceptance, processing, review, and approval by any City department, board, or commission of any application for a zoning change, conditional use permit, site plan review, building permit, or variance for any new Data Center or High-Density Computing facility within the jurisdictional boundaries of the City of McMinnville, Tennessee.

SECTION 3: EXEMPTIONS

This moratorium shall not apply to:

1. Any legally established Data Center operating prior to the effective date of this Ordinance, provided there is no expansion of the physical footprint, structure height, or utility capacity.
2. Any application for a Data Center or High-Density Computing facility that was formally submitted, fully completed, and legally vested under Tennessee's Vested Property Rights Act (T.C.A. § 13-4-310 or T.C.A. § 13-3-413) prior to the first reading of this Ordinance.

SECTION 4: DURATION

This moratorium shall remain in full force and effect for a period of eighteen (18) months from the effective date of this Ordinance, unless repealed, extended, or modified by an official vote and passage of an amending ordinance by the Board of Mayor and Alderman.

SECTION 5: STUDY AND PLANNING INDICATION

During the moratorium period, the Planning Commission and municipal staff are directed to research, analyze, and draft permanent text amendments to the Zoning Ordinance regulating the location, design, utility requirements, and environmental standards for Data Centers, specifically addressing the following criteria:

A. Noise Mitigation and Acoustic Standards

1. **Low-Frequency Drone Control:** Establish maximum decibel limits (e.g., a maximum of 45 dBA at the property line) that account for the continuous, low-frequency hum of cooling fans and substations.
2. **Mandatory Acoustic Enclosures:** Evaluate requiring all primary HVAC equipment, chillers, and generators to be housed within fully enclosed, sound-insulated structures.
3. **Sound Studies:** Require future applicants to submit a pre-construction predictive sound study designed by a licensed acoustic engineer, followed by a post-construction compliance audit.

4. Buffer Zones: Evaluate a mandatory physical buffer zone (e.g., a minimum of 1,500 feet to a half-mile) between any data center equipment and the nearest residential zoning district, school, hospital, or public park.

B. Water Conservation and Infrastructure Protection

1. Cooling Method: *Evaluate all cooling methods to determine the most efficient water consumption type(s).*
2. Water Usage Effectiveness (WUE): Investigate setting a strict maximum WUE threshold (e.g., not to exceed 0.2 liters per kilowatt-hour) for computing facilities.
3. Wastewater Restrictions: Review the chemical additives used in data center cooling towers to establish strict pre-treatment standards before any blowdown water can be discharged into the public sewer system.
4. Stormwater Runoff: Formulate enhanced on-site retention, detention, and drainage infrastructure requirements to handle the massive impervious surface areas characteristic of these facilities.

C. Utility Infrastructure Cost Allocation

1. Coordinate with the local electrical power board and the Tennessee Valley Authority (TVA) to ensure zoning alignment with T.C.A. requirements, ensuring that data center developers bear 100% of the cost for necessary electrical substation expansions and high-voltage line extensions rather than passing costs to local ratepayers.

SECTION 6: SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 7: EFFECTIVE DATE

This Ordinance is declared to be necessary for the immediate preservation of the public welfare, peace, and safety, and shall take effect immediately upon its final passage, the public welfare requiring it.

Signature for Mayor

Signature for City Recorder
