

City Council Agenda Item Request

Date of Request: 20 FEB 2026 **Requester:** CM McMillan

Agenda Item Title: Data Center Policy: Direction to City Manager to Research and Present Options

Estimated Cost: N/A **Anticipated Funding Source:** N/A

City Department(s) Support Requested: Request attendance of FCEDC & other relevant staff depts

Estimated Staff Time Required: N/A

Anticipated Date for Future Council Work Session Discussion: 02 March 2026

Which City Council approved Goal(s) within the Strategic Plan does this request directly support?

Goal III: City Investment Planning (Objective 3.2 -- Manage the City's future growth and strategic land use; Objective 3.5 -- Increase smart city capacity)
Priority: Develop a comprehensive approach to community safety. (safety through environmental, health and community-centered lenses)

What do you envision accomplishing with this agenda item request?

This request directs the City Manager and appropriate staff to research data center development policy options and return to City Council with a formal presentation of findings and recommendations. The goal is to ensure Fayetteville acts proactively and strategically rather than reactively when data center proposals arrive. Staff research should address, at minimum, the following policy options for Council's consideration:

- Zoning text amendment creating a standalone definition for data centers with performance standards, environmental impact assessments, public benefit evaluation, etc.
- Permitting conditions and community benefit requirements
- A temporary development moratorium on new data center applications, providing a defined window -- typically 60 to 180 days -- for the City to complete its policy development before accepting or approving proposals. Staff should assess the legal framework, scope, and appropriate duration of a Fayetteville moratorium as one of the options presented to Council.

Additional Comments:

Recommend interlocal coordination mechanisms with Cumberland County to align standards, share research, and present a unified regulatory posture to prospective developers. In addition, the Southern Environmental Law Center (SELC) has published a report titled "Getting It Right: Local Approaches to Data Center Development" that may assist City staff in benchmarking policy options.

Recommendation: Invite the City Attorney's Office, FCEDC and relevant department staff to attend in order to facilitate follow-up discussion on implementation options.