



CITY OF NORTH TONAWANDA LOCAL LAW # 2

RESOLUTION TO ADOPT A TWO-YEAR MORATORIUM ON CRYPTOCURRENCY MINING AND DATA PROCESSING CENTERS

Submitted by President DiBernardo & Aldermen Schmigel, Lavey, Loncar, & Marranca

WHEREAS, the goals of the City of North Tonawanda are to enhance safety, wellness, and environmental responsibility, balanced with sustainable economic development and job creation; and

WHEREAS, one of the primary goals of the City of North Tonawanda is to preserve the quality of life for all residents and visitors, recognizing that loud, excessive, continuous, or unnecessary noise disturbances are detrimental to the preservation, protection, and promotion of public health, comfort, convenience, safety, welfare, prosperity, and the overall quality of life within the City of North Tonawanda; and

WHEREAS, the term “data processing centers” within this resolution shall include, but not be limited to, facilities housing multiple banks of computers within a building, modular facilities containing processors in multiple storage-like containers, server clusters commonly known as “server farms,” and other operations related to cryptocurrency mining, blockchain authenticating, Artificial Intelligence (A.I.) processing, general data computing, processing and storage, and other large-scale electronic-based centers of the like; and

WHEREAS, data processing centers require numerous fans or air conditioning systems to cool down the equipment, creating high noise levels and substantial electricity consumption, prompting moratoriums and bans in many communities across the United States; and

WHEREAS, the rapid proliferation of cryptocurrency, A.I., and other technological advances within the 21st century has created an astronomical demand for energy consumption; and

WHEREAS, a recent report by the International Energy Agency (IEA) predicts that the electricity consumption of cryptocurrency will increase by more than 40% by 2026; and

WHEREAS, the A.I. industry is expected to grow exponentially to consume at least ten times its 2023 demand in energy by 2026; and

WHEREAS, New York State is conducting an environmental assessment of cryptocurrency energy use and the outcome of this study may result in the adoption of more permanent, comprehensive regulations for cryptocurrency mining operations; and

WHEREAS, data processing centers are not currently stated as an allowable use in North Tonawanda's Zoning Code; and

WHEREAS, a 24-month pause will give the City adequate time to update zoning codes, ordinances, and other requirements to address high noise levels and emissions from cryptocurrency mining operations; and

WHEREAS, the City of North Tonawanda is in the process of considering and potentially adopting changes to its Comprehensive Plan to address new circumstances not addressed by its current laws,

NOW, THEREFORE, LET IT BE RESOLVED, that the North Tonawanda Common Council hereby adopts a 2-year moratorium during which no new data processing center projects will be approved, nor will the expansion of existing data processing centers already approved, relating to, but not limited to, cryptocurrency mining, blockchain authenticating, Artificial Intelligence (A.I.) processing, general data computing, processing and storage, and other large-scale electronic-based centers of the like, within the City of North Tonawanda.