CITY OF LAVON, TEXAS

ORDINANCE NO. 2026-11-03

Imposing a Temporary 90-Day Moratorium on Data Center Development

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, IMPOSING A TEMPORARY NINETY-DAY MORATORIUM ON APPLICATIONS AND PLANS FOR DEVELOPMENT FOR PERMITS, PLATS, VERIFICATIONS, REZONINGS, SITE PLANS, AND NEW OR REVISED CERTIFICATES OF OCCUPANCY FOR ANY DEVELOPMENT THAT INCLUDES DATA CENTERS AS A PRINCIPAL USE OR AS AN ACCESSORY USE WITHIN THE CORPORATE CITY LIMITS OF LAVON; ADOPTING WRITTEN FINDINGS JUSTIFYING THE MORATORIUM; PROVIDING FOR WAIVERS AND LIMITED EXCEPTIONS TO THE MORATORIUM; PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING AN EXPIRATION DATE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lavon (the "City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and

WHEREAS, Chapter 212, Subchapter E, Texas Local Government Code, authorizes the City to adopt and impose a moratorium on the property development of commercial property when applying the existing commercial development ordinances and regulations and other applicable laws would be inadequate to prevent new development from being detrimental to the public health, safety or welfare of the residents of the City; and

WHEREAS, Section 212.1352 of the Texas Local Government Code requires written findings based on reasonably available information to justify a moratorium not based on a shortage of essential public facilities; and

WHEREAS, while no specific data center development is currently planned or being considered by the City, the City Council recognizes the potential for data center development applications, which may present unique challenges to public health and safety, including high electrical demand, substantial water consumption, and noise; and

WHEREAS, the City Council also finds that existing City regulations may be inadequate to mitigate or address these impacts, that alternative regulatory methods are currently unsatisfactory, and that the City has established a clear working plan and timeline to study and adopt updated controls, necessitating a temporary moratorium on data center permits and applications;

WHEREAS, Section 212.1352 of the Texas Local Government Code requires written findings based on reasonably available information to justify a moratorium not based on a shortage of essential public facilities; and

WHEREAS, the City Council finds that the current regulations governing data center development may be inadequate to address the unique impacts of such facilities, and that alternative regulatory methods are currently unsatisfactory to protect the community; and

WHEREAS, the City Council determines that a 90-day moratorium on the acceptance, processing, and approval of permits and applications for any and all data center development in the City is necessary to prevent immediate, irreversible harm to the community while updated regulations are formulated and considered; and

WHEREAS, the City has established a clear working plan and time schedule to study, draft, and potentially adopt updated regulatory controls for data centers, which may be fully executed within this 90-day period.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:

SECTION 1. INCORPORATION OF PREMISES. The above and foregoing premises are: (i) true and correct and are incorporated herein and made a part of this Ordinance for all purposes; and (ii) legislative findings of the City Council.

SECTION 2. FINDINGS. The City Council, after conducting a public hearing and having heard evidence and testimony, has determined that the facts and recitations contained in the preamble of this ordinance are hereby found to be true and correct and are incorporated into this Ordinance by reference and serve as the written findings of the City Council demonstrating the potential need to adopt new ordinances or regulations or to amend existing ordinances of the City relating to commercial property development of data centers, including the identification of the harm to the public health, safety or welfare that will occur if a moratorium is not adopted.

SECTION 3. TEMPORARY MORATORIUM IMPOSED. That a moratorium is hereby adopted and imposed on property development, expansion, modification, or improvement of any commercial property for data centers within the corporate city limits of the City, and such property development or expansion or improvement shall include but not be limited to the submittal, review, consideration and approval of applications and plans for development for permits, plats, verifications, rezonings, site plans, and new or revised certificates of occupancy. This moratorium is to allow the Planning and Zoning Commission and the City Council to review the Comprehensive Plan, the Zoning Ordinance, the Code of Ordinances and other ordinances and regulations of the City to consider appropriate amendments, if any, to the existing regulations for commercial property development of data centers, and whether to adopt any new ordinances or regulations to regulate such uses. No new, expanded or modified commercial business as data center, or use, expansion or modification of a use that includes data centers as a principal use or as an accessory use, are to be allowed within the corporate city limits of the City until said review is completed and the ordinances of the City are amended as necessary, or until this moratorium, including extensions, if any, shall have expired, whichever occurs first.

SECTION 4. PROHIBITION ON ACCEPTANCE FOR FILING. Except as otherwise provided in this Ordinance, after the effective date of this Ordinance, and extending for the duration of the moratorium (and any extensions), no employee, officer, official, agency,

department, board or commission of the City shall accept for filing any application or plan for development for permits, plats, verifications, rezonings, site plans, or new or revised certificates of occupancy for new, expanded, or modified commercial development of a data center and other development that includes a data center as a principal use or as an accessory use within the corporate limits of the City. Any City employee, officer, official, agency, department, board or commission in receipt of any such application or plan for development shall forward the same to the City Manager, who shall review the application or plan for development to determine whether the application or plan for development is subject to this moratorium. Receipt of an application or plan for development for the limited purpose of such review shall not constitute filing or acceptance of the application or plan for development. In the event the City Manager determines that an application or plan for development is subject to the moratorium, the City Manager shall take no further action on the application or plan for development and shall reject the same, and shall return the application or plan for development to the person or entity attempting to file the same.

SECTION 5. WAIVER PROCEDURES REQUIRED BY STATE LAW. An applicant for development of commercial property for any data center or data center-related use as described in this Ordinance may apply for a waiver to this moratorium by submitting a written request for waiver to the City Council, which shall be voted on by the City Council within twenty-one (21) days after receipt of the request, or within ten (10) days after receipt if the request for waiver is based on reasons provided in Section 212.137 of the Texas Local Government Code. The request shall be in writing and submitted to the City Secretary, who shall forward the request to the City Manager for processing and recommendation to the City Council. The City Council may authorize or deny the requested waiver, and if authorized, direct the applicable City official to accept a completed application and process the application subject to conditions necessary to ensure that the proposed development would not cause adverse effects to the surrounding property or the City's infrastructure and to carry out the spirit and purpose of this Ordinance. The City Council should not release the applicant from the requirements of this Ordinance unless the applicant first presents credible evidence from which the City Council can reasonably conclude that: (1) the application of this ordinance to the applicant would be likely to deprive the applicant of rights protected by law; or (2) the proposed development is compatible with the land use in proximity to the proposed development and permitting the development to proceed would not cause adverse effects to surrounding property or the City infrastructure or be contrary to the spirit and purpose of this Ordinance.

SECTION 6. DURATION. This Ordinance shall expire upon ninety (90) days after its adoption unless extended as allowed by applicable law.

SECTION 7. DEFINITIONS. For purposes of the moratorium, the terms set forth in this Ordinance shall have the same meanings assigned by Chapter 212, Subchapter E, of the Texas Local Government Code, the and the Code of Ordinances of the City, except as otherwise provided in this Ordinance. "Permit" shall include a license, certificate, approval, registration, consent, permit or other form of authorization required by law, rule, regulation, order or ordinance that a person must obtain to perform an action or initiate, continue, or complete a project for which the permit is sought, including a verification, contract or agreement for construction related to, or provision of, service from a water or wastewater utility owned, operated or controlled by a regulatory agency. The term "data center" shall mean a dedicated physical facility or building that

houses a centralized group of networked computer servers, data storage systems, and telecommunications infrastructure used to store, process, and manage substantial amounts of digital information.

SECTION 8. SAVINGS/REPEALING CLAUSE. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict, but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 9. SEVERABILITY. Should any section, subsection, sentence, clause, or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared unconstitutional or invalid.

SECTION 10. EFFECTIVE DATE. This Ordinance shall become effective immediately upon its adoption.

SECTION 11. OPEN MEETING. That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law and that public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

DULY PASSED and APPROVED on first reading by the City Council of the City of Lavon, Texas, on the 20th day of October 2026.

DULY PASSED and APPROVED on second reading by the City Council of the City of Lavon, Texas, on the 17th day of November 2026.

Vicki Sanson
Mayor

ATTEST:

Rae Norton
City Secretary

CITY OF LAVON, TEXAS