

**LOCAL LAW NO. \_3\_ OF 2026  
CITY OF NORTH TONAWANDA, NY**

**A Local Law entitled, “LOCAL LAW IN RELATION TO A TWELVE (12) MONTH EXTENSION OF A TEMPORARY MORATORIUM ON THE REVIEW, APPROVAL, AND ISSUANCE OF PERMITS FOR NEW DEVELOPMENT OF CRYPTOCURRENCY MINING AND DATA PROCESSING CENTERS”**

*Submitted By: Mayor Austin J. Tylec, City of North Tonawanda*

**WHEREAS**, the City of North Tonawanda Common Council previously enacted a moratorium on the issuance of approvals and/or permits for new development of cryptocurrency mining and data processing centers which is scheduled to expire July 16, 2026; and

**WHEREAS**, the purpose of the moratorium is to protect the public health, safety and welfare of the residents of the City, and

**WHEREAS**, the City of North Tonawanda has retained consultants C&S Engineers for the purpose of updating the City’s comprehensive plan and citywide zoning update; and

**WHEREAS**, the City of North Tonawanda has completed its comprehensive plan that was adopted at the Common Council regular meeting on November 18, 2025, to address new circumstances not addressed by its current zoning laws; and

**WHEREAS**, the Mayor of the City of North Tonawanda convened a steering committee for the purpose of advising on the zoning updates on August 21, 2025; and

**WHEREAS**, the City of North Tonawanda commenced a zoning update (January 2026) in contemplation of its completion within one year; and

**WHEREAS**, the City of North Tonawanda finds that additional time is necessary to finalize comprehensive zoning updates pertaining to development of cryptocurrency mining and data processing centers ensuring proper alignment with the North Tonawanda Comprehensive Plan, environmental constraints, and special use regulations, and

**WHEREAS**, the City of North Tonawanda has determined that without an extension of the moratorium, new data center development may proceed before necessary amendments to North Tonawanda's zoning legislation are completed, potentially undermining the City's long-term planning objectives, and

**WHEREAS**, the extension of the temporary moratorium will allow the City to complete its zoning studies and finalize appropriate legislative amendments in a deliberate and structured manner, and

**WHEREAS**, the City of North Tonawanda Common Council has determined that in accordance with Section 617.5(c)(30) SEQR the adoption of a moratorium extension on applications for building permits and/or certificate of occupancies for land development or construction of or modification of Review, Approval, and Issuance of Permits for New Development of Cryptocurrency Mining and Data Processing Centers constitutes a Type II Action, and further that

the proposed moratorium has been identified as an Action not having a significant impact on the environment and is not subject to review under SEQRA.

**RESOLVED** That the City of North Tonawanda Common Council will hold a public hearing on the aforesaid Local Law at the Cit Hall, 216 Payne Ave, North Tonwanda, New York, on the \_\_\_ day of \_\_\_\_\_, 2026, at 6:00 pm, at which time all interested persons will be given an opportunity to be heard.

**BE IT FURTHER RESOLVED**, that the City of North Tonawanda hereby adopts a 12-month extension to the current moratorium on all new data processing centers and expansion of existing data processing centers, related to, but not limited to, cryptocurrency mining, blockchain authenticating, Artificial Intelligence (A.I.) processing, general data computing, processing and storage, and large-scaled electronic-based centers of the like, within the City of North Tonawanda.

**BE IT FURTHER RESOLVED**, that the City of North Tonawanda Common Council hereby authorizes and directs the City Clerk to send the following proposed Local Law to the Niagara County Planning Board and adjacent municipalities for their recommendations and review.

**BE IT ENACTED** by the Common Council of the City of North Tonwanda, NY, as follows:

**SECTION 1. TITLE**

This Local Law shall be known as **“Local Law in Relation to a Twelve (12) Month Extension of a Temporary Moratorium on the Review, Approval, and Issuance of Permits for New Development of Cryptocurrency Mining and Data Processing Centers”**

**SECTION 2. LEGISLATIVE INTENT**

Pursuant to the statutory powers vested in the City of North Tonawanda to regulate and control land use, and to protect the health, safety and welfare of its residents, the City of North Tonawanda Common Council approved Local Law 2024-2 on July 16<sup>th</sup>, 2024, adopting a Two-Year Moratorium on Cryptocurrency Mining and Data Processing Centers. The moratorium is set to expire on July 16, 2026.

In furtherance of Local Law No. of 2024-2, which established the moratorium, the City of North Tonawanda Common Council recognizes that the development of cryptocurrency mining and data processing centers pose significant concerns including, but not limited to, excessive noise, environmental impacts, increased energy demand, straining the power grid and increasing electricity costs for residents of the city as a whole, and impacts on neighborhood character and quality of life.

The Common Council further finds that while technological advancements may offer potential mitigation of these impacts, the City lacks sufficient regulatory framework to ensure that such developments align with municipal infrastructure, environmental limitations and community character.

The City of North Tonawanda Comprehensive plan is complete (November 18, 2025). Therefore, the Common Council finds that additional time is required to finalize zoning amendments and

recommendations regarding the development of cryptocurrency mining and data processing centers. Given the complexity of zoning regulations and the need for public review and deliberation, the Common Council finds it necessary to extend the moratorium to ensure thoughtful policymaking.

### **SECTION 3. DEFINITIONS**

For purposes of this Local Law:

- A. Cryptocurrency Mining** is the use of computers or related equipment to validate blockchain transactions or generate digital assets.
- B. Blockchain Authentication Operations** is any process involving distributed ledger verification using high-density computing systems.
- C. Data Processing Centers** shall include, but not be limited to, facilities housing multiple banks of computers within 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 and platforming, general data computing, processing and storage, and other large-scale electronic-based centers of the like.
- D. Existing Operation** is a cryptocurrency mining or blockchain authentication operation in existence that has received site plan approval prior to the effective date of the original moratorium.
- E. Expansion** is any increase in physical footprint, intensity of use, number of units, processing capacity, or infrastructure beyond what existed prior to the original moratorium.

### **SECTION 4. ENACTMENT OF A TEMPORARY MORATORIUM**

Until (12) months from the effective date of this Local Law, after which this Local Law shall elapse and be without further force of effect unless further extended, no agency, board or official of the City of North Tonawanda, including but not limited to the Common Council, the Zoning Board of Appeals, the Planning Commission or the Building Department, shall issue or review applications for any approval, special use permit, variance, site plan, building permit or permit for any cryptocurrency mining, block chain authentication operation or data processing center or data center.

### **SECTION 5. EXCEPTION DUE TO EXTRAORDINARY HARDSHIP**

The Common Council may authorize exceptions to the moratorium imposed by this Local Law upon finding that postponing consideration of an application would impose extraordinary hardship from the strict requirements of this Local Law. An application for an exception shall be considered as follows:

- (a) Submission of ten (10) copies of an application containing the applicant's detailed arguments, including specific facts and evidence to support an alleged extraordinary

hardship and such other information and documentation as the Common Council shall proscribe to consider the application for relief.

- (b) The payment of a filing fee determined by the building department with the application.
- (c) A public hearing on the extraordinary hardship application shall be held by the Common Council no later than 62 days after submission of a complete application and shall, within thirty (30) days of the close of said Public Hearing, or such further time as the Common Council needs to adequately assess the impact of the petition, render its decision either granting, denying, granting in part or denying in part, the petition for a variation from the strict requirements of this Local Law.
- (d) In reviewing a petition for relief from strict compliance with this Local Law based upon a claim of unnecessary or extraordinary hardship, the Common Council shall consider the criteria listed below. No application seeking relief or partial relief from the requirements and restrictions of this moratorium shall be granted unless the Common Council specifically finds and determines from the criteria below, and set forth in its resolution granting such relief in whole, or in part, that:
  - i. The extent to which the proposed application for relief is consistent with the goals and objectives of the updated City of North Tonawanda Comprehensive Plan.
  - ii. The extent to which the proposed application for relief would adversely impact on the character of the surrounding neighborhood or cause harm to public health and safety.
  - iii. Whether the strict adherence to this temporary moratorium will expose an applicant or property owner to substantial monetary liability to a third person or would leave the applicant or property owner unable to use a reasonable alternative.
  - iv. Mere delay in the consideration of a proposed application for relief is insufficient to constitute an extraordinary hardship.
  - v. The mere delay in being permitted to make an application or waiting for a decision on the application for a variance, special permit, site plan, or other permit during the period of the moratorium imposed by this Local Law
- (e) Upon concluding the public hearing, and after consideration of the application and evidence submitted, the Common Council shall, in its sole discretion, deny, approve, or approve with modifications the application for exception to this temporary moratorium.

## **SECTION 6. VIOLATIONS**

Any person, firm, entity or corporation that shall violate the terms and provisions of this Local Law shall be subject to a penalty in the amount of one thousand dollars (\$1000.00) for each day such violation shall exist.

**SECTION 7. SUPERSEDING AUTHORITY**

This moratorium is adopted pursuant to Article IX of the New York State Constitution, the General City Law, General Municipal Law, and Municipal Home Rule Law of the State of New York. This chapter shall supersede any provisions of the City Code and New York State Law, (specifically N. Y. General City Law §27-a and §81-a), which require the Common Council, Planning Commission, Zoning Board of Appeals or Building Department to accept, process, and/or approve applications or issue permits for the development of cryptocurrency mining, block chain authentication operation or data processing centers within specified statutory time periods.

**SECTION 8. SEVERABILITY**

If any clause, sentence, paragraph, or part of this Local Law shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof.

**SECTION 10. EFFECTIVE DATE**

This law shall become effective upon filing with the office of the New York State Secretary of State in accordance with the Municipal Home Rule Law.

\_\_\_\_\_ Dated: \_\_\_\_\_  
Austin J. Tylec, Mayor