

The City of Morristown

Community Development & Planning



TO: Morristown Regional Planning Commission
FROM: Josh Cole, Senior Planner
DATE: October 6th, 2026
SUBJECT: Data Center Text Amendment

BACKGROUND:

As technology continues to shift in capacity and increased ability, there is the ever need to continuously review and update the zoning ordinance and potential uses. This is especially the case in the rise in data centers such as cryptocurrency mining and artificial intelligence centers and what regulations the city should place on such. After review of several codes throughout the region, staff is recommending a text amendment which includes the following new definitions:

Data Center means a use involving a building/premise in which the majority of the use is occupied by computers and/or telecommunications and related equipment, including supporting equipment, where information is processed, transferred and/or stored. This shall include but not limited to server farms, cryptocurrency mining, and artificial intelligence data centers.

Artificial Intelligence (AI) Data Center is a specialized facility built for the intense computational needs of AI, featuring high-performance hardware like GPUs (Graphics Processing Unit) and TPUs (Tensor Processing Unit), ultra-fast networking, massive storage, advanced cooling, and huge power supplies to train and run complex AI models processing vast amounts of data much faster than traditional centers.

Cryptocurrency Mining means the process by which cryptocurrency transactions are verified and added to the public ledger, known as the block chain, and also the means through which new units of crypto are released, through the use of data centers. This definition does not include use of not more than five computers from which cryptocurrency is mined in an enclosed structure, provided the cryptocurrency is not mined for commercial purposes.

Server Farms is a large collection of interconnected computer servers working together in a centralized facility (like a data center) to handle massive amounts of data and computing tasks, providing services exceeding what one machine could manage, essential for powering websites, cloud services, and big data analytics with load balancing and redundancy.

Additionally, staff is recommending that data centers only be permitted as a use on review in the Heavy Industrial District (HI) with the following conditions:

- Must be a minimum of 500' from any residential property or district.
- Must be a minimum of 500' from any school or occupied governmental building.
- All equipment associated with this use must be located inside a building

RECOMMENDATION:

Staff recommends approval text amendment for data centers to only be permitted as a use on review in the HI district and Planning Commission voted in support of this request at their September meeting.

ORDINANCE NO. _____

BEING AN ORDINANCE OF THE CITY COUNCIL OF MORRISTOWN,
TENNESSEE AMENDING THE ZONING ORDINANCE OF THE CITY OF
MORRISTOWN AS RELATED TO DATA CENTERS.

BE IT ORDAINED BY THE CITY COUNCIL of the City of Morristown that the text of the Zoning Ordinance (No. 2092) Chapters 2 (General Zoning Provisions) & 14 (HI HEAVY DENSITY INDUSTRIAL DISTRICT) to have the following additions:

CHAPTER 2 GENERAL ZONING PROVISIONS
14-203 DEFINITIONS

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CHAPTER 14 HI HEAVY INDUSTRIAL DISTRICT
14-1403. USES PERMITTED ON REVIEW

- 21. Data Center
 - A. Must be a minimum of 500' from any residential property or district.
 - B. Must be a minimum of 500' from any school or occupied governmental building.
 - C. All equipment associated with this use must be located inside a building

BE IT FURTHER ORDAINED that these ordinances shall take effect from and after the date of its final passage, the public welfare requiring it.

Passed on second and final reading the _____ day of _____, 2026.

Mayor

ATTEST:

City Administrator