

CITY OF PLATTSBURGH

PROPOSED LOCAL LAW P-2 OF 2026

Introduced by Mayor Hughes on **October 1, 2026** at a Regular meeting of the Common Council.

Public Hearing to be held on **Thursday, October 15, 2026 at 5:30pm** in the Council Chambers, 41 City Hall Place, Plattsburgh, NY 12901.

A LOCAL LAW ESTABLISHING A TEMPORARY MORATORIUM ON CERTAIN HIGH ENERGY USE FACILITIES PENDING A COMPREHENSIVE REVIEW OF THE CITY ZONING REGULATIONS

Section 1. Legislative Findings

The Common Council finds that the City is presently undertaking a comprehensive review and revision of its zoning regulations. The City also owns and operates the Municipal Lighting Department ("MLD"), and exceptionally large electric users present planning, infrastructure, reliability, rate-stability, fiscal, land-use, environmental, and public-safety considerations that may differ materially from ordinary commercial and industrial development.

The City has previously exercised its land-use and zoning authority to regulate certain high-energy-intensive uses, including through Local Law No. 1 of 2026, which established zoning and land-use standards applicable to commercial cryptocurrency mining, blockchain validation, data centers, artificial intelligence computing facilities, and other regulated high-energy uses. Local Law No. 1 of 2026 remains in full force and effect and constitutes an existing component of the City's zoning and land-use regulatory framework.

The Common Council finds, however, that Local Law No. 1 of 2026 was not intended to foreclose the City's continuing comprehensive review of its zoning regulations or the adoption of additional, supplemental, or revised land-use standards. As part of that broader review, the City is considering whether its existing zoning and land-use regulations, including Local Law No. 1 of 2026, should be supplemented or modified with respect to the siting, expansion, intensity, infrastructure demands, noise, cooling systems, emergency response,

decommissioning, and compatibility of High Energy Use Facilities with surrounding uses and the City's long-term land-use plan.

The Common Council further finds that new categories and configurations of high-energy computing operations, including artificial intelligence computing, cloud computing, data centers, server farms, colocation facilities, cryptocurrency mining, blockchain validation, and similar uses, continue to evolve rapidly. A short, prospective pause on new establishments and material expansions will preserve existing land-use conditions while the City completes that review.

The Council also recognizes that facilities which were recently operating may have temporarily ceased operations for business, financial, tenancy, utility, or other reasons. The Council finds that the purposes of this moratorium can be achieved without imposing an absolute prohibition upon the prompt reactivation of recently active operations or the prompt replacement of a recently active tenant at the same premises, provided that such reactivation is strictly limited in time, location, type of use, and historical electrical demand.

Accordingly, this Local Law creates limited transitional exceptions for certain businesses and premises that were actually engaged in High Energy Use Facility operations during the twelve (12) months preceding its effective date. These exceptions are temporary statutory accommodations under this moratorium only and shall not constitute or be construed as recognition of a vested right, prior nonconforming use, grandfathered right, entitlement to electrical capacity, or permanent right to establish, resume, replace, or continue a High Energy Use Facility.

Nothing in this Local Law shall be construed as a determination that Local Law No. 1 of 2026 is inadequate, invalid, non-zoning in character, or inapplicable to any particular facility or use. This Local Law is a temporary and supplemental land-use measure adopted in furtherance of the City's ongoing comprehensive zoning review.

Nothing in this Local Law is intended to adjudicate any pending litigation, billing dispute, contractual dispute, tenancy dispute, or utility-service dispute, or to alter rights and obligations arising under applicable Public Service Commission-approved tariffs, NYMPA Rider A, or other governing law.

Section 2. Purpose

The purpose of this Local Law is to preserve the status quo for a limited six-month period while the City completes its comprehensive zoning review and considers permanent regulations governing High Energy Use Facilities. Except for the narrowly defined transitional exceptions set forth herein, the moratorium is intended to prevent the establishment of new High Energy Use Facilities and the material expansion or relocation of existing or recently active High Energy Use Facilities during the planning period.

Section 3. Definitions

"High Energy Use Facility" means a commercial or industrial use primarily devoted to cryptocurrency mining, artificial intelligence computing, cloud computing, blockchain validation, data processing, data centers, server farms, colocation facilities, or substantially similar high-density computing operations having an actual, proposed, or reasonably anticipated electrical demand of one (1) megawatt or greater.

"Recently Active Operation" means a High Energy Use Facility that was lawfully and actually operating at the qualifying premises at any time during the twelve (12) months immediately preceding the effective date of this Local Law.

"Qualifying Premises" means the specifically identifiable building, unit, suite, leased premises, or other discrete physical area in which a Recently Active Operation was actually conducted during the twelve (12) months immediately preceding the effective date of this Local Law. Eligibility shall be determined by the physical area actually devoted to the qualifying operation and shall not attach generally to an entire building, parcel, tax parcel, campus, or commonly owned property merely because a High Energy Use Facility operated in some portion thereof.

"Eligible Prior Operator" means the person or entity that lawfully and actually conducted a Recently Active Operation at the Qualifying Premises.

"Historical Demand Cap" means the highest monthly billing demand actually recorded by MLD and attributable to the Recently Active Operation at the Qualifying Premises during the twelve (12) months immediately preceding the effective date of this Local Law. If reliable billing-demand data are unavailable or do not reasonably identify the demand attributable to the Qualifying Premises, MLD may determine a reasonable equivalent from contemporaneous meter, account, service, or engineering records. The Historical

Demand Cap is solely a limitation upon the transitional exceptions created by this Local Law and shall not establish or recognize any permanent entitlement to electrical service or capacity.

"Same Category of High Energy Use Facility" means a replacement operation whose principal high-energy use is substantially the same as the principal high-energy use actually conducted by the Recently Active Operation at the Qualifying Premises.

"Material Expansion" means an enlargement, addition, conversion, intensification, relocation, or change requiring municipal land-use approval that materially enlarges the physical area devoted to a High Energy Use Facility, materially changes load characteristics, or increases its proposed electrical demand above the Historical Demand Cap, where applicable, or above the otherwise lawfully approved operating level.

Section 4. Temporary Moratorium

For six (6) months following the effective date of this Local Law, no City officer, board, department, commission, or employee shall issue or approve a building permit, zoning permit, special use permit, site plan approval, certificate of occupancy, or other municipal land-use approval for:

- (A) the establishment of a new High Energy Use Facility;
- (B) the Material Expansion of a High Energy Use Facility;
- (C) the conversion of an existing building, unit, suite, premises, or use into a new High Energy Use Facility; or
- (D) the reestablishment or relocation of a High Energy Use Facility following cessation of operations, except as expressly permitted by Sections 5 and 6 of this Local Law.

Routine maintenance, repair, replacement, modernization, or upgrading of equipment or premises shall not be prohibited to the extent otherwise lawful, provided that such activity does not constitute a Material Expansion, relocation, or establishment of a new High Energy Use Facility.

Section 5. Limited Reactivation Opportunity for Eligible Prior Operators

Notwithstanding Section 4, an Eligible Prior Operator may resume its Recently Active Operation at the same Qualifying Premises without such resumption being treated as the establishment or reestablishment of a new High Energy Use Facility under this moratorium, provided that all of the following conditions are satisfied:

- (A) the Eligible Prior Operator submits written notice to the City within ninety (90) days following the effective date of this Local Law identifying the operator, the Qualifying Premises, and the requested reactivation;
- (B) all MLD accounts of the Eligible Prior Operator associated with the Recently Active Operation and Qualifying Premises are brought current and into good standing, including payment of all amounts then due and payable and satisfaction of all otherwise applicable deposit, security, tariff, and service requirements;
- (C) electrical service is lawfully restored and actual operations resume at the Qualifying Premises within ninety (90) days following the effective date of this Local Law;
- (D) the resumed operation does not exceed the Historical Demand Cap during the term of the moratorium; and
- (E) the Eligible Prior Operator complies with all otherwise applicable City laws, permits, utility requirements, tariffs, and health and safety requirements.

Failure to satisfy all conditions of this Section within the ninety (90)-day period shall terminate the transitional exception provided by this Section. Nothing herein determines whether the Eligible Prior Operator otherwise possesses, retained, abandoned, or forfeited any vested, nonconforming, contractual, tenancy, or utility-service right.

Section 6. Landlord Election and Replacement Operator

The owner or landlord of Qualifying Premises may, within ninety (90) days following the effective date of this Local Law, file a written Landlord Election with the City electing to preserve the eligibility of those Qualifying Premises for continued operation of the Same Category of High Energy Use Facility by a replacement operator during the remainder of the moratorium.

A timely Landlord Election shall constitute a limited right, for purposes of this moratorium only, to seek and obtain a replacement operator for the Qualifying Premises, subject to all of the following conditions:

- (A) Any timely exercise by an Eligible Prior Operator under Section 5 with respect to the same Qualifying Premises shall be superior to and shall supersede the Landlord Election. The Landlord Election shall not

be used to displace, defeat, impair, or circumvent the Eligible Prior Operator's timely exercise of Section 5.

- (B) A replacement operator may commence operations following a timely Landlord Election if the Eligible Prior Operator has vacated or surrendered the Qualifying Premises, its right of occupancy has lawfully terminated, it has provided written notice that it will not exercise the Section 5 opportunity, or it fails timely to satisfy Section 5. Nothing herein shall authorize the City to determine or adjudicate a private dispute concerning possession, leasehold rights, or termination of a tenancy.
- (C) The replacement operator shall conduct the Same Category of High Energy Use Facility within the same Qualifying Premises in which the Recently Active Operation was actually conducted.
- (D) The replacement operation shall not exceed the Historical Demand Cap during the term of the moratorium.
- (E) All MLD accounts and charges that are lawfully required to be satisfied as a condition of providing service to the Qualifying Premises or replacement operator shall be current and in good standing, and all otherwise applicable deposit, security, tariff, engineering, and service requirements shall be satisfied.
- (F) The replacement operator shall satisfy all otherwise applicable requirements of City law.
- (G) Electrical service shall be lawfully restored and the replacement operator shall actually commence operations before expiration of the six (6)-month moratorium.

A timely Landlord Election preserves eligibility only for the remainder of the moratorium and only for the Qualifying Premises identified in the election. It does not guarantee approval of a particular operator, require MLD to provide service contrary to applicable law or tariff, or create any permanent land-use or utility-service entitlement.

Section 7. Premises-Specific Eligibility; Anti-Circumvention

The transitional exceptions created by Sections 5 and 6 attach solely to the Qualifying Premises and the Historical Demand Cap associated with the Recently Active Operation. Eligibility may not be transferred, relocated, divided, duplicated, aggregated, reassigned, or otherwise used to establish eligibility in another unit, suite, portion of a building, building, parcel, tax parcel, campus, or commonly owned or controlled property.

Without limiting the foregoing, an owner, landlord, operator, affiliate, or other person shall not relocate an existing or eligible High Energy Use Facility from Qualifying Premises to another portion of the same building or property and thereafter use the vacancy created at the original Qualifying Premises to establish an additional High Energy Use Facility. A relocation of an operation from its Qualifying Premises to another physical location shall constitute a new establishment or Material Expansion for purposes of this Local Law unless independently permitted after expiration or termination of the moratorium.

Nor shall relocation of an operation to another location cause the new location to acquire the historical eligibility or Historical Demand Cap of the vacated Qualifying Premises. The City may require reasonable records, including leases, floor plans, meter records, account records, photographs, permits, or other documentation, to identify the Qualifying Premises and prevent transfer, duplication, or circumvention of the transitional exceptions.

Section 8. Hardship Relief

An owner or operator affected by this Local Law may apply to the Common Council for hardship relief. The application shall identify the specific relief requested, the nature and extent of the hardship, the extent to which the hardship is particular to the property or project, and measures proposed to avoid or minimize the impacts addressed by the moratorium.

After notice and an opportunity to be heard, the Common Council may grant relief, with reasonable conditions, upon written findings that: (1) strict application of the moratorium would cause substantial and particularized hardship beyond the ordinary delay associated with a temporary land-use moratorium; (2) the hardship was not created primarily for the purpose of avoiding this Local Law; (3) the requested relief will not materially interfere with the City's comprehensive planning review or result in the type of new or materially intensified high-energy use the moratorium is intended temporarily to prevent; and (4) the relief is the minimum necessary to alleviate the demonstrated hardship.

The Common Council shall issue a written determination granting, granting with conditions, or denying a complete hardship application within forty-five (45) days after the close of the public hearing on the application, unless the applicant consents in writing to an extension.

Section 9. Comprehensive Planning Review and Duration

During the moratorium period, the City shall diligently proceed with its review of permanent regulations governing High Energy Use Facilities. The review may include zoning districts and siting standards, electrical-demand thresholds, infrastructure impacts, utility planning, financial security, noise, cooling systems, fire and emergency response, battery energy storage, decommissioning, compatibility with surrounding land uses, cumulative impacts, and other matters reasonably related to land-use planning.

The City shall endeavor during the six-month period to identify the principal land-use issues requiring further regulation; obtain recommendations from appropriate City staff, boards, consultants, and outside agencies as appropriate; prepare draft permanent regulations or a written determination that additional regulation is not presently warranted; and commence any required referral, public-hearing, and environmental review process for permanent legislation.

The moratorium shall expire automatically six (6) months after its effective date unless earlier terminated by the Common Council. Any extension shall require a further local law and written legislative findings identifying the work completed during the initial moratorium, the work remaining, the reasons additional time is reasonably necessary, and the duration of the proposed extension.

Section 10. Relationship to Utility Regulation and Other Rights

Nothing in this Local Law establishes the amount of electrical demand or service capacity to which any customer, operator, landlord, facility, or property is entitled. Any dispute concerning authorized electrical demand, service capacity, billing, disconnection, reconnection, deposits, security, or other electric-service rights or obligations shall be determined under otherwise applicable law, Public Service Commission-approved tariffs, NYMPA Rider A, lawful service arrangements, and MLD procedures.

The transitional exceptions created by Sections 5 and 6 affect only the application of this temporary land-use moratorium and shall not alter, supersede, waive, or constitute an interpretation of any requirement imposed by Local Law No. 1 of 2026 or any other existing provision of the City's zoning and land-use regulations. They do not require MLD to provide service contrary to applicable law or tariff and do not resolve any pending or future billing, contractual, tenancy, or service dispute.

Nothing in this Local Law shall be construed as a legislative determination that any person or property possesses or lacks a vested right, prior nonconforming use, grandfathered right, contractual right, leasehold right, or utility-service entitlement. All such questions, to the extent relevant, remain governed by otherwise applicable law.

Section 11. SEQRA

The Common Council finds that adoption of a moratorium on land development or construction is a Type II action pursuant to 6 NYCRR § 617.5(c)(36), and therefore is not subject to further review under SEQRA. Any subsequent permanent zoning legislation shall be subject to such SEQRA review as may independently apply to that action.

Section 12. General Municipal Law § 239-m and Other Referrals

No final action shall be taken on this Local Law until all referrals required by General Municipal Law § 239-m and any other applicable law have been made and the City has satisfied the applicable procedural requirements associated with such referrals.

Section 13. Severability

If any clause, sentence, paragraph, section, or part of this Local Law is adjudged by a court of competent jurisdiction to be invalid or unconstitutional, such judgment shall not affect, impair, or invalidate the remainder of this Local Law, which shall remain in full force and effect.

Section 14. Effective Date

This Local Law shall take effect immediately upon filing with the New York State Secretary of State in accordance with the Municipal Home Rule Law.