

ORDINANCE NO. 2026-06

**AN ORDINANCE AMENDING THE MUNICIPAL CODE TITLE 11, CHAPTER 5,
TOWN OF JONESBOROUGH, TENNESSEE, REGARDING DATA PROCESSING
CENTERS AND CRYPTOCURRENCY MINING**

Be it ordained by the Board of Mayor and Aldermen of the Town of Jonesborough, Tennessee as follows:

SECTION I. That Section 11-503 of the Municipal Code, Town of Jonesborough, Tennessee by adding the following text:

Sec. 11-503. – Definitions:

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.

Data Center means a facility consisting of buildings or structures specifically designed or modified for storage, management, processing, and/or transmission of digital data. This includes *Cryptocurrency Mining*. Such facilities may include high-density computer and/or network equipment, systems, servers, appliances, air handlers, power generators, water cooling and storage facilities, utility substations, and other associated utility infrastructure to support sustained operations. Administrative areas and offices for the purpose of supporting the primary activity may be located within the buildings.

SECTION II. That Section 11-525 of the Municipal Code, Town of Jonesborough, Tennessee, is amended by adding subparagraph 6 to read as follows:

(6) Cryptocurrency Mining and Data Centers, provided that upon findings of fact all the following criteria are submitted and approved by the Board of Mayor and Aldermen:

Yard, Location, and Separation Distances

- A. There shall be a one hundred (100) foot green space buffer along the perimeter of the original tract, and no structures may be built in this perimeter.
- B. All digital data operations use shall be conducted in a completely enclosed building.
- C. No facilities shall be located within one thousand and five hundred

(1,500) feet of any residential use or district. This includes any zoning district that permits single-family residences or dwellings. The measurement shall be made from the nearest property line or zoning line of the residential use or district, whichever is closer, to the nearest property line of the property that contains the data center use.

Noise Performance Standards

- A. The applicant shall demonstrate through a sound study conducted by a professional acoustic expert that the sound generated by a data center shall be limited to a maximum decibel level of 55 (dBA) between the hours of 7:00 am to 10:00 pm, and 45 (dBA) between the hours of 10:00 pm to 7:00 am, as measured from the property line of the use. Such sound study shall be conducted using generally accepted methodology and measured at the property line of any sensory receptor. A sound study shall be conducted at the following phases:
1. A preliminary study shall be conducted and supplied as part of this section. The preliminary sound study shall include recommended sound reducing materials or systems as needed to meet the required sound limit.
 2. An interim sound study shall be conducted during the building permit approval process based upon the proposed user or users of the data center uses depicted on the building plans. Any sound reducing materials or systems recommended by interim sound study shall be incorporated into the construction plans for the use.
 3. Fan Enclosure Requirements: All rooftop fans are required to be enclosed in sound-attenuating housings that reduce output by 15-20 dB.
 4. Equipment Enclosure: All cooling, ventilating, and power equipment are required to be enclosed or screened to reduce both visual and noise impacts.
 5. An as-built sound study shall be conducted ninety (90) days after issuance of the certificate of occupancy. If it is determined by the as-built sound study that there is a violation of the aforesaid noise limits, it shall be considered a violation of this ordinance.

- B. The applicant shall provide a vibration study prepared by a qualified professional, i.e.: Professional Engineer (P.E) with Acoustic Specialization or Environmental Acoustical Engineer that demonstrates that no vibration from the data center or associated equipment will be perceptible to the human sense of feeling beyond the property line.

Water Usage and Wastewater Sustainability

- A. The projected daily, peak, and annual water usage.
- B. Water Impact Analysis stating the impact of such water usage on the effected residential, agricultural, emergency, and public water supplies.
- C. All conservation, reuse, recycling, or closed-loop system measures to be implemented.
- D. Drought response plan and other contingency planning.
- E. Phased usage caps during declared water emergencies.
- F. Proof that the usage will not materially impair, degrade, deplete, contaminate, or adversely affect the availability, quality, reliability, pressure, or reasonable and beneficial use of water for residential or public purposes.
- G. Cooling system description. including wastewater, blowdown, and discharge associated with cooling or operations.
- H. Chemical composition and thermal impacts of the wastewater, blowdown, and discharge.
- I. The compatibility of the facility's wastewater, blowdown, and discharge with the Jonesborough treatment systems.
- J. The potential effects of the proposed facility's wastewater, blowdown, and discharge on consumers of water downstream of the facility.
- K. Must present proof of proper permitting of any state and/or federal agency.

Electrical Demand and Grid Impact

- A. Total planned megawatt demand.
- B. Phasing schedule.
- C. Facilities exceeding 20 MW shall provide a Grid Impact Study prepared in coordination with the electric utility.
- D. Load management plan during grid emergency declarations.
- E. On-site substation screening plan.

Annual Reporting

Operator shall submit an annual report to the Board of Mayor and Aldermen documenting:

- A. Actual water consumption.
- B. Actual electrical consumption.
- C. Generator testing hours.
- D. Any violations associated with the Jonesborough water and wastewater systems, and electrical utility.
- E. Noise compliance certification.

SECTION III. That Section 11-507 of the Municipal Code, Town of Jonesborough, Tennessee is amended by amending subparagraph 6 to read as follows:

6a. Industry: One (1) space for each three (3) employees computed on the basis of the greatest number of persons employed at any period during day or night.

6b. Data Center: one parking space per 8,000 square feet of floor area designed and intended to be accessible regularly by employees, or one parking space for every one employee, based upon the maximum number of employees on site during the largest shift, whichever is less.

SECTION IV. That this ordinance shall take effect from and after the date of its passage, the public welfare of the Town of Jonesborough, Tennessee requiring it.

Motion was made by Alderman Countermine and seconded by Alderman Jenkins that the preceding ordinance be adopted on first reading. Those voting for the adoption thereof

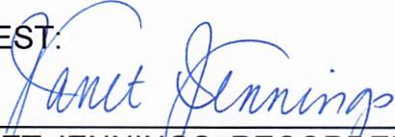
were: Alderman Countermine, Alderman Jenkins, Alderman Causey, Alderman Dickson
Those voting against: _____

PASSED ON FIRST READING March 16, 2026



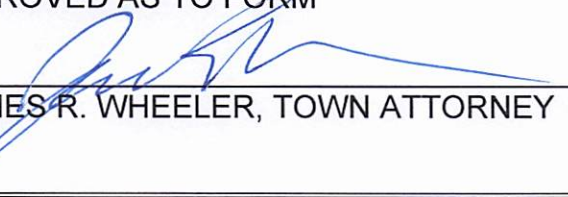
KELLY WOLFE, MAYOR

ATTEST:



JANET JENNINGS, RECORDER

APPROVED AS TO FORM



JAMES R. WHEELER, TOWN ATTORNEY

Motion was made by Alderman Dickson and seconded by Alderman Countermine
that the preceding ordinance be adopted on second and final reading. Those voting for
the adoption thereof were: Alderman Dickson, Alderman Countermine, Alderman
Causey, Alderman Jenkins

Those voting against: _____

PASSED ON SECOND READING May 11, 2026



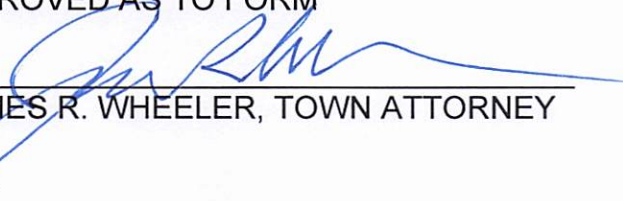
KELLY WOLFE, MAYOR

ATTEST:



JANET JENNINGS, RECORDER

APPROVED AS TO FORM



JAMES R. WHEELER, TOWN ATTORNEY