CITY OF EUREKA CALIFORNIA

AGENDA SUMMARY CITY COUNCIL

TITLE: Bill No. 1063-C.S. Urgency Ordinance – Extension of Moratorium on Data Centers

DEPARTMENT: City Attorney

PREPARED BY: Robert Black, City Attorney

PRESENTED FOR

☒Action ☐Information only ☐Discussion

RECOMMENDATION

Hold a public hearing; and
Waive full reading, read by Title only, and Adopt Bill No.1063-C.S. **AN INTERIM ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EUREKA IMPOSING A MORATORIUM ON THE SITING OF DATA CENTERS IN THE CITY**

FISCAL IMPACT

☒No Fiscal Impact ☐Included in Budget ☐Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

DISCUSSION

At the September 1, 2026 regular council meeting, your council adopted an urgency ordinance that established an immediate 45-day moratorium on the siting of data centers anywhere within the City of Eureka, including both the inland and coastal zones.

The ordinance before you now is also being considered as an urgency measure under California Government Code section 65858, subd. (a), which provides, in part, "[a]fter notice pursuant to Section 65090 and public hearing, the legislative body may extend the interim ordinance for 10 months and 15 days and subsequently extend the interim ordinance for one year. Any extension shall also require a four-fifths vote for adoption." The purpose of the interim ordinance is to hold the status quo while the City studies whether and how data centers should be regulated through its zoning regulations.

The ordinance includes in its findings the "Data Center Regulations Discussion" presented by Development Services Director Kenyon at your September 15, 2026 meeting. That report was a thorough presentation of the many challenges that would

face Eureka, particularly if an application to site a data center were filed. Among these challenges will be the allocation of staff time to studies and analysis of the many identified issues.

The present Bill now includes a definition of "Data Center," focusing on the definition adopted by the California Legislature in its adoption of AB 1577: A facility or part of a facility housing computing infrastructure, including processors, servers, storage, networking equipment, and associated power/cooling systems, for the primary purposes of processing, storing, or distributing electronic data. However, for purposes of the interim ordinance, and subject to later revision, data centers with an electric capacity of one megawatt or less are not subject to the moratorium.

The proposed ordinance references examples of several potential impacts requiring study, including significant electricity consumption and impacts on the electrical grid and rates; substantial water use for cooling; noise from cooling equipment and backup generators; potential increases in the City's carbon footprint; fire risks from massed storage batteries, and potential water-quality impacts from cooling-system effluent.

During the moratorium and any further extension, City staff would conduct a comprehensive review of appropriate zoning standards and regulations, including whether a smaller size data center affects or mitigates potential impacts and what regulations may be necessary to preserve neighborhood livability. The ordinance applies to both inland and coastal zoning districts and states that it does not conflict with the California Coastal Act or modify uses presently allowed under the Local Coastal Plan. In the opinion of staff this is a correct statement.

The ordinance makes urgency findings that a temporary moratorium is necessary to preserve the status quo while staff and the Planning Commission study data centers and develop appropriate zoning and regulatory controls. The ordinance further finds that approval of permits or other land-use entitlements for data centers before completion of that review could pose a current and immediate threat to public health, safety, or welfare.

If adopted, no data center could be sited in any City zone during the moratorium. However, any application that is already filed when the ordinance takes effect or filed while the ordinance is in effect would have a right to be processed, subject to any amendments to the zoning code. That said, the application could not proceed to final approval during the moratorium.

If adopted by the necessary four-fifths vote, this ordinance will take immediate effect.