Cryptocurrency Mining – Land Use Implications

Presented by

Nathan L. Pennington, CFM, Planning Director

Michael Frue, Senior Staff Attorney

WHAT IS CRYPTOCURRENCY MINING?

- Emerging and established digital currencies (like Bitcoin) require complex mathematical calculations to verify real world financial transactions. This verification process is referred to as “mining” and the reward is a fraction/part or whole “coin.”
- This process requires significant computing resources (i.e. server farms).
- The facilities needed to house these types of operations require large warehouse type facilities.

COULD A CRYPTOCURRENCY MINING OPERATION BE LOCATED IN BUNCOMBE COUNTY?

- The Zoning Ordinance does not outright define cryptocurrency mining as a specific use, but there is a generic classification of storage and warehousing.
- Staff would likely be required to permit a cryptocurrency mining operation no different than other data centers (i.e. Facebook).
- Staff have received no active applications.
- Many operations in other jurisdictions chose to locate in areas with plentiful, inexpensive, flat developable land.

CRYPTOCURRENCY MINING OPTIONS

1. Do Nothing
2. Enact a one (1) year moratorium to study, develop recommendations/standards, and/or potentially prohibit these operations.

MORATORIUM PROCESS

- Hold a public hearing pursuant to NCGS 160D-601
- Adopt an ordinance authorizing the moratorium. As part of the moratorium, the following four (4) required statements are required:

  - Include a statement defining the problem or conditions necessitating the moratorium and describe why alternatives were not considered.
  - Describe what development approvals are subject to the moratorium.
  - Indicate a date for termination of the moratorium and why the duration is necessary to address the problems.
  - Include a statement of actions describing the schedule for those actions, in other words, describe the timeline to address the issues or problems.

DISCUSSION