

Memorandum

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CITY SECRETARY
DALLAS, TEXAS



City of Dallas

DATE September 16, 2026
TO The Honorable Eric Johnson
FROM Councilmember Chad West

SUBJECT **Request for Placement of Agenda Item – Council Member(s)**

ITEM/ISSUE PROPOSED FOR COUNCIL CONSIDERATION:

Pursuant to Section 6.2 of the City Council Rules of Procedure, please refer the following item to a city council committee and schedule this item for a regular city council voting agenda within 30 calendar days after receipt of this request:

Authorize a public hearing on implementing a moratorium on the issuance of permits authorizing the construction or development of local utilities, limited to communications exchange facilities operating as hyperscale data centers and certificates of occupancy authorizing the initial occupancy of such developments, under Texas Local Government Code Section 212.1352 because applying existing commercial development ordinances or regulations and other applicable laws is inadequate to prevent the new development from being detrimental to the public health, safety, or welfare of the residents of the municipality.

BRIEF BACKGROUND:

Texas has seen a recent statewide proliferation of data centers with residents complaining of noise and high water and electricity usage, as well as declining quality of life for residents who live near data centers.

On August 3, 2026, Governor Greg Abbott directed the Public Utility Commission of Texas (PUCT) and the Electric Reliability Council of Texas (ERCOT) to conduct a comprehensive verification and audit of all data centers advancing through ERCOT's interconnection process and directed that the PUCT and ERCOT must complete this audit before any data center projects move forward.

The Governor's action effectively establishes a temporary moratorium on data center development at the state level that will impact new local data center development.

Dallas currently regulates data centers as communications exchange facilities under Dallas Development Code Section 51A-4.212(4). A communications exchange facility is a utility and public service use that is allowed by right in most nonresidential zoning districts throughout the city.

Hyperscale data centers are currently under construction in nearby cities. Hyperscale data centers can require significant electrical capacity and water resources and may also generate heat and noise. These characteristics, depending on the size, location, design,

and operation of a facility, have the potential to affect the health, safety, welfare, and quality of life of nearby residents.

The intent of establishing this moratorium is to allow staff time to examine the best practices for regulating hyperscale data centers and ensure that no new permits authorizing the construction or development of new hyperscale data centers or certificates of occupancy authorizing the initial occupancy of hyperscale data centers may be issued for projects that are not already vested while city and state authorities examine a proper regulatory framework.

Submitted for consideration by:

Chad West, District 1

Printed Name, District #



Signature

Supporting Council Member Signatures (4 Signatures Only):

Kathy Stewart D10

Printed Name, District #



Signature

Laura Cadena D6

Printed Name, District #



Signature

PAUL E RIDLEY D14

Printed Name, District #



Signature

Jaime Resendez D5

Printed Name, District #



Signature

- c: Honorable Council Members
Kimberly Bizzor Tolbert, City Manager
Bertram A Vandenberg, City Attorney (I)
Rory Galter, City Auditor (I)
Billieae Johnson, City Secretary