EXECUTIVE BRIEF

Managing the Moratorium

What Local Governments Should Accomplish Before the Clock Runs Out

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A MORATORIUM IS A MANAGEMENT PERIOD - NOT JUST A ZONING PAUSE

The objective is neither to encourage nor discourage data-center development. It is to make the organization capable of the next decision without improvisation.

The management assignment

Communities are pausing data-center approvals because many development codes predate hyperscale and AI infrastructure. Ordinance work is essential, but it is not sufficient. A modern data center can affect electric service, water and wastewater, transportation, emergency response, public finance, economic development, environmental resources, neighboring land uses and public confidence.

Treat the moratorium as an enterprise-wide local-government work program. Planning should remain central, supported by management, utilities, engineering, finance, legal, economic development, emergency services and community engagement. The governing question is: what must the organization accomplish with the time it has created?

The seven jobs of a moratorium

1 Establish the facts

Create one evidence and assumptions register. Inventory plans, utility information, infrastructure capacity, development pressure, public concerns and unresolved questions. Distinguish verified facts from estimates, applicant representations and assumptions. A nearby transmission line does not establish available power; nominal treatment capacity does not establish peak-day supply; announced investment does not establish net fiscal benefit.

2 Understand infrastructure - and who pays

Identify what large-load development could require from electric, water, wastewater, transportation, fiber and emergency-service systems. Ask what must be built, when it can be delivered, what community priorities could be displaced, and who bears cost and risk. Protect existing taxpayers and utility customers from project-specific costs and stranded investment.

3 Decide where development fits

Map where power, utilities, transportation, environmental conditions and compatible land uses align; where buffers and expansion can be accommodated; and where development of this scale should not occur. Zoning districts, overlays, setbacks, buffers and noise standards should express that broader community strategy - not substitute for it.

4 Set decision criteria before an applicant arrives

Define what future applicants must demonstrate about power, water, infrastructure, fiscal effects, traffic, noise, environmental conditions, emergency services, phasing and decommissioning. Specify when independent technical review is required and who pays. Do not predetermine the answer; predetermine how the proposal will be evaluated.

ORGANIZATIONAL STANDARD

Planning is a central component of a larger multidisciplinary effort. The ordinance should be the regulatory expression of the community's strategy - not the strategy itself.

Complete the work before the clock runs out

5 Define public value, cost responsibility and accountability

Capital investment alone does not establish community value. Set principles for cost responsibility, taxpayer and ratepayer protection, fiscal performance, phasing, financial security and failure scenarios. Decide what responsible development should contribute over its operating life. Commitments should be documented, measurable, monitored and secured through legally appropriate mechanisms.

6 Build the public process before there is a project to defend

Use the moratorium to ask what residents want protected, which impacts concern them, what applicants should disclose, where conflict would be unacceptable and what meaningful public value looks like. Engagement should establish decision criteria while choices remain open - before a particular site or announcement divides the discussion into supporters and opponents.

7 Design the next application process

Walk a hypothetical application through the organization. Name who leads, when utilities and counsel enter, who evaluates fiscal and engineering impacts, who briefs the board, when the public participates, who negotiates and records commitments, and who monitors compliance. A sophisticated ordinance administered through a fragmented process still leaves the community vulnerable.

The manager-planner partnership

Broadening the assignment strengthens planning's role. The planning director brings expertise in comprehensive planning, development patterns, land-use regulation, ordinance administration and public review. The manager connects that work to utilities, engineering, finance, legal, economic development, emergency services and community engagement.

Planning determines how the community should regulate the use. Management ensures the organization is prepared to govern its consequences.

Set exit criteria - not only an expiration date

Before lifting the moratorium, leadership should be able to answer:

- Where can development appropriately occur, and what can infrastructure support?
- What must every applicant demonstrate, and what protections apply?
- Who pays for project-specific infrastructure and service impacts?
- What public value is expected, and how will residents participate?
- Who coordinates review and monitors commitments?
- When will the community require more study, impose conditions or decline?

THE EXECUTIVE PRINCIPLE

A moratorium is successful not when the prohibition expires, but when the need for improvisation ends.

The goal is a community prepared to make a multidisciplinary, evidence-based and publicly defensible decision.

Research basis

This brief is derived from the longer Bear Strategies white paper Beyond Incentives: Building the Social License for Data Center Development (July 2026), which treats infrastructure, resource stewardship, land-use compatibility, public value, procedural legitimacy and accountability as an integrated governance challenge. It is also informed by Moody's Ratings' June 24, 2026 public-finance analysis of data-center moratoria, infrastructure and affordability, including the importance of preventing project-specific costs from shifting to existing taxpayers and ratepayers.

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