



585 Liberty Street SE
Salem, OR 97301

CITY OF SALEM Meeting Agenda City Council

Monday, July 13, 2026 06:00 PM Loucks Auditorium / Salem Public Library

This meeting is being conducted both in-person and remotely and allows remote attendance by the governing body, when requested. Interested persons may attend the meeting in Loucks Auditorium at Salem Public Library or view the meeting in real-time on the City of Salem YouTube Channel, thanks to a partnership with CC:Media. Comcast Cable subscribers can watch on CC:Media Channel 21. Please submit comments on agenda items by 5:00 p.m., or earlier, on the day of the meeting at cityrecorder@cityofsalem.net. If attending the meeting remotely, public comment and testimony may be provided during the meeting via Zoom. Remote attendees must pre-register between 8:00 a.m. and 3:00 p.m. on the day of the meeting using this link: <https://www.cityofsalem.net/comment-at-council>

1. OPENING EXERCISES: (Includes call to order, roll call, pledge of allegiance, announcements, proclamations, ceremonial presentations, and Council comment)

Call to Order
Roll Call

1.1 APPROVAL OF ADDITIONS AND DELETIONS TO THE AGENDA

1.2 COUNCIL AND CITY MANAGER COMMENT

1.3 PROCLAMATIONS

1.3.1 Proclamation - Disability Pride Month.

1.3.2 Proclamation - 250th Anniversary of the Declaration of the Independence.

1.4 PRESENTATIONS

2. PUBLIC COMMENT: (Comment on agenda items other than public hearings and deliberations)

3. CONSENT CALENDAR: (Includes approval of minutes, adoption of routine resolutions, and items of business requiring Council action)

3.1 MINUTES

3.1.1 June 22, 2026, Draft City Council Minutes

3.2 RESOLUTIONS

3.2.1 Initiation of amendments to the Salem Wastewater Collection System Master Plan and associated Salem Revised Code definitions.

Resolution No. 2026-29 initiates amendments to the Salem Wastewater Collection System Master Plan (WWMP). The Plan is a component of the Salem Area Comprehensive Plan that guides the development and management of wastewater collection system infrastructure to meet current and future community needs. The Plan is a component of the Salem Area Comprehensive Plan. An amendment to the WWMP is considered a “major comprehensive plan amendment” per Salem Revised Code (SRC) 64.020(b), which must be initiated by City Council.

Recommendation:

Adopt Resolution No. 2026-29, initiating amendments to the Salem Wastewater Collection System Master Plan, a component of the Salem Area Comprehensive Plan, and initiating amendments to the associated definitions in Salem Revised Code 64.005 and 200.005.

3.2.2 Acquisition of Properties for the Commercial Street SE: Vista Street to Ratcliff Drive Project

The Commercial Street SE: Vista Street to Ratcliff Drive Project will improve pedestrian access and enhance traffic flow at the intersection of Commercial Street SE and Ratcliff Drive. This includes infilling and reconstructing sidewalks and ramps, installing a new traffic signal, enhancing bicycle facilities, and widening the roadway along Ratcliff Drive to accommodate a new left turn lane.

Recommendation:

Adopt Resolution Nos. 2026-14, 2026-21, 2026-22, 2026-23, 2026-24, 2026-25, 2026-26, 2026-27 and 2026-28 declaring a public need to acquire; the City of Salem’s intent to negotiate; and if necessary, authorizing the City Attorney to commence eminent domain proceedings for the acquisition of right-of-way and easements for the Commercial Street SE: Vista Street to Ratcliff Drive Project

3.3.3 Intergovernmental Agreement with the Oregon Department of Transportation to update the Salem Transportation System Plan to comply with State Climate Friendly and Equitable Communities rules.

The City is required by the State's Climate Friendly and Equitable Communities rules to update the Salem Transportation System Plan. This project will be supported by a consultant team that is largely funded by the Oregon Department of Transportation (ODOT) with up to \$974,751 of federal funds. The attached Intergovernmental Agreement includes a scope of work that specifies responsibilities for the City and ODOT. The City will be responsible for providing matching funds (10.27 percent of total eligible costs – which is approximately \$111,565) and contributing staff time to manage the project and lead public engagement efforts. The City's adopted capital budget includes funding to cover the required local match.

Recommendation:

Authorize the City Manager to execute the attached Intergovernmental Agreement with ODOT to update the Salem Transportation System Plan.

3.3.4 Salem Safety and Livability Bond Premium and Saving Use Policy

In November 2022, Salem voters approved the \$300 million Safety and Livability Bond program, which is being issued over a 10-year period. During the first two bond issuances, the City received \$10.8 million in bond premium. In addition, some completed projects have generated savings that may be available for other eligible bond purposes.

Because the Safety and Livability Bond program includes multiple project categories over many years, a consistent process is needed to guide the use of bond premium and project savings. In March 2026, the Bond Oversight Committee approved a Premium and Savings Use Policy for the program and is forwarding the policy to City Council for consideration and adoption.

Recommendation:

Adopt the proposed Premium and Savings Use Policy for the Salem Safety and Livability Bond program.

3.3.5 Support of Marion County's litigation against the U.S Army Corps of Engineers regarding the planned deep drawdown of Detroit Reservoir.

The City of Salem supports Marion County's efforts to challenge the U.S. Army Corps of Engineers' (USACE) proposed deep drawdown of Detroit

Reservoir due to significant concerns about increased turbidity in the North Santiam River, which is the sole drinking water source for approximately 220,000 residents. The USACE's Final Supplemental Environmental Impact Statement (SEIS) did not adequately address these concerns, and the agency failed to comply with federal requirements, including the Thomas R. Carper Water Resources Development Act of 2024.

Recommendation:

Adopt a letter of support for Marion County's litigation against the U.S Army Corps of Engineers regarding the planned deep drawdown of Detroit Reservoir

4. PUBLIC HEARINGS

4.1 Annexation of an approximate 1.01-acre territory located at 3851 Croisan Creek Road S (ANXC-766).

Annexation of an approximate 1.01-acre territory located at 3851 Croisan Creek Road S.

Recommendation:

Approve the annexation of the territory located 3581 Croisan Creek Road S, including the withdrawal from the Salem Suburban Rural Fire Protection District and application of the RA (Residential Agriculture) zoning and forward to first reading.

5. SPECIAL ORDERS OF BUSINESS: (Items deferred from the Consent Calendar; Mayor and Councilor Items; Items which require a selection among options; or of special importance to Council; management reports; presentations by City boards, commissions, committees, or outside agencies)

6. INFORMATION REPORTS: (Items that require no Council action)

6.1 Update on the status of City resiliency measures to prepare for the pending deep drawdown of Detroit Reservoir proposed for Fall of 2026.

Recommendation:

Information Only.

6.2 Planning Commission Decision - A Minor Comprehensive Plan Map Amendment, Neighborhood Plan Map Amendment, and Zone Change from MU-R (Mixed-Use Riverfront) to IC (Industrial Commercial). – Denied Minor Comprehensive Plan Map Amendment / Minor Neighborhood Plan Map Amendment / Quasi-Judicial Zone Change Case CPC-NPC-ZC26-02 - Loren W. Boeckman, Trustee of the Eleanore M. Boeckman Trust – 1505 Front Street NE. The applicant has appealed this decision (Attachment 2). The decision will have a public hearing before

the City Council at a future date.

Recommendation:

Information Only.

6.3 Notice of proposed administrative rulemaking for updates to the existing Public Works Design Standards related to Water (Administrative Rule 109-005) and Streets (Administrative Rule 109-006).

Amendments to Administrative Rules 109-005 and 109-006 are proposed to support recent changes to zoning code for middle housing, updates to Federal Guidelines, and general engineering practice. The changes to existing Administrative Rules include the following:

- (1) Requiring larger water main sizes under certain dead-end conditions to accommodate increased water demands within higher density development,
- (2) Improving seismic resiliency of the water pipe network by changing how the water pipe joints are designed to resist major ground disturbing events,
- (3) Reducing the required design speeds for certain street classifications, and

- 1. Updating the reference to Public Right-of-Way Accessibility Guidelines to conform to the final rule published by US Access Board for accessible facilities in the public right-of-way.

Recommendation:

Information Only.

7. ORDINANCES

7.1 FIRST READING:

7.2 SECOND READING:

7.2.1 Second Reading of Ordinance No. 7-26 amending SRC Chapter 38 - Tourism Promotion Area

On March 23, 2026, the City Council approved changes to the Salem Revised Code (SRC) concerning the Tourism Promotion Area (TPA) which included bringing short-term and accessory short-term rentals into the TPA. Since that time, the City has communicated with AirBnB regarding their ability and responsibility to collect and remit the TPA fee for hosts who use their platform. Due to the current wording of SRC, AirBnB has been unwilling to perform this action. This code change will require AirBnB and any other similar platform to collect, remit, and report the TPA.

Recommendation:

Pass Ordinance Bill No. 7-26 amending SRC Chapter 38 - Tourism Promotion Area.

8. PUBLIC COMMENT: (Other than agenda items)

9. ADJOURNMENT

10. UPCOMING PUBLIC HEARINGS AND WORK SESSIONS

CITY COUNCIL PUBLIC HEARINGS:

SALEM HOUSING AUTHORITY PUBLIC HEARINGS:

URBAN RENEWAL AGENCY PUBLIC HEARING:

CITY COUNCIL WORK SESSIONS: (Unless otherwise noted, work sessions are held in Loucks Auditorium.)

Long Range Planning after Our Salem: Parks, Transportation, Natural Resources, Climate, Housing, and Utilities
Monday, July 20, 2026, at 6:00p.m.

10.1 2026 NEIGHBORHOOD ASSOCIATION ANNUAL MEETING DATES:

Neighborhood	Annual Meeting	Time	Councilor
SEMCA	April 14	10:00 a.m.	Nishioka, Matthews
Grant	May 7	6:15 p.m.	Tigan
Highland	May 14	6:30 p.m.	Brown, Tigan
ELNA	June 4	6:30 p.m.	Vang
Morningside	June 10	6:30 p.m.	Nishioka, Matthews
SCAN	June 10	6:30 p.m.	Nishioka, Nordyke
Faye Wright	September 8	6:30 p.m.	Nordyke, Matthews
Northgate	September 17	6:00 p.m.	Brown
NOLA	October 1	6:30 p.m.	Brown
West Salem	October 1	6:30 p.m.	Tigan, Varney
Sunnyslope	October 15	7:00 p.m.	Nordyke, Gwyn
NESCA	October 20	7:00 p.m.	Nishioka, Tigan
CANDO	October 20	6:00 p.m.	Nishioka, Tigan
SESNA	October 24	7:00 p.m.	Nishioka
SWAN	November 3	6:30 p.m.	Nishioka, Nordyke

1 00:02:56 **MAYOR HOY:**
2 All right. Chair Nishiyoka, do we have any additions or
3 deletions?
4 00:03:01 **COUNCILOR NISHIOKA:**
5 We do not have any additions or deletions for tonight. [Glances
6 exchanged.] Yes, that'll be in the consent calendar.
7 00:03:14 **MAYOR HOY:**
8 Great. Okay, we are moving on to council and city manager
9 comment, and I'm going to take the opportunity to go first this
10 evening.
11 [Additional discussion ommitted.]
12 00:15:14 **MAYOR HOY:**
13 Anybody else? City Manager Nombury.
14 00:15:20 **CITY MANAGER NAMBURI**
15 Thank you, Madam Mayor. I know there have been questions about
16 the data center project in Salem. And how this came about.
17 The process that was followed.
18 And also the non-disclosure agreement. So what I would like to
19 do today is to take a few minutes and just kind of walk you
20 through the process of basically answering all those questions
21 and also covering what the next steps are.
22 The company, Veris, V-E-R-R-U-S, released the city from the NDA
23 late last week. So, and also they publicly announced the
24 project today.
25 So as a result, we are now able to share additional information
26 about this project. The company also launched a website it's
27 oaklineatmillcreek.com. The company, they actually launched
28 the website I think like about an hour ago.

1 And also an article about this project will be published in the
2 Portland Business Journal tomorrow morning. That's what we
3 heard from the company. So the initial inquiry came to the
4 city through CEDCOR in March 2025. So this was last year and
5 as with many economic development opportunities CEDCOR
6 connected the company with the city staff to determine whether
7 Salem could be a suitable location for the project. And when
8 companies are evaluating potential locations for significant
9 investments. They often request confidentiality during the
10 early stages of discussions. This is a common practice in
11 economic development. Because companies may be evaluating
12 multiple locations and are not ready to share information about
13 their operations, technology, or investment levels. So the
14 city regularly works with prospective businesses through this
15 type of process. So these discussions typically involve the
16 company, CEDCOR, Business Oregon, and the appropriate city
17 staff. And the purpose of these discussions is to understand
18 whether the necessary infrastructure exists for the company to
19 operate in that area, whether the type of use is allowed, and
20 also whether there are opportunities or challenges that need to
21 be addressed.

22 So the NDA with the company was signed. So it was signed with
23 the company's name is Veris. The NDA was signed in late March
24 2025. And was handled consistent with our normal practice.
25 Since then, since the signing of that non-disclosure agreement.
26 the staff had one introductory meeting with the company
27 followed by three technical meetings.
28 And those meetings are to understand the proposed site design,

1 possible transportation access, utilities that are needed for
2 them to operate, environmental considerations and one
3 additional conversation happened about a conservation easement
4 for the preservation of heritage oak trees.
5 That is essentially the extent of the city's odd interaction
6 with the company. To be completely transparent both the city
7 and Veris agreed that we will release the details of those
8 meetings publicly. Now from the, as far as the project details
9 are concerned. Like I said, you are welcome to take a look at
10 the website to kind of get more information about it. But the
11 project details.
12 The proposal is for a data center in the Mill Creek Corporate
13 Center. And the property is zoned for industrial uses. And a
14 data center is a permitted use. From the economic impact
15 perspective the company has indicated the potential for 75
16 permanent high paying jobs, a private investment of
17 approximately 5.1 billion. And for context the city's current
18 tax base is approximately 16.7 billion. And the company's
19 investment is 5.1 billion.
20 So based on the initial estimates this project could generate
21 approximately 9 million annually for the city's general fund.
22 And approximately 1.5 million annually for the community
23 livability levy.
24 We have also been informed, I know there are a lot of questions
25 about the water consumption, so we have also been informed that
26 the proposed facility would be designed as a low water
27 consumption data center. Staff will carefully evaluate the
28 project's water demand to ensure that it does not put City's

1 long term water needs at risk.

2 With electricity, On I know Wendy Valise from PGE is here.

3 20:57 [NAMBURI looks up from her papers and smiles out into the

4 audience.]

5 But on July 7th, PGE became the first company to implement

6 Oregon's power act delivering on its commitment to have growth

7 pay for growth.

8 The Oregon public utility commission approved PGE's request to

9 establish a separate rate structure for data centers. And under

10 the new framework Costs related to growth are paid by the

11 customers driving that growth. And so as a result of this

12 approval Data centers will see an average 29% increase in rates

13 while residential customers are expected to see an average of

14 1.3% decrease.

15 Varus, the company that is interested in coming to Salem. also

16 participated in this rate structure with PGE. So they

17 participated in the rate structure discussions. And have been

18 very supportive of the changes. There has been a public

19 announcement about the PGE Rate structure, so I encourage you

20 to kind of look at that.

21 So next steps at this point. The city is evaluating the

22 proposal. We're not advocating or approving it right now. If

23 the project moves forward, it will, the project will go through

24 The city's normal planning development engineering utility and

25 regulatory review process. The city's role os to ensure that.

26 both potential benefits and impacts are carefully evaluated,

27 and any development, alliance with our communities, long-term

28 interests. We will also work with the company to develop a

1 community benefits agreement. That provides meaningful
2 benefits to the Salem community. I was also encouraged to hear
3 from the company that they're interested in making additional
4 investments in projects and priorities that are important to
5 Salem community. I want to ensure that it's very important
6 both to me and as well as our staff, that we carefully evaluate
7 every aspect of this proposal and we do everything we can to
8 identify. And mitigate any potential risks. So the city will
9 also have our web page. Available tomorrow morning with a list
10 of frequently questions, frequently asked questions and
11 answers.

12 As additional information becomes available, we will continue
13 to keep the council and the community informed on this.
14 So thank you.

15

16 00:23:54 **MAYOR HOY**

17 Thank you, Madam city manager. Anyone else have comment
18 tonight? All right then, we have two proclamations.

19 ...

20 01:06:17.190 **KATHLEEN TREPA**

21 Kathleen Trepa, Ward 7.

22 With regard to the extensive comments provided by the City
23 Manager this evening about the proposed data center project, I
24 would strongly urge staff to bring that project back as an
25 agenda item on a future project.

26 The city has a comprehensive agenda that is properly noticed so
27 that the public has an opportunity to provide some input at the
28 front end as well. I came here tonight to talk about whether

1 or not Betsy Vega met the residency requirements listed in the
2 Salem City Charter to run for Ward 6 Counselor

3 ...

4 01:18:30 **MAYOR HOY**

5 Debbie Debbie Robley and Rachel Atchison it's already on your
6 one more time sorry

7 **DEBBIE ROBLEY**

8 good evening I am the last person that I ever expected to be
9 speaking in front of city council. I am here in opposition to
10 data centers and i do believe that it's very important that
11 this be put on a public agenda for future meetings. I have
12 been watching what has been happening nationally and even local
13 in hillsborough regarding data centers they use they do not
14 they make a lot of promises to the community that they do not
15 follow through on they use more water they poison the water.
16 There have been already been a settlement in the state of
17 oregon regarding water that was poisoned by a data center, they
18 use a lot of electricity and it affects everybody's bills
19 around them i think that water is a tremendous asset to our
20 system but i just think it's really important that we do not
21 sell our water to people that live in the city but i think
22 that's especially important because oregon is already in a
23 drought state we are already having problems with water in the
24 city of salem we don't need a data center to take our water
25 water is life and there are droughts all over the united states
26 of america right now and we need to really think about how
27 precious that resource is additionally it has been noted that
28 bees the sounds emitted by data centers are affecting bees and

1 their ability to navigate it's affecting birds it also is
2 affecting animals that have stillborn babies that are not
3 having babies there's a lot to data centers that we really
4 really need to look at before we put one into our community.
5 Hillsboro i don't know if you've seen they have been in the
6 news repeatedly about the noise that has been generated to
7 these data centers and the livability issues from that sound
8 it's 24 7 it never stops and i'm sorry i didn't have a speech
9 prepared i'm just here speaking from my heart but i believe
10 that it is very important that we do not have a data center in
11 salem i understand that there are a lot of jobs in construction
12 that is the biggest big big cell with every data center that
13 has been built in the united states and then once the data
14 center is there it is not helping the community in the way that
15 the data center has said that it is going to we have 147 data
16 centers in oregon why do we need so many knowing what they are
17 doing to our environment to the water to the air to the animals
18 and what is the impact on people we don't even know yet so i
19 think we really really really need to think about this and it
20 needs to be put on a public agenda for everyone in salem to be
21 able to have their voice

22 01:21:40

MAYOR HOY:

23 thank you for your testimony. Rachel Atchison and Paul Elder

24

25 **RACHEL ATCHISON**

26 hi there rachel atchison ward three um i did not know that
27 agenda the first i heard of this was that my neighborhood
28 association on wednesday and my counselor mr matthews said that

1 uh that the city was negotiating with a company about a data
2 center so that was um that was uh surprising to me and i didn't
3 have any chance to prepare anything so i'm just sitting here
4 doing a little bit of searching um so varus is google so it's
5 an alphabet company so uh varus is a name uh used with tesla as
6 part of a utilized coalition apparently um and they do a lot of
7 green washing saying things like hey we're low water
8 consumption and we're putting back into the grid and all these
9 things that make it sound um really good so anyway um with a
10 little more time and preparation and items on the agenda i'm
11 sure that you'll have a lot more community response i have
12 great respect for our carpenters and electricians and the
13 unions and all these workers here tonight and of course i am in
14 favor of good paying jobs but the thing is it's a few years you
15 get good jobs you get good money for a few years and then we
16 have to live with this crap for forever i mean it yeah it's
17 just like think about the whole community i understand that it
18 would address the council for you for that for them i'm sorry
19 anyway uh just do a little bit of research uh i guess now varus
20 is suing the state of michigan as well as the state of the
21 state of the state of the state of the state of the state as
22 well as the lion township because um uh the community members
23 have have put up a big opposition to a proposed project in
24 their um in their city and uh they're so hell-bent on building
25 it that now they're like wanting to sue the city and the state
26 of michigan so i don't think you're getting in with good
27 bedfellows so just be very very careful um you know as you
28 proceed uh and then just a few other things that i've just

1 known that like um yeah i think that's what i wanted to say is
2 that the state of michigan has been dumping toxic metals back
3 into the water sources the one in the dowels uh has tripled the
4 water use that they said they were going to use so this is how
5 much water we're going to use and then now they're using triple
6 that what they said you know their initial promises were so
7 these companies lie they want to get these built and they want
8 to get these built to take away jobs so the end result is that
9 they take away good paying jobs from people because they
10 automate them and ai is taking away our critical thinking
11 skills our doctors you're saying oh they're being used in
12 hospitals doctors using ai are losing their skills there's
13 nothing good about ai there's nothing good to come of it so we
14 can say we want the money we'll build these things but is it
15 the is it the right thing to be building and i'm sorry that i
16 wasn't prepared or more eloquent but i'll be back

17

18 01:24:54 **MAYOR HOY**

19 thank you for your testimony paul elder paul elder and dominic
20 de piero

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Minutes

Monday, July 13, 2026

06:00 PM

Loucks Auditorium / Salem Public Library

City Council

Present: Mayor Julie Hoy, Councilor Nishioka, Councilor Gwyn, Councilor Vang, Councilor Brown, Councilor Nordyke and Councilor Varney

Absent: Councilor Tigan and Councilor Mathews

1. OPENING EXERCISES: (Includes call to order, roll call, pledge of allegiance, announcements, proclamations, ceremonial presentations, and Council comment)

Call to Order 6:03 p.m.

1.1 APPROVAL OF ADDITIONS AND DELETIONS TO THE AGENDA

None.

1.2 COUNCIL AND CITY MANAGER COMMENT

Comments by: Mayor Julie Hoy, Councilors Brown and Nishioka, and City Manager Krishna Namburi.

1.3 PROCLAMATIONS

1.3.1 Proclamation - Disability Pride Month.

Councilor Gwyn read the proclamation into the record.

George Fitzgerald accepted the proclamation.

Comments by: George Fitzgerald.

1.3.2 Proclamation - 250th Anniversary of the Declaration of Independence.

Mayor Julie Hoy read the proclamation into the record.

7.2 SECOND READING:**7.2.1 Second Reading of Ordinance No. 7-26 amending SRC Chapter 38 - Tourism Promotion Area**

Second reading of the ordinance was conducted. Ordinance Bill No. 7-26 amending SRC Chapter 38 - Tourism Promotion Area.

Aye: (7): Mayor Julie Hoy, Councilor Nishioka, Councilor Gwyn, Councilor Vang, Councilor Brown, Councilor Nordyke, and Councilor Varney

Absent: (2): Councilor Tigan, and Councilor Mathews

CARRIED**8. PUBLIC COMMENT: (Other than agenda items)**

Comments by:

Eric Morgan, Northwest Carpenters Union, Ward 6, Data centers

John Snider, Northwest Carpenters Union, Ward 6, Data centers

Brian Lemke, Northwest Carpenters Union, 61236 Stackland Road, Data centers

Trampas Simmons, Northwest Carpenters Union, Ward 3, Data centers

Kathleen Trepka, Ward 7, Data centers, Betsy Vega residency requirements

Lynn McDonald, Business Manager, IBEW Local 280 Electrical Workers, Data centers

Lynelle Wilcox, Ward 1, OODT Sweeps

Mike Ellison, Ward 2, Data centers

Debbi Robblee, Ward 3, Data centers

Rachael Atchison, Ward 3, Data centers

Paul Elder, no ward listed , Data centers

Dominique Dipiero, Local 290, Data centers

Question: Councilor Brown, Dominique Dipiero, Data centers

9. ADJOURNMENT

7:33 p.m.

Minutes prepared by Amy Johnson, City Recorder.

3.1.1 July 13, 2026, Draft City Council Minutes

3.2 RESOLUTIONS

3.2.1 Resolution No. 2026-30, Amending Council Rules

City Council reviewed the proposed rule changes at its May 26, 2026 Council meeting and referred the rules to staff for review and modification. The recommended changes referred to in this report contain the proposed changes Council reviewed on May 26th and additional modifications reflecting Council's discussion and direction.

Recommendation:

Adopt Resolution No. 2026-30 amending council rules as set forth in Exhibit A

3.3 ACTION ITEMS

3.3.1 Agricultural Use Lease Agreement for Tax Lot #062W31D00100 - a 45.26-acre parcel located at 4498 Hazelgreen Road NE

The City owns a 45.26-acre parcel at 4498 Hazelgreen Road NE that is designated for use as a future park. J & G Farms, LLC has approached the City with a request to lease the parcel through next September for agricultural use. The proposed lease also includes three one-year renewal options.

Recommendation:

Authorize the City Manager to sign the agricultural use lease between the City of Salem and J & G Farms, LLC for the 45.26-acre parcel located at 4498 Hazelgreen Road NE adjacent to Lunar Street NE.

4. PUBLIC HEARINGS

5. SPECIAL ORDERS OF BUSINESS: (Items deferred from the Consent Calendar; Mayor and Councilor Items; Items which require a selection among options; or of special importance to Council; management reports; presentations by City boards, commissions, committees, or outside agencies)

5.1 This report provides City Council and the community an update on the proposed data center at Mill Creek Corporate Center, including the current status of the proposal, activities to date, anticipated review process, and planned public engagement opportunities.

The company, Verrus, began its exploration of Salem as a site for a data center

sometime around March 2025. In late March 2025, at the company's request, the City entered into a non-disclosure agreement (NDA) while the company evaluated Salem as a potential location for a data center. During this period, as part of the preliminary review process, Verrus worked with City staff to evaluate site feasibility, including transportation access, utility capacity, site design, and environmental considerations.

In late April 2026, Verrus shared a revised site plan with technical staff. In June 2026, after staff informed the City Manager that the company intended to move to the next stage of evaluation, City leadership took steps to seek the City's release from the NDA so information about the project could be shared publicly. The City was released from its NDA on July 8, 2026. At the next opportunity to address the City Council and the community in an open public forum, the City Manager publicly shared information about the proposal.

The purpose of this report is to explain:

- the current status of the proposal;
- activities to date;
- what decisions have and have not been made;
- the City's role in reviewing the proposal;
- opportunities for public engagement; and,
- potential next steps should the project move forward.

Recommendation:

Information only.

5.2 Motion from Councilor Micki Varney concerning preventing non-disclosure agreements pertaining to future development of land for use as a data center.

Recommendation:

I recommend that the Council adopt this motion.

MOTION:

I move that City Council direct staff to explore options for prohibiting the City from entering into non-disclosure agreements with entities seeking to develop land in Salem for use as a data center.

DISCUSSION:

- At the July 13 City Council meeting, the public was informed that a data center was being considered for the at the Mill Creek Corporate Center. Members of our community have expressed concern and anger that they did not know a data center was being considered and they felt left out of the

TO: Mayor and City Council
THROUGH: Krishna Namburi, City Manager
FROM: Kristin Retherford, Community Planning and Development Director

SUBJECT:

This report provides City Council and the community an update on the proposed data center at Mill Creek Corporate Center, including the current status of the proposal, activities to date, anticipated review process, and planned public engagement opportunities.

Ward(s): Ward 3

Councilor(s): Councilor Matthews

Neighborhood(s): SEMCA – Southeast Mill Creek Association

Result Area(s): Good Governance; Natural Environment Stewardship; Safe and Healthy Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

SUMMARY:

The company, Verrus, began its exploration of Salem as a site for a data center sometime around March 2025. In late March 2025, at the company's request, the City entered into a non-disclosure agreement (NDA) while the company evaluated Salem as a potential location for a data center. During this period, as part of the preliminary review process, Verrus worked with City staff to evaluate site feasibility, including transportation access, utility capacity, site design, and environmental considerations.

In late April 2026, Verrus shared a revised site plan with technical staff. In June 2026, after staff informed the City Manager that the company intended to move to the next stage of evaluation, City leadership took steps to seek the City's release from the NDA so information about the project could be shared publicly. The City was released from its NDA on July 8, 2026. At the next opportunity to address the City Council and the community in an open public forum, the City Manager publicly shared information about the proposal.

The purpose of this report is to explain:

- the current status of the proposal;
- activities to date;
- what decisions have and have not been made;
- the City's role in reviewing the proposal;
- opportunities for public engagement; and,

- potential next steps should the project move forward.

ISSUE:

Information only.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

The purpose of this report is to provide City Council and the community with information regarding the proposed data center at Mill Creek Corporate Center. The report includes current status of the proposal and summarizes activities to date, explains the City's development review process, planned public engagement opportunities if the proposal proceeds, and outlines anticipated next steps.

Preparing Mill Creek Corporate Center for Industrial Use

In 2005, the [Mill Creek Urban Renewal Area](#) formed to prepare 650 acres of relatively flat land for industrial development in southeast Salem. Also in 2005, an Employment Center Zone was established for the area. In 2014, the Unified Development Code was adopted, which included data centers as an allowed use in Employment Center zones. Data centers are an [allowed use in land zoned for Employment Centers](#).

Initial Inquiry

When companies are evaluating potential locations for significant investments, they often request confidentiality during the early stages of discussions. This is a common practice in economic development because companies may be evaluating multiple locations while sharing proprietary information about their business plans, operations, technology, investment levels, and site requirements.

In late March 2025, at the request of the company, Verrus, the City of Salem entered into a non-disclosure agreement with a company that was evaluating Salem as a potential location for a data center at the Mill Creek Corporate Center. Non-disclosure agreements are commonly requested by companies or developers during their due diligence process while they determine project feasibility. While the NDA remained in effect, the City was contractually obligated not to disclose information provided by Verrus.

Preliminary Review: Evaluating Site for Proposed Use

The preliminary review process allows a prospective developer to determine whether a

site may be feasible for a proposed use. It also allows City staff to identify potential issues early in the process. Participation in this process does not indicate City support or approval of the proposal.

As part of the preliminary review process, the company submitted a pre-application with the City. During this stage, companies evaluate whether available land can meet their proposed need, whether the employment base is sufficient, and whether road, water, sewer, and electrical capacity are sufficient to support the development. Verrus had three preliminary technical conversations with staff about the development proposal, and one conversation about a proposal to establish a conservation easement on the property. A complete listing of conversations and materials received by the City is included in Attachment 1: Pre-Development Application Process: Data Center Proposal at Mill Creek Corporate Center.

These preliminary discussions were limited to evaluating project feasibility for the site. The City has not approved the proposal, negotiated development terms, committed City resources, nor made any decision regarding the project.

In June 2026, the City Manager was informed that the company intended to move the project into the next phase of evaluation. The City subsequently sought release from the non-disclosure agreement so information about the proposal could be shared publicly.

On July 8, 2026, the City was released from the non-disclosure agreement with [Verrus](#), the company exploring development of a potential data center to be located in the Mill Creek Corporate Center. The next opportunity for the City Manager to address the full Council as well as the community was in an open public forum at the July 13, 2026, Council meeting, where the City Manager informed the Council and the community about the project. On July 14, 2026, the City posted initial questions and answers regarding the data center proposal to its website.

Current Status of the Data Center Proposal

The proposal remains in the preliminary stages. Although the City has participated in preliminary technical discussions, no decisions have been made regarding approval of the project or commitments by the City.

At this time:

- No formal land use application has been submitted.
- No land use approval has been granted.
- No construction permits have been issued.
- No building permits have been issued.
- No development agreement has been executed.
- No Community Benefits Agreement has been negotiated or executed.

engage directly with the community and has indicated it intends to release a community engagement plan.

Community Benefits Agreement. Community benefits agreements are one tool that communities may use to secure commitments from developers for items of community interest. Should the proposal advance, the City will evaluate whether a community benefits agreement is an appropriate tool to establish accountability measures for the project. If the City determines a community benefits agreement is an appropriate tool and the proposal advances, such an agreement could establish clearly defined, legally binding commitments between the developer and the community. A community benefits agreement could address topics such as workforce development, employment opportunities, site improvements, residents' digital access, infrastructure investment, and other community priorities. Any such agreement would be evaluated based on the specific circumstances of the proposal, the community's interests, and the City's legal authority. The City has not committed to a Community Benefits Agreement at this stage.

Conservation Easement. Verrus has expressed interest in a conservation easement for the preservation of heritage oak trees on the site. An easement is permanently attached to the land itself rather than to a specific owner, meaning it "runs with the land" and automatically transfers to new owners if the property is sold.

BACKGROUND:

In late March 2025, at the request of the company, the City of Salem entered into a non-disclosure agreement with a company evaluating the Mill Creek Corporate Center as a potential location for a data center. During the preliminary review process, Verrus had three technical conversations with staff regarding the proposed development, and one conversation about a proposal to establish a conservation easement on the property. These discussions allowed the company to evaluate available land for their proposed need, whether the employment base was sufficient, and whether road, water, sewer and electrical capacity are sufficient to support the development.

In June 2026, after staff informed the City Manager that the company intended to move to the next stage of evaluation, the City took steps to seek the City's release from the non-disclosure agreement so information about the project could be shared publicly.

On July 8, 2026, the City was released from the non-disclosure agreement with Verrus, the company exploring development of a potential data center to be located in the Mill Creek Corporate Center. At the next opportunity to address the City Council and the community in an open public forum, the City Manager informed the Council about the proposal during the July 13, 2026, City Council meeting. On July 14, 2026, the City posted initial questions and answers regarding the data center proposal to its website and prepared to receive feedback at the July 27, 2026, City Council meeting.

City of Salem Council Meeting - July 13 , 2026



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0:06 - Urban Renewal Agency Meeting Call to Order

0:13 - Roll Call

0:38 - Pledge of Allegiance

1:06 - 1.1 Approval of Additions and Deletions to the Agenda

1:14 - 3. Consent Calendar

2:07 - Adjournment

2:25 - Salem City Council Meeting Call to Order

2:30 - Roll Call

2:55 - 1.1 APPROVAL OF ADDITIONS AND DELETIONS TO THE AGENDA

3:17 - 1.2 COUNCIL AND CITY MANAGER COMMENT

24:02 - 1.3 PROCLAMATIONS 1. Proclamation - Disability Pride Month

28:05 - 1.3.2 Proclamation - 250th Anniversary of the Declaration of the Independence.

30:27 - 2. PUBLIC COMMENT

32:34 - 3. CONSENT CALENDAR

39:22 - 4. PUBLIC HEARINGS 1. Annexation of an approximate 1.01-acre territory located at 3851 Croisan Creek Road S (ANXC-766).

48:37 - 5. SPECIAL ORDERS OF BUSINESS 1. 3.3.3 Intergovernmental Agreement with the Oregon Department of Transportation to update the Salem Transportation System Plan to comply with State Climate Friendly and Equitable Community rules.

54:01 - 6. INFORMATION REPORTS

56:40 - 7. ORDINANCES 2. SECOND READING 1. Second Reading of Ordinance No. 7-26 amending SRC Chapter 38 - Tourism Promotion Area

57:18 - 8. PUBLIC COMMENT

1:32:12 - 9. ADJOURNMENT

Screenshot from: https://www.youtube.com/watch?v=7uG_60v9Vzw

showing agenda and time milestones.

192.640 Public notice required; special notice for executive sessions or special or emergency meetings. (1) The governing body of a public body shall provide for and give public notice, reasonably calculated to give actual notice to interested persons including news media which have requested notice, of the time and place for holding regular meetings. The notice shall also include a list of the principal subjects anticipated to be considered at the meeting, but this requirement shall not limit the ability of a governing body to consider additional subjects.

(2) If an executive session only will be held, the notice shall be given to the members of the governing body, to the general public and to news media which have requested notice, stating the specific provision of law authorizing the executive session.

(3) No special meeting shall be held without at least 24 hours' notice to the members of the governing body, the news media which have requested notice and the general public. In case of an actual emergency, a meeting may be held upon such notice as is appropriate to the circumstances, but the minutes for such a meeting shall describe the emergency justifying less than 24 hours' notice.

[1973 c.172 4; 1979 c.644 3; 1981 c.182 1]

Screenshot of video (17:03.046), see
https://www.youtube.com/live/7uG_60v9Vzw?si=lPM_iPQ9cK43TJB8&t=1023

Friday, August 07, 2026 8:04 AM PDT

🔍

saledmdata.us/dev/salem/20260713_council/player.html

🏠 ⬅ ➡ 🔍

City of Salem Council Meeting — July 13, 2026



Position: 00:17:03.046 / 01:32:35.940

Current caption

And when companies are evaluating potential locations for significant investments.

Screenshot of video (1:32:35)

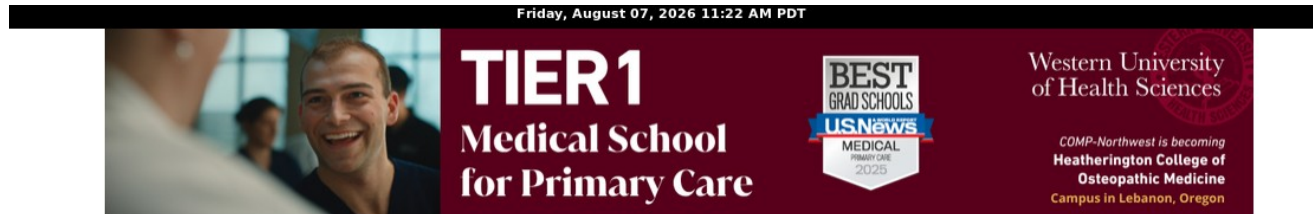
Friday, August 07, 2026 9:36 AM PDT

City of Salem Council Meeting — July 13, 2026



Position: 01:01:50.422 / 01:32:35.940

"Salem residents can comment on data center at July 27 Salem City Council meeting", *Salem Reporter*, July 17, 2026.
<https://www.salemreporter.com/2026/07/17/salem-residents-can-comment-on-data-center-at-july-27-salem-city-council-meeting/>



The public announcement was made during councilor and city manager comments, and the data center project did not appear on the council's agenda.

Namburi said the reason for that was because there was not enough time to place an information report on the agenda between when the city was released from a non-disclosure agreement with Verrus about the project, which occurred on July 8, and the following city council meeting on July 13.

"There is absolutely no question about whether this was going to come in front of the council or not. It had to. Because that is an opportunity for the community to come and give their opinions and concerns. And we are accepting opinions 24/7 through email, and we are documenting," Namburi said. "because that is an

Get involved

How to watch the Salem City Council meeting on Monday, July 27

- When: 6 p.m.
Monday, July 27
- Where: In person at
Loucks Auditorium,
Salem Public Library
(585 Liberty St. S.E.)
- Watch online:
Livestreamed on
YouTube in [English](#)
and [Spanish](#)

Krishna's Comments during Council Meeting

I know there have been questions about the Data Center project in Salem

- how this came about,
- the process that was followed,
- and the non-disclosure agreement.

I want to take a few minutes to answer these questions and also provide the Next Steps

The company “Verrus” released the City from the NDA late last week and publicly announced the project today.

As a result, we are now able to share additional information.

- a web page on Verrus’ proposed investment in Salem, called
 - the Oakline at Mill Creek. was launched by Verrus about an hour ago
 - <https://oaklineatmillcreek.com/>
- an article about this project will also be published in the Portland Business Journal tomorrow morning

Initial Inquiry:

The initial inquiry came through SEDCOR in March 2025.

As with many economic development opportunities

- SEDCOR connected the company *with* City staff to determine
 - whether Salem could be a suitable location for the project.

Non-Disclosure Agreement:

When companies are evaluating potential locations for significant investments,

- they often request confidentiality during the early stages of discussions.
- This is a common practice in economic development because
 - companies may be evaluating multiple locations
 - are not ready to share information about their
 - operations, technology, or investment levels, and site requirements.
- The City regularly works with prospective businesses through this type of process.
- These discussions typically involve
 - the company,
 - SEDCOR, Business Oregon,
 - and the appropriate City staff.
- The purpose of these discussions is to understand
 - whether the [necessary infrastructure exists](#) for the company to operate,
 - whether their [type of use is allowed](#) and the land use requirements, and
 - whether [there are other opportunities or challenges](#) to be addressed.

Meetings:

The NDA was signed with Verrus in late March of 2025 and was handled consistent with our normal practice.

Since then, staff had

- **one introductory meeting** with the company,
- followed by **three technical meetings** to understand
 - proposed site design,
 - possible transportation access,
 - utilities needed,
 - environmental considerations,
- and **one additional conversation** happened about a
 - **conservation easement** for the [preservation of heritage oak trees](#).
- That is essentially the extent of our interaction with the company.
- To be completely Transparent, Both the City and The company agreed that will release the details of its meetings publicly.

Project details

Location:

- The proposal is for a data **center in the Mill Creek Corporate Center**.
- *This property is zoned* for industrial uses, **and a data center is a permitted use**.

Economic Impact:

- The company has indicated **the potential for** 75 permanent, high-paying jobs
- **a private investment** of approximately \$5.1 billion.
 - For context, the City's current tax base is approximately \$16.7 billion.
- Based on the **City's initial estimates**, the project could generate
 - approximately \$9 million annually for the City's General Fund and
 - approximately \$1.5 million annually for the Community Livability Levy beginning in the fourth year after development.

Water:

- **We have also been informed that**
 - the proposed facility would be designed **as a low-water-consumption data center**.
- **Staff will carefully evaluate** the project's water demand to ensure
 - it does **not put Salem's long-term water** needs at risk.

Electricity:

On July 7, PGE became the first company to implement

- **Oregon's POWER Act, delivering on its commitment to have growth pay for growth.**

The Oregon Public Utility Commission approved **PGE's request** to

- **establish a separate rate structure** for large data centers.
- Under the new framework,
 - **costs related to growth are paid for** by the customers driving that growth.
 - As a result, data centers will see **an average 29 percent increase in rates**,
 - while residential customers are expected to see **an average 1.3 percent decrease**.
 - Verrus also participated in **the rate structure discussions** and supported the changes.

Next Steps

At this point, the City is evaluating the proposal—**not advocating for or approving it.**

If the project moves forward,

- it will go through the City's normal
- planning, development,
- engineering, utility, and
- regulatory review processes. (Site Plan Review)

The City's role is to ensure that

- that both the **potential benefits and impacts** are carefully evaluated and
- any development **aligns with our community's long-term interests**
- We will also Work with the company to develop a Community Benefit Agreement that **provides meaningful benefits to the Salem community.**
- I was also encouraged to hear that the company is interested in making additional investments in projects and **priorities that are important to our community.**

I want to assure you that it **is very important to both me and our staff** that

- we **carefully evaluate** every aspect of this proposal and
- **do everything we can** to identify and mitigate potential risks.

The City will have a web page available

- with a list of frequently asked questions and answers.

As additional information becomes available –

We will continue to keep the Council and the community informed.

Thank you.