

CITY OF SALEM
SEPTEMBER 9, 2026
JOINT PUBLIC HEARING

A Joint Public Hearing of the Salem City Council and the Planning Board was held in the City Council Chambers, City Hall, 93 Washington Street, 2nd floor, Salem, MA on Wednesday, September 9, 2026, at 6:00 P.M. in accordance with Chapter 40A, Section 5, of the Massachusetts General Laws for the purpose of discussing two (2) Zoning Ordinance Amendments relative to (1) data centers and (2) parking spaces, parking and loading, and development standards summarized below:

Notice of this hearing was posted on August 18, 2026, at 11:15 A.M. and advertised in the Salem News on August 26, 2026, and September 2, 2026.

Absent: Councillor Prosniewski

The meeting was called to order at 6:06 pm. Council President Merkl presiding.

The following Planning Board Members were present: Chair Kirt Rieder, Sarah Tarbet, Graham Wing, Helen Sides, Jonathan Berk, Elena Eimert, Zach Caunter (arrived late), and Tom Fury.

Absent: Josh Turiel

Also, in attendance: Mayor Pangallo and Special Counsel Amy Kwesell from KP Law.

SUMMARY OF TWO (2) ZONING ORDINANCES

#385 – ORDINANCE AMENDING A ZONING ORDINANCE RELATIVE TO DATA CENTERS

Section I - Section 3.1, Table of Principle and Accessory Use Regulations of the City of Salem Zoning Ordinance, is hereby amended by adding in Section D, Industrial Uses Data Center, as shown on the agenda.

Section II - Section 10.0, Definitions, is hereby amended by inserting the following definition after the definition for COOP. Data Center: A facility, or portion thereof, primarily designed or used to house computer servers and related information technology infrastructure for the storage, processing, management, or transmission of electronic data. A Data Center may include, but is not limited to, server racks, data storage systems, cooling systems, power conditioning equipment, substations, uninterruptible power supplies, backup generators, telecommunications equipment, security systems, and associated mechanical and electrical infrastructure. For purposes of this ordinance, a Data Center shall not be considered an Office, Warehouse, Manufacturing, or Research use. Notwithstanding anything herein to the contrary, Data Centers are prohibited in each and every underlying district, overlay district and special district of this ordinance. Section III - This Ordinance shall take effect as provided by City Charter.

Pangallo - The mayor explained that the proposed zoning ordinance would prevent large-scale commercial data centers, particularly AI-focused facilities, from being constructed in Salem. The city's zoning code does not currently specifically address data centers, the ordinance would define and prohibit this use as a precaution. The mayor supported refining the definition so that ordinary business server rooms would not inadvertently be prohibited. He cited zoning approaches in Mansfield and Shrewsbury that use thresholds based on electrical demand or square footage.

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The mayor emphasized that Salem's small geographic footprint and industrial history make it poorly suited to accommodate an intensive new industrial use. He stated that large data centers can bring significant environmental and infrastructure impacts and that Salem already continues to deal with the legacy of past industrial uses, including contamination, higher redevelopment costs, and impacts on parks, shorelines, and waterways.

The mayor stressed that the proposal was not a statement about artificial intelligence itself, but rather about the potential impacts of large-scale data-center facilities. He expressed concern that attempting to regulate the largest facilities through restrictions or "guardrails" could eventually lead to legal challenges or undermine the regulations. The mayor concluded that while there may be appropriate locations for large AI data centers elsewhere in Massachusetts or the country, he believes Salem should not accommodate them.

Discussion – City Council

King – How does the new executive order that Governor Healy just signed affect the language that we are proposing?

Kwesell – It doesn't have any impact on this ordinance or the definition. That is meant for much larger data centers and the definition is much narrower than this one.

Sydoriak – Asked for clarification on the proposed flexibility in the ordinance's language. Specifically, he wanted to understand how the ordinance would distinguish large-scale data centers from smaller, necessary server rooms associated with facilities such as hospitals or police stations. He also asked how the ordinance would apply to future developments—for example, if a hospital were proposed in Salem in the future and required an on-site server room. The question focused on whether such essential technology infrastructure would be permitted or potentially restricted under the proposed data-center prohibition.

Pangallo – As far as the flexibility, the threshold in Mansfield is 2 megawatts and in Shrewsbury, its 5,000 square feet, so we could consider either or both of those.

Kwesell - Any uses currently permitted under the zoning code would be grandfathered, and under changes to Massachusetts General Laws Chapter 40A effective July 1, applicants who had already applied for a permit would also remain subject to the previous ordinance. She also explained that the proposed definition is intended to exclude ordinary server rooms associated with other facilities, such as hospitals or telecommunication companies. Because the definition applies to facilities or portions of facilities primarily designed or used to house data, a server room that is incidental to a hospital, Verizon facility, or similar operation would not be considered a prohibited data center.

Sydoriak – If this ordinance didn't pass, where, could a data center be placed in the city?

Kwesell – Right now they are not listed in the ordinance as an acceptable use so therefore they should be prohibited, but that leaves the ordinance up to interpretation, and someone in the future may

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considerate a commercial or industrial use, so this ordinance would clarify that they are not an allowable use.

Smith – Does the language “the portion thereof primarily designed for” mean a separate room or a separate structure? Are there any active permits? And does this open us up for a bunch of permit applications getting submitted and grandfathered in while we get the recommendation and approval?

Kwesell – We are anticipating that it would be a separate structure that is why it says a facility or portion thereof and not building. Currently, data centers are not allowed so there shouldn’t be an issue with people submitting applications before we clarify this language, but it is up to the building commissioner to interpret the zoning, so we are clarifying that they aren’t allowed so there’s less confusion. Also, the new executive order requires that the city and operator enter into a community benefits agreement which is a contract between the parties but since the city doesn’t have data centers in the current ordinance, I don’t think the city will be forced to enter into a CBA but this adds more protection that it won’t slip through.

Holappa – Mayor Pangallo, have you discussed this with our current building commissioner, and does she interpret the zoning to not allow data centers?

Pangallo – Yes, we have spoken and she agrees with the interpretation that data centers are currently not an allowable use in Salem, but this will clarify that for future building commissioners.

King - She suggested that the proposed data center ordinance should distinguish among the five major types of data centers: enterprise, co-location, edge, modular, and hyperscale. She noted that the first four have existed for some time and are generally smaller-scale facilities, while the proposed ordinance appears primarily aimed at regulating newer hyperscale data centers. She recommended that the ordinance explicitly define the different types and establish different levels of zoning permissibility for each. Existing facilities should be grandfathered in, and ordinary server rooms or modest expansions should not be subjected to new permitting requirements. She also noted that institutions such as Salem State University may need somewhat larger data infrastructure for modern academic programs and should retain the ability to build it. As a possible approach, she suggested requiring zoning board approval for hyperscale data centers, while potentially allowing the other categories through a special permit process where additional review is warranted. The goal would be to regulate large-scale facilities without unintentionally restricting ordinary or necessary data infrastructure.

Pangallo - He clarified that Salem State University is exempt from the city’s zoning, so the proposed ordinance would not apply to its facilities. Regarding how to define different types of data centers, he said the city had considered using industry-standard categories but favored objective physical criteria instead, such as building square footage, the percentage of space dedicated to servers, or power consumption. This would make the ordinance less vulnerable to changing industry terminology or new types of facilities being created to avoid zoning requirements. He emphasized that existing facilities do not necessarily need to be permitted indefinitely simply because they currently exist. He supported continuing to allow ordinary server rooms and smaller facilities that support local businesses and other uses but argued that the city should establish a clear threshold above which a data center would not be

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considered appropriate for Salem. Concerns cited included water consumption for cooling, electrical demand, backup diesel generators and air-quality impacts, particularly as demand for AI-related data infrastructure grows. Given Salem's dense, built-out environment, he questioned whether even relatively small data centers could operate without significant impacts. Overall, he said he was open to further discussion with the Planning Board about how to define and regulate different facilities but favored establishing a firm limit on the scale or characteristics of data centers that would be allowed in Salem, rather than creating a broad pathway for new large-scale data center development.

King - She agreed that the environmental and energy-grid concerns raised about data centers were valid and suggested requiring on-site mitigation or offsets for any level of data processing permitted in Salem. She proposed that facilities meeting certain thresholds should be required to offset their impacts through measures designed to address energy, environmental, or other community effects. She also pushed back against prohibiting all data processing or smaller-scale data centers in Salem. While expressing opposition to hyperscale facilities, she argued that allowing appropriately limited local data infrastructure could reduce reliance on very large, centralized data centers operated by major corporations elsewhere. She said Salem could potentially prohibit hyperscale data centers while establishing strict standards for smaller facilities, requiring substantial mitigation and ensuring they do not negatively affect the local power grid or environment. She left the specific standards and approach to further consideration by the Planning Board.

Sydoriak – Why wasn't there more consideration for adding a process for some smaller data centers instead of a ban on all of them?

Pangallo - He supported establishing a threshold below which ordinary server rooms and data storage facilities associated with existing businesses could be permitted without a special permit, avoiding additional burdens for business owners. However, he questioned whether Salem should allow facilities specifically developed for large-scale data storage, expressing concern that proposed offsets or community benefit agreements (CBAs) could face legal challenges and potentially be weakened or reversed by future state legislation, leaving the city vulnerable to litigation. Drawing on concerns about how other industries have affected municipalities, he cautioned that financial incentives could ultimately shift costs and impacts onto the city and its residents.

Discussion – Planning Board

Tarbet – The environmental impact is the most concerning thing regarding data centers. Is there a way to put a separate mechanism in place rather than language labeling them as data centers because the only thing that we really know about data centers is that the industry is going to grow.

Pangallo - He explained that the proposed regulation is not intended to establish a precedent for every industry with environmental impacts but responds specifically to data centers documented potential effects on electricity demand and water usage, particularly given local drought conditions. He noted that existing environmental protections, including Conservation Commission regulations, already address impacts from other types of development. He also questioned the economic benefits of data centers, citing their relatively limited employment generation after construction compared with their resource

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demands. He said that if data centers become more environmentally benign and provide meaningful economic benefits in the future, a future Planning Board and City Council could revisit the policy, but based on current conditions, he did not see a need for Salem to permit this type of development.

Rieder - He urged that the proposed data center prohibition apply not only to new construction but also to adaptive reuse of existing buildings. He expressed concern that on-site mitigation requirements could create a loophole for facilities with very large resource demands, particularly water for cooling, and emphasized that water use should be the primary consideration, with electricity demand also included. He recommended defining thresholds using objective criteria such as square footage, annual water consumption, and energy draw rather than industry terminology, noting that fresh water would be difficult to generate or offset on-site. He emphasized the need to close potential loopholes involving the reuse of existing buildings, such as former telephone switching centers, so that distinctions between voice and data transmission do not inadvertently allow large data facilities. He supported allowing necessary server rooms for institutions and businesses but distinguished these from large hyperscale data centers, noting that some smaller data centers can operate in relatively compact spaces while hyperscale facilities can be extremely large and resource intensive.

Kwesell – She stated that this does apply to existing buildings and new construction because this is designated as a new use which could be going into an existing building. Also, she agreed, that there is no way to mitigate the use of water and electricity. An operator can offer the city something in return for the use of the water but there is no way to get that water that was used back. And she has seen the data centers in Kendall Square, and they are only around 2000 square feet, so they are very small and compact.

Public Comments

Steve Kapantis: He questioned why the city was considering a prohibition on data centers and argued that the discussion should focus on how data centers could be designed and regulated rather than banning them outright. He cited a recently completed data center in Portugal that reportedly uses seawater cooling, renewable energy, and design measures to reduce water and electricity impacts, and suggested Salem could establish standards addressing water use, renewable energy, size, height, and noise. He proposed a temporary 365-day moratorium under state zoning law to give the city time to study the technology and develop appropriate regulations. He also questioned concerns about water consumption, pointing to what he described as significant water loss in Salem's existing water system. He suggested potential locations such as Shetland Park and argued that an outright ban could be short-sighted, while a temporary pause followed by further study could allow Salem to determine what types of data centers might be appropriate.

George Burden: He said he was not necessarily speaking strictly in favor or opposition but questioned the rationale for banning data centers because they use substantial land while providing relatively few jobs. He compared that concern with the traffic and land impacts of Amazon's operations in Salem, describing seeing numerous Amazon delivery trucks traveling through downtown and lined up at the Salem Amazon facility that is six-acres. He suggested that some residents might prefer a large footprint

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use with fewer employees and less associated traffic, challenging the assumption that limited employment and land consumption necessarily make data centers undesirable.

Varela motions to close the public hearing. Motion carries 10-0. **Varela** motions to refer the matter to the planning board for their recommendation. Motion carries 10-0.

Rieder – Motion to close the public hearing by Berk and seconded by Wing. Motion carries 8-0.

#387 - AN ORDINANCE AMENDING ZONING RELATIVE TO PARKING SPACES, PARKING AND LOADING, AND DEVELOPMENT STANDARDS.

Section 1 - Amend Section 518, Table of Required Parking Spaces.

Section 2 - Amend Section 6118, Parking and Loading.

Section 3 - Amend Section 8784, Development Standards, Parking Standards, Section B, and parking ratios.

This ordinance shall take effect as provided by the City Charter.

King - She explained that the proposed zoning changes would remove minimum off-street parking requirements for two-family homes, with related language changes throughout the zoning ordinance to make the provisions consistent. She said the proposal follows the Council's extensive review and approval last year eliminating parking minimums for multifamily housing, which in Salem is defined as buildings with three or more units. As a result, two-family homes were inadvertently left subject to parking requirements. She characterized the proposal as closing a loophole in the current zoning. Under the existing rules, new single-family homes require two parking spaces, two-family homes require three spaces, while buildings with three or more units have no minimum parking requirement. She argued that it does not make sense for a three-family building to have no parking requirement while a neighboring two-family building must provide three spaces. She reiterated the reasoning behind eliminating parking minimums: parking adds construction costs, which can ultimately be passed on to homeowners and renters, including people who may not own cars. Removing the minimum does not prohibit parking; instead, it gives developers flexibility to determine whether parking is appropriate based on the location and project. For example, buildings near transit, train stations, or walkable areas may need less parking, while projects farther from transit may still choose to provide it. She also framed the proposal as a housing policy issue, saying Salem needs both more housing and a greater variety of housing types. She said two-family homes are an important part of that mix and that reducing parking requirements could make it easier to build them. She noted that the change could provide an alternative to larger apartment buildings for residents who prefer smaller-scale housing. Finally, she said the proposal was already contemplated in the Salem Housing Roadmap and that much of the relevant research had been conducted during the Council's parking review the previous year. Although the Planning Department could not attend the meeting, staff directed the Council to resources on the Imagine Salem website and the Housing Roadmap.

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Discussion – City Council

Sydoriak – This was intentionally left out of the study that the planning department did last year but they weren't able to make it tonight, so we don't know why it was left out. My understanding is that it wasn't a loophole but intentional. I think this is a good thing. It would be good to have a study on this change but maybe not as extensive as the last one. Should it be done as a blanket change or should we only change it for areas near transit?

Holappa - She questioned the underlying purpose and effectiveness of parking minimums, asking what data they are based on and whether they still serve the community. She said the City's multifamily parking study showed that parking demand is influenced more by household affluence and access to transit than by factors such as square footage or number of housing units. More affluent households tend to own more cars, while households located closer to transit tend to own fewer. She also noted that car ownership is a significant expense, citing an average Massachusetts household cost of about \$14,000 annually. From her perspective as the Ward 6 Councillor, she said residents have raised concerns that new housing can increase traffic and the number of cars in their neighborhoods. She argued that maintaining parking minimums could make it harder to create more diverse and affordable housing, calling the requirements outdated. She said she would support eliminating parking minimums citywide, including for commercial and residential uses, allowing the market and individual projects to determine how much parking is appropriate.

Turowski - She expressed strong support for the proposal and thanked Councillor King for bringing it forward. She said constituents have told her that moving to Salem allowed them to reduce the number of cars they own, arguing that abundant and free parking can encourage households to maintain more vehicles than they need. She also emphasized that much of Ward 1 has access to public transportation, particularly The Point and Derby Street neighborhoods, and said reducing parking requirements could help encourage more diverse housing and greater use of alternative transportation. She identified potential benefits in terms of the environment, cost of living, and public health, and expressed enthusiasm for moving the proposal forward.

Smith – He wished the planning department was here to answer these questions because we don't know why they didn't study the impact of off-street parking on 2 family units. Maybe it's because those units are being built farther away from public transportation? Not requiring minimum parking will incentivize the developers to build without parking even if it is in an area where the residents would benefit from parking. He is concerned that this will be a burden on our already overcrowded and narrow streets.

Merkel – Cautioned the councilors in regard to the planning department. They did not bring this in, and they are not here to speak on the subject. This is not the only time we will be discussing this, and you can send any questions that you have to the planning department.

King – She said the planning department has been very helpful answering questions so reach out to them if needed. We have 8 parking spaces per person in the United States. There is plenty of parking out there. Both Cambridge and Somerville have removed parking minimums altogether. They have

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better public transportation than we do but she thinks we should work towards getting more/better public transportation, so we don't need as much parking.

Flynn – He has concerns about this. People that move to Salem are still going to move here with their cars. He would like to find out how it would affect some of the neighborhoods and why this was left out of the study that the planning department did last year.

Discussion – Planning Board

Berk - He thanked Councillor King and said the Council had already reviewed substantial evidence on eliminating parking minimums during the previous year. They noted that the Council had examined experiences in cities including Minneapolis, Austin, and Seattle, and said Salem now has a year of local development data following the removal of multifamily parking minimums. That experience, in their view, has generally matched earlier expectations: developments near transit and walkable downtown areas have provided less parking, while projects farther from transit and walkable areas have continued to provide more. They also cited specific Salem projects, including the South Salem campus, 301 Essex Street, and development at Pickering Wharf, as examples of how developers have responded to the change. He emphasized that parking remains a business decision, noting that developers can often charge higher rents or sales prices when parking is provided, particularly where parking is scarce. He concluded that there is substantial evidence from other cities and Salem's first year without multifamily parking minimums to inform consideration of extending the policy to two-family homes, while acknowledging that concerns can still be addressed during the process.

Eimert - She said she was not speaking for the Planning Department but offered their perspective based on their involvement in the prior parking study. She explained that the original focus on multifamily housing was intended to have the greatest possible impact by reducing costs across more units and avoiding excessive parking in larger developments. She noted that the study's findings also support reducing parking requirements for duplexes. In particular, ACS data showed that 60% of Salem households have access to one or fewer vehicles, suggesting that the existing requirement of 1.5 parking spaces per unit exceeds current demand. She also said excessive parking can attract more car-dependent households and contribute to traffic, making flexible parking requirements important. She emphasized that duplexes could provide opportunities for more affordable homeownership, particularly in land-constrained areas where excess parking may provide little public benefit. She argued that some parking problems are about how existing spaces are allocated rather than a lack of overall supply and suggested that Salem consider a citywide resident permit parking system instead of its current patchwork approach. They also pointed to Orne Square as an example of attractive, successful duplex/townhome development with relatively limited dedicated parking, noting that it was built before Salem adopted its parking minimums.

Graham – He stated that removing parking minimums for two-family homes would better reflect existing housing patterns, noting that many R2-zone homes already have little or no off-street parking and that requiring three to five spaces would be impractical.

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Public Comment

Polly Wilbert: She said the Council needs more data on housing production and parking impacts, including quarterly Planning Department reporting, and described challenges in her historic neighborhood related to limited parking, snow emergencies, business-related parking, blocked driveways, and seniors who rely on cars. She also questioned whether Salem is creating enough family-supporting jobs and argued that reducing parking could make commuting and economic activity more difficult, asking the Council to gather additional information before proceeding.

King motions to close the public hearing. Motion carries 10-0. **King** motions to refer the matter to the planning board for their review and recommendation. Motion carries 10-0.

Rieder – Motion to close the public hearing and adjourn by Berk and seconded by Caunter. Motion carries 8-0.

Hapworth moves to adjourn at 7:25PM.