

OUR PRACTICE

Digital Infrastructure and Data Centers

We deliver seamless, integrated counsel through multidisciplinary collaboration across our nationally recognized real estate, corporate, tax, litigation, finance, and construction practices along with experienced energy, intellectual property (IP), cybersecurity, and regulatory attorneys.

The accelerating demand for digital infrastructure – driven by high-performance computing, emerging technologies, and strategic transformation – is reshaping the data center landscape. As limited supply, power constraints, regulatory complexity, and rising costs create both challenges and opportunities, Baker Donelson provides comprehensive legal support across the full lifecycle of data center development, investment, and operations. Our multidisciplinary team partners with developers, operators, investors, and technology providers in many aspects of this asset class from site selection and permitting to financing, construction, operations, and exit strategies – delivering forward-looking solutions tailored to this dynamic and rapidly evolving sector.

Development, Permitting and Land Use

- **Site selection and due diligence:** utility capacity (power, water, fiber), resiliency, flood/seismic, wetlands, cultural resources, and environmental constraints.
- **Entitlements and permitting:** zoning approvals, special/conditional use permits, variances, annexation, and right-of-way agreements.
- **Infrastructure agreements:** easements, dark fiber/long-haul access, substation and interconnection, water rights, district energy, and stormwater.
- **Construction and delivery:** engineering, procurement, and construction (EPC) agreements, Good Manufacturing Practices (GMPs), design-build, construction contracts, commissioning protocols, liquidated damages, and performance testing for Tier/availability targets.

Real Estate and Corporate Transactions

- **Greenfield and brownfield acquisitions; ground leases and build-to-suit.**
- **Colocation and hyperscale agreements:** master service agreements (MSAs), service level agreements and objectives (SLAs/SLOs), fault domain designations, cross-connects, cage/space leases, and meet-me-room rights.
- **Capital markets and mergers and acquisitions (M&A):** platform roll-ups, sale-leasebacks, joint ventures, and structured financings for data center portfolios.
- **Real estate diligence,** including review of title and American Land Title Association (ALTA) surveys, boundary/air rights, and condemnation/ eminent domain strategy.
- **Agreements related to real estate, purchase and sale of assets, site development, construction and design services.**
- **Issuances, acquisitions, and dispositions of equity interests.**

Energy, Utilities and Sustainability

- **Power procurement:** utility rate cases, special tariffs, capacity reservations, and interconnection agreements.
- **Renewables and decarbonization:** power purchase agreements (PPAs) and virtual PPAs (VPPAs), renewable energy certificates (RECs), battery storage, microgrids, and district heat recovery.
- **Efficiency strategies:** heat-reuse, water management, free cooling, and incentives tied to PUE/WUE improvements.

- **Environmental compliance:** National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) analogs, air/water permits, wetlands, endangered species, and remediation.

Incentives, Tax and Economic Development

- **Tax abatements, PILOT/FILOT agreements; credits for equipment, construction, and energy efficiency.**
- **Negotiation with state/local agencies:** fast-track permitting, infrastructure cost-sharing, workforce initiatives.
- **Multi-jurisdictional structuring** for sales/use tax on IT and mechanical/electrical equipment.

Technology, Privacy and Cybersecurity

- **Vendor and services agreements:** data center infrastructure management (DCIM), building management software (BMS) and supervisory control and data acquisition (SCADA), managed services, cloud interconnect, and security operations.
- **Privacy and regulatory:** Health Insurance Portability and Accountability Act (HIPAA), Graham-Leach-Bliley Act (GLBA), state privacy laws, international data transfer issues, and incident response plans.
- **Security standards:** SOC 2, ISO 27001, NIST CSF, Zero Trust architectures, and physical security protocols.

Operations, Risk and Disputes

- **Availability/uptime issues, service level agreement (SLA) credits, and root cause analyses (RCA).**
- **Construction claims and delay/defect litigation, insurance recovery, and landlord-tenant disputes.**
- **Regulatory investigations and incident response readiness** including tabletop exercises and cross-functional playbooks.

We combine deep sector knowledge with regional insight and a collaborative, client-first mindset. Whether you're launching a hyperscale facility, expanding edge capabilities, or navigating complex regulatory terrain, Baker Donelson is your trusted legal partner and one-stop resource for the data center lifecycle.