

Data Center Development Offers Unique Blend of Opportunities and Legal Challenges

OVERVIEW:

The Rise of Data Centers In Pennsylvania and Beyond

Data center development is proliferating across the country, particularly in Pennsylvania. Data centers vary in size and function but are generally secure facilities that house computer servers and networking equipment. These systems store, process, and transmit digital information that has transformed businesses, government, and private life. Data centers power critical sectors, including banking, health care and artificial intelligence (AI), making them essential infrastructure for the digital economy.

Unique Infrastructure with Significant Resource Needs

As with any new technology, data centers present both substantial opportunities and significant challenges. What makes data centers unique are their reliance on significant amounts of power to support their energy needs and their use of water resources for cooling purposes. Despite their unique needs, data centers are not unlike any other large scale commercial or industrial developments with their footprints being comparable to manufacturing or warehousing clusters.

Navigating the Regulatory Landscape

Data centers and associated development requires approvals from a broad spectrum of state and regional governmental agencies. These entities potentially include the Department of Environmental Protection, the Public Utility Commission, various river basin commissions, and local municipalities. For example, various zoning approvals from local government may be needed. Environmental permits related to stormwater management, sewage disposal, air emissions, and storage tanks will also likely be required.

The permitting processes can be time-consuming and generally involve various levels of public review and input. Strategic planning for obtaining this wide array of governmental approvals is essential to avoid obstacles that could lead to costly delays in getting a data center up and running.

In addition, landowners who are considering selling or leasing their land for data center development need to be cognizant of the legal issues associated with such complex transactions.

Community Concerns and Legal Risk Management

While data centers offer substantial economic benefits, they can also spark concerns among local residents and public interest groups about potential impacts on the immediate community and the broader

environment. As a result, legal challenges are likely, with some opponents seeking to slow or stop specific projects through litigation or public advocacy.

To mitigate these risks, it is critical for both landowners and developers to engage experienced legal counsel early in the process. This can help ensure that community concerns are addressed proactively and that the project is structured to withstand potential regulatory or legal challenges.

How Barley Snyder Can Support Your Data Center Project

Our multidisciplinary team of attorneys is well-equipped to guide clients through every phase of data center development - from land acquisition, permitting and zoning, environmental compliance and litigation defense. We understand the complex interplay of regulatory, real estate and community dynamics unique to these projects and can help you navigate them efficiently and strategically.

If you're a landowner, developer or investor considering data center opportunities, please reach out to [Martin Siegel](#), [Alice Solomon](#), or any attorney in our [Real Estate](#) or [Environment & Energy](#) groups to learn how we can support your project's success.

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