

# *Overview of Data Centers Stakeholder and Land Issues*

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## *Presenters*



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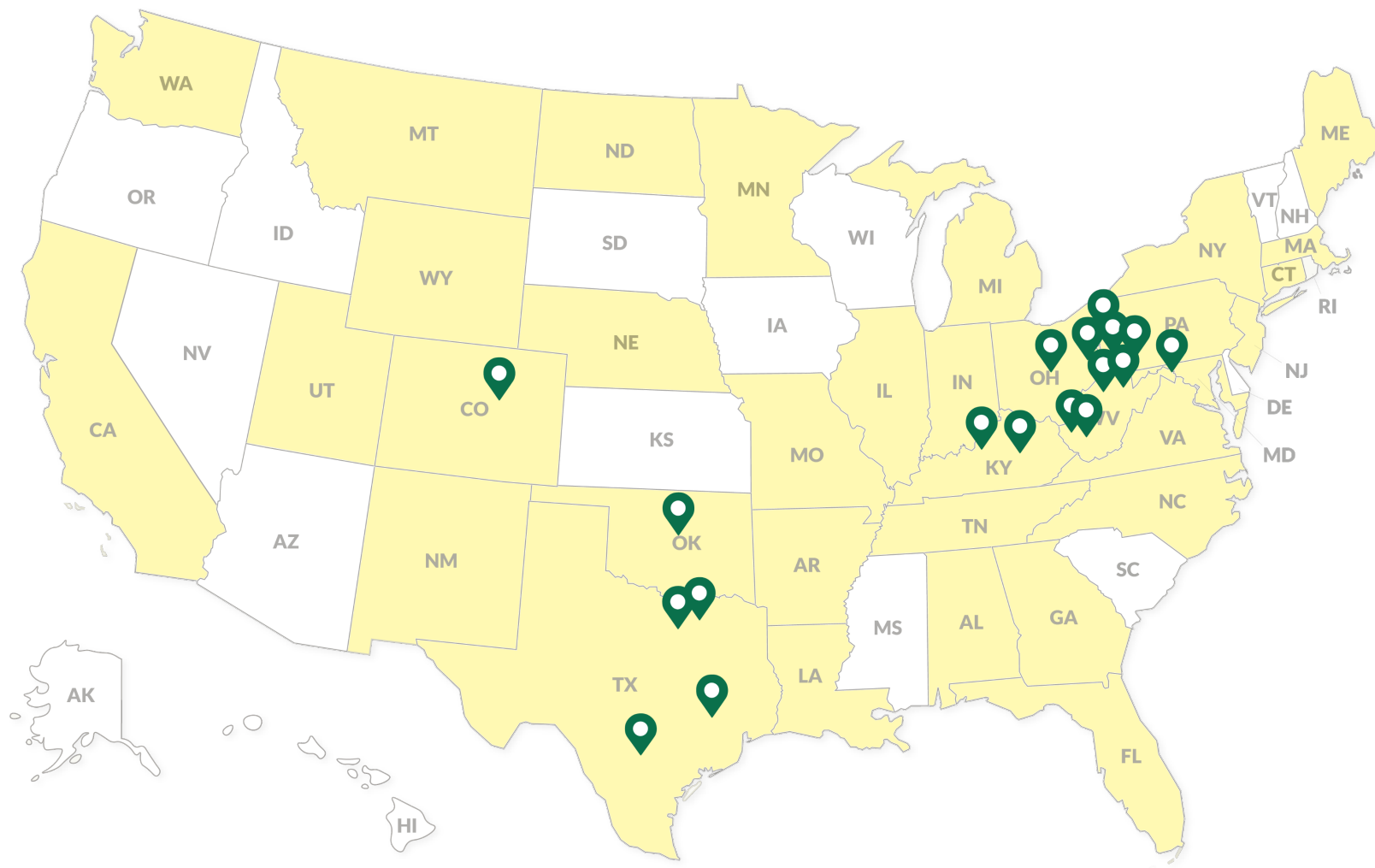


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# Office Locations & Attorney Licensure



## Office Locations

- Bridgeport, WV
- Charleston, WV
- Collin County, TX
- Columbus, OH
- Dallas, TX
- Denver, CO
- Huntington, WV
- Lexington, KY
- Louisville, KY
- Martinsburg, WV
- Meadville, PA
- Morgantown, WV
- Oklahoma City, OK
- Pittsburgh, PA
- San Antonio, TX
- Southpointe, PA
- The Woodlands, TX
- Wheeling, WV

 Attorney Licensure



# *Introduction*

- What's the Big Deal?
- Data Center Development
  - Stakeholders
  - Location / Site Acquisition
  - Policy and Transactional Considerations







# ***Stakeholders***

## *Parties / Stakeholders*

- Tech Companies
- Operators / Developers
- Energy Providers & Utilities
- Labor Force
- Real Estate Investors
- Government & Economic Development Agencies
- Communities





The background is a dark blue field filled with a complex network of thin, glowing blue lines. These lines connect numerous small, bright blue circular nodes scattered across the frame, creating a sense of a vast, interconnected digital or neural network. The lines and nodes vary in brightness, with some appearing more prominent than others.

# *Site Selection*



## *Location Needs*

- Power Availability & Reliability
- Fiber Connectivity
- Water Supply & Cooling
- Geographic & Climate Considerations
- Labor & Logistics
- Brownfield Redevelopment



Photo: Microsoft

## *Other Considerations*

- Tax Incentives & Policies
- Zoning / Permitting
- Diligence Timeframe
- Not One-Size-Fits-All Deals





The background is a dark blue field filled with a complex network of thin, light blue lines connecting various points. These points are represented by small, glowing blue dots of varying sizes and brightness, creating a sense of depth and connectivity. The overall effect is reminiscent of a digital network, a molecular structure, or a celestial map.

***Early Stage Matters***



## ***Power Considerations***

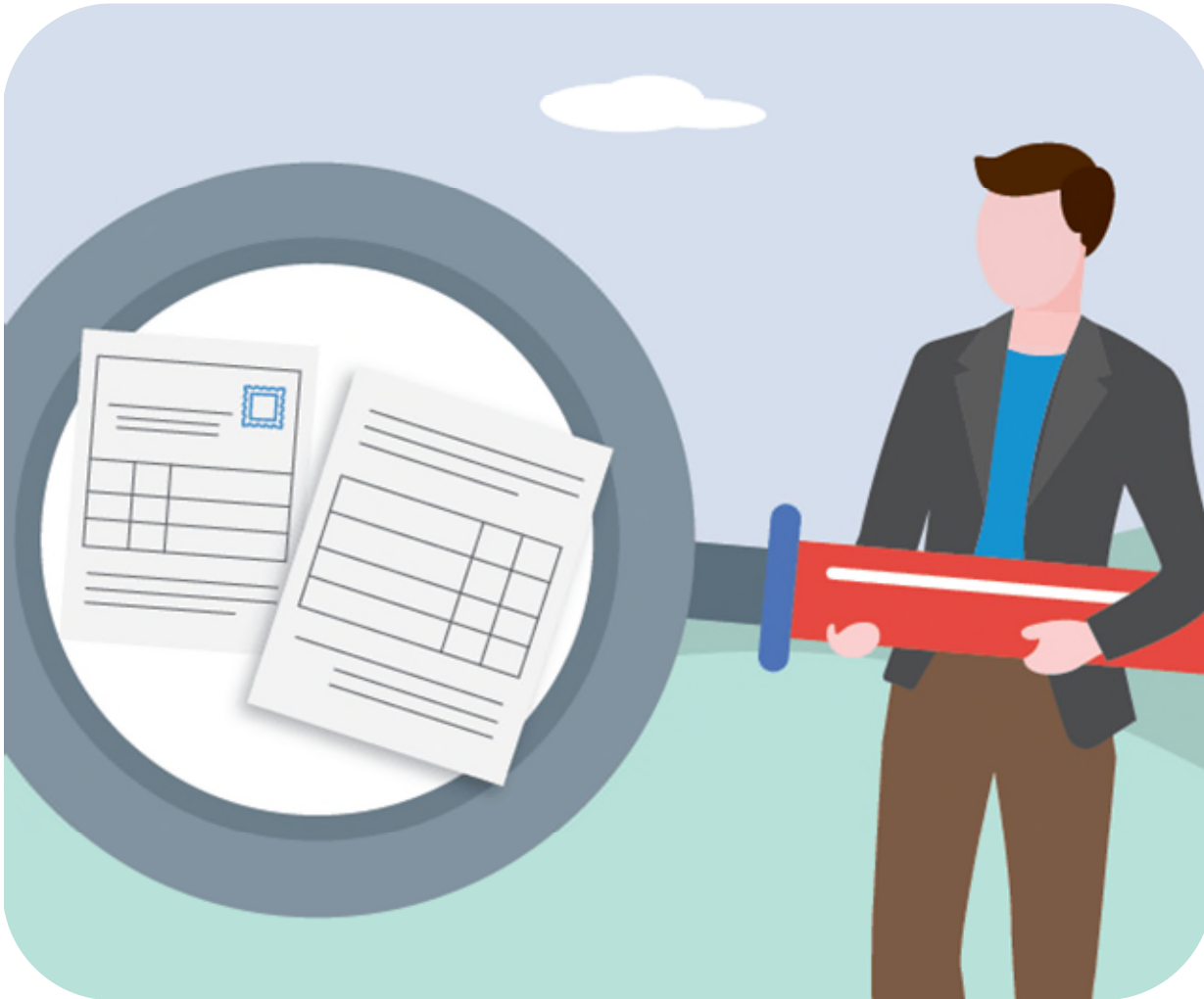
- Grid Connection
- Alternatives (behind the meter)
- Energy Source
- CO2 Emission Goals
- Regulatory Implications

# *Land Acquisition Strategies*

- Direct Purchase
- Option Agreements
- Zoning / Community Involvement
- Infrastructure
- Long Term Leasing
- Financing



## *Title & Ownership Review*



- Title Review & Insurance
- Easements, Encumbrances, & Covenants
- Mineral Rights & Subsurface Ownership
- Historical Land Use



## *Regulatory, Permitting, & Environmental*

- Local, State, & Federal Permitting Requirements
- Phase I / II Environmental Site Assessment (ESA)
- Wetlands, Endangered Species, & Habitat Concerns
- Floodplain & Stormwater Management
- Remediation Requirements
- Power Generation & Sale



## ***Early Stage Legal & Contractual Considerations***

- Purchase and Sale Agreements
- Utility Service Contracts
- Gas Offtake Agreements
- Power Purchase Agreement
- Development Agreements with Municipalities
- Risk Allocation & Indemnities
- Lease
- Financing Agreements
- Among others...



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# ***Deal Structure: Tax Considerations & Incentives***



# Stakeholders



## Data Center Facility

- Hyperscaler/cloud service provider and tenants
- Facility operator
- Facility owner/lessor



## Land & Real Estate

- Contractor/developer
- Landowner
- Investors (debt and equity)



## Energy & Power

- Energy supplier
- Energy producer

## ***Tax Considerations & Incentives: Joint Ventures***

- No “cookie cutter” structures
- Different goals for different stakeholders
- Commercial real estate development and traditional joint venture models
- Construction loans based on future cash flow
- Leases to hyperscalers and other tenants
- Choice-of-entity and tax treatment
- Investors
  - Debt v. equity
  - Sales v. contributions of land and power supply

## Tax Credits

- No federal tax credit specifically for data centers
- One Big Beautiful Bill Act curtailed *some* of the enhanced tax credits that were enacted under the Inflation Reduction Act
  - Significant curtailment for wind and solar projects placed in service after Dec. 31, 2027
  - Termination of clean hydrogen production tax credit (45V) for projects with construction beginning after Dec. 31, 2027
  - “Foreign entity of concern” restrictions
- Carbon oxide sequestration tax credit (45Q) remains in place (equipment must be part of a facility on which construction begins before 2033)
- Permanent reinstatement of 100% bonus depreciation for property placed in service on or after January 20, 2025



# *State Tax Considerations*



- State specific tax incentives and credits
  - Delaware business credits for job creation
- Property tax abatement and exemptions
  - Montana property tax abatement for first few years after construction
- Sales and use tax exemptions
  - Pennsylvania sales/use tax exemption if new jobs are created
- Sales/use tax on electricity

## *Questions?*



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