Data Centers

The rapid rise of artificial intelligence (AI), cloud computing and scalable digital infrastructure is creating global demand for data centers. Technology companies, investors, lenders and developers are examining the strategic opportunities this growth offers against the sector's inherent complexities. Katten's interdisciplinary team is leading the way in this changing environment. We provide comprehensive and pragmatic counsel to clients seeking to develop, finance, acquire or invest in data center assets.

Nimble counsel for a fast-changing market

Our team assists a broad range of clients with matters involving real estate, structured finance, regulatory, corporate transactions, private credit, capital markets, litigation and tax. Katten helps clients take advantage of the growing data center market while effectively managing risks and enhancing returns.

Real Estate

Our Real Estate team advises on all aspects of acquiring, developing, leasing and selling data center properties. We represent lenders and borrowers in mortgage and portfolio financings, as well as restructurings. We guide clients through sophisticated structures that utilize long-term leases, master tenant arrangements and project financing.

On the equity side, we provide counsel on acquisitions, divestitures, sale-leasebacks, joint ventures and strategic partnerships. Our attorneys help clients structure transactions to capture growth opportunities, optimize returns and manage risk. Our leasing experience spans master tenant arrangements (including build-to-suit transactions), colocation leases, lease-outs and individual lease negotiations for tenants.

Our Real Estate attorneys collaborate with utility regulatory counsel to assess sites, ensuring power and water availability as well as interconnection feasibility and timing. They also work closely with Katten's Tax attorneys to structure transactions efficiently, using tax incentives such as Opportunity Zones and implementing complex joint ventures and Section 1031-style like-kind exchanges.

Structured Finance and Securitizations

Our Structured Finance attorneys are experienced in structuring and executing securitizations involving data center assets. We advise sponsors, issuers, underwriters and loan sellers on complex financing structures. Our team helps clients access liquidity, manage risk and

Key Contacts



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create finance structures that make use of the unique characteristics of data center assets. Our experience includes, among other things, single-asset single-borrower (SASB) commercial mortgage-backed securities (CMBS) secured by data center properties and asset-backed securitizations collateralized by data center leases and lease revenues.

Corporate Transactions

Our Corporate team advises companies, investors and operators on the full spectrum of transactions involving data centers and bitcoin mining operations — from mergers and acquisitions (M&A) to venture and strategic investments. We structure deals to optimize commercial and financial outcomes, with integrated tax counsel to take full advantage of available tax incentives. We also help support platform growth and advise on strategic positioning and sector-specific opportunities. Our experience includes mergers, acquisitions and divestitures of data center businesses, asset purchases and divestitures of data center and bitcoin mining properties, development agreements, venture capital and growth equity investments in digital infrastructure platforms and related companies, and strategic partnerships and joint ventures.

Financial Markets and Funds

We advise institutional investors and private funds deploying capital into data center-focused investment vehicles. Our team helps clients evaluate opportunities, manage risk and participate in sector growth through targeted investments and co-investments. We help clients make sure their investments match their fund objectives, plan how and when to exit, and where to invest. Our goal is to help make investment opportunities in data center platforms efficient and accessible to our clients.

Litigation

Our team assists clients in interpreting and enforcing declarations, covenants, and easements that affect the use and development of data center properties. We also represent clients in contractual disputes and other sector-specific litigation, helping them protect investments and lessen operational risks.

Our Experience

- Served as legal counsel to CleanSpark, Inc. in connection with its acquisition of rights to approximately 271 acres of land in Austin County, Texas, and the execution of long-term power supply agreements totaling 285 megawatts to support the development of a next-generation data center campus.
- Served as issuer's counsel to a real estate investment company in a $150 million securitization backed by data center leases and other assets.



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- Advised a venture capital firm in a joint venture to acquire and sell real property for a data center development.
- Represented global Bitcoin miner Peak Mining, a Northern Data Group company, in the purchase of two 33-acre, 300-megawatt mining data centers in Corpus Christi, Texas.
- Advised a leader in data center colocation and interconnection services in connection with the company's Chapter 11 case.
- Represented the venture capital arm of a major US energy company in connection with an investment in the Series C equity round of financing and concurrent debt financing for an information technology company that is at the leading edge of sustainable innovation in flexible data centers that use less energy, create economic benefits and work in tandem with renewables.
- Represented a privately owned real estate firm in the data center development of a business center in Herndon, Virginia.
- Advised an information technology and data center services company in connection with the financing of data center properties.
- Represented a credit asset manager in a senior secured loan and subsequent increases to a borrower in the technology/data center infrastructure industry.
- Represented a business development company as agent in a $34.35 million senior secured credit facility to a data center.
- Represented the seller in connection with the $185 million sale and leaseback of three data centers in Arizona, Missouri and Texas.
- Represented the seller in connection with the $405 million sale and leaseback of four data centers located in Pennsylvania, Illinois, New York and New Jersey.
- Represented a financial institution in the origination of a $139 million first mortgage financing of an office and data center in downtown Seattle.
- Served as tax and equity counsel to Sterling Partners in connection with the $1.315 billion sale of the US operations of portfolio company IO Data Centers LLC, a colocation data center services provider, to Iron Mountain Inc., a global leader in storage and information management services.
- Represented a digital asset trading platform in connection with a master lease agreement with a digital infrastructure company.
- Represented global banks as initial purchasers in a $1.3 billion single-asset single-borrower commercial mortgage loan securitization backed by a portfolio of primarily industrial and data center assets.

- Represented global banks as initial purchasers in a $720 million single-asset single-borrower commercial mortgage loan securitization backed by three newly constructed data centers in Arizona.
- Represented a real estate investment platform regarding a joint venture investment in connection with a portfolio of 30+ US data centers.
- Represented an alternative investment manager in connection with an investment in a data center real estate fund targeting low latency hyperscale data centers in North America, Asia Pacific, and Europe.
- Represented a commercial real estate services and investment firm regarding demands that client prevent data center and substation developments within scope of the Declaration of Covenants.