

AI Data Centers Get Federal Fast-Track

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On July 23, 2025, President Donald J. Trump issued an Executive Order (“Order”) to expedite federal permitting for large-scale, high-capacity data centers and supporting energy infrastructure.¹ The Order applies only to facilities needing more than 100 megawatts (MW) of new load “dedicated to AI inference, training, simulation, or synthetic data generation” and declares such facilities “essential to national security, economic prosperity, and scientific leadership.”²

The Order closely ties to the Administration’s *America’s AI Action Plan* (“Action Plan”), published to “articulate policy recommendations that the Administration” set forth to advance the nation’s AI capabilities.³ It operationalizes those objectives by establishing mechanisms to accelerate “Qualifying Projects.” These are projects with (i) at least \$500 million in capital expenditure, (ii) incremental electric load over 100 MW, (iii) a clear link to national security, or (iv) special designation by Secretaries of Defense, Interior, Commerce, or Energy as a “Qualifying Project”.⁴ The Order directs the Secretary of Commerce, in coordination with other federal agencies, to rapidly develop and

deploy financial support mechanisms for Qualifying Projects, including loans, loan guarantees, grants, tax incentives, and offtake agreements.⁵ It also establishes a process for “efficient environmental reviews,” effectively creating categorical exclusions for certain projects from preparing environmental assessments or other environmental documentation.⁶

The Order’s streamlined permitting and regulatory exemptions are poised to significantly increase demand for suitable real estate for data center development. By reducing permitting timelines and regulatory uncertainty, the Order lowers barriers to entry for developers and investors, making large-scale data center projects more attractive and financially viable. The changes are expected to increase demand for real estate suited to data center development, particularly parcels with robust power infrastructure, water resources, and fiber networks.

A notable provision directs the Administrator of the Environmental Protection Agency to “identify Brownfield Sites and Superfund Sites for use by Qualifying Projects”.⁷ This opens new avenues for

¹ “Accelerating Federal Permitting of Data Center Infrastructure,” Executive Order (Jul. 23, 2025), <https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/>.

² “Accelerating Federal Permitting of Data Center Infrastructure,” Executive Order (Jul. 23, 2025), <https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/>.

³ See *Winning the Race, America’s AI Action Plan* (July 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf>

⁴ “Accelerating Federal Permitting of Data Center Infrastructure,” Executive Order (Jul. 23, 2025), [https://www.whitehouse.gov/presidential-](https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/)

[actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/](https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/).

⁵ “Accelerating Federal Permitting of Data Center Infrastructure,” Executive Order (Jul. 23, 2025), <https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/>.

⁶ See Jansma, Jeffers, White House Aims to Accelerate Environmental Permitted for Data Centers, *Nat’l Law Rev.* (Aug. 6, 2025), <https://natlawreview.com/article/white-house-aims-accelerate-environmental-permitting-data-centers>

⁷ “Accelerating Federal Permitting of Data Center Infrastructure,” Executive Order (Jul. 23, 2025), <https://www.whitehouse.gov/presidential-actions/2025/07/accelerating-federal-permitting-of-data-center-infrastructure/>.

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developers to acquire or lease government-owned property, often at favorable terms and with expedited review.

As the regulatory environment becomes more favorable, competition for prime data center sites is likely to intensify. Landowners with properties that meet the technical and logistical requirements for data center development—such as access to high-capacity power, water, and connectivity—may see substantial appreciation in land values. Conversely, less suitable sites or those facing local opposition may be bypassed in favor of federally facilitated projects.

Georgia has become one of the fastest-growing states for data centers in recent years, driven in part by generous state tax incentives offered by the state to attract data centers.⁸ In 2024, the Georgia House and Senate passed a bill suspending Georgia's state sales tax exemption for certain high-technology data center equipment.⁹ Governor Kemp vetoed the bill, however, warning that the pause in exemptions would undermine "the investments made by high-technology data center operators, customers, and other stakeholders in reliance on the recent extension, and inhibit important infrastructure and job development."¹⁰

In sum, the Order is likely to catalyze a wave of real estate activity centered on data center development, with increased transaction volume, rising land values for suitable sites, and new opportunities for public-private collaboration. Developers, operators, and counsel advising on real estate transactions will need to navigate this evolving regulatory and market environment, balancing the benefits of expedited federal processes with careful diligence on local

land use, environmental, and infrastructure considerations.

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⁸ Perdue, *Why are so many data centers popping up in Georgia*, GA Public Policy Foundation (May 8, 2025), <https://www.georgiapolicy.org/news/why-are-so-many-data-centers-popping-up-in-georgia/>

⁹ [Georgia Suspends Tax Break and Creates Special Committee to Study Energy-Intensive Data Centers](#)

¹⁰ [Georgia lawmakers vowed to restrain tax breaks. But the governor's veto saved a data-center break | AP News](#)