Design Professionals Special Series Recap: Data Center Projects—Market Drivers, Project Realities & Early-Stage Risk

By David J. Hatem, PC | Dillon Aisenberg

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Save the Date: This program is the first installment of a two-part series. Part Two will take place on June 30 from 12–1 p.m. ET and will focus on key risk management, professional liability, and insurance considerations for data center projects.

On May 6, 2026, MG+M The Law Firm hosted the first installment of its Design Professionals Special Series, focusing on Data Center Projects—Market Drivers, Project Realities & Early-Stage Risk. The program examined the market forces driving rapid data center development, the scale and complexity of these projects, and the evolving role and risks faced by design professionals involved at the front end of project delivery.

The session featured a panel including:

+ Brian Satkowski, JD, Vice President at Sompo Insurance
+ David Hatem, Partner at MG+M The Law Firm
+ Michael Robertson, Of Counsel at MG+M The Law Firm
+ Dillon Aisenberg, Associate at MG+M The Law Firm

The panel discussed the factors fueling data center expansion across North America—including increased demand for cloud computing, AI infrastructure, and energy-intensive technologies—while examining early-stage project challenges such as site selection, environmental and regulatory pressures, and complex technical and coordination demands. Panelists highlighted common risks arising from project planning, resource constraints, and multidisciplinary coordination, offering practical insights to help design professionals navigate critical early decision-making and address contractual considerations unique to data center projects, including strategies for drafting project-specific provisions to mitigate risk and manage potential liability exposure.

Key Takeaways

+ **Data center projects present unprecedented opportunity—and heightened risk.** Driven by AI, cloud computing, and energy-intensive technologies, data centers are rapidly expanding but are often delivered on accelerated schedules, with complex systems, fragmented scopes, and significant coordination challenges.
+ **Much of the risk is locked in early.** Site selection, utility availability, owner program requirements, and project assumptions made at the front end frequently drive downstream disputes and liability exposure more than design errors themselves.
+ **Owner project requirements must be clear, controlled, and documented.** Vague or evolving requirements can lead to scope creep, implied performance guarantees, and claims that later get framed as design failures. Success should be defined in measurable terms, with formal change control processes in place.
+ **Grid power and utilities are often the true critical path.** Utility interconnection, capacity, and redundancy should be treated as design requirements—not scheduling assumptions—given aging infrastructure and increasing demand.
+ **Design professionals should guard against hindsight liability.** Projects frequently pause, restart, or evolve as technology advances. Without a formal reset of assumptions, designers risk being judged against a moving

target rather than the conditions and standards in place at the time services were performed.

+ **Contracts must reflect data center realities.** Agreements should carefully address scope definition, standard of care, value engineering, commissioning, equipment lead times, fast-track delivery, suspension and restart, and termination—allocating risk clearly and avoiding unintended performance warranties or uptime guarantees.
+ **Obsolescence is a business risk, not a design defect.** Technology evolves faster than buildings. Contracts should make clear that designers are not guaranteeing future performance, certifications, or technological relevance beyond the agreed design intent.
+ **Most disputes are preventable.** Clear owner requirements, disciplined change management, and contract language aligned with how data centers are actually developed and operated can significantly reduce professional liability exposure.

MG+M attorneys regularly advise design professionals nationwide on liability, insurance, and contractual risk issues arising from complex projects, including data center development. We work closely with clients to assess project-specific exposures, navigate evolving regulatory and technical demands, and develop practical risk management strategies—helping firms make informed early-stage decisions while maintaining defensible professional practice.

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