

The Intelligence Asymmetry

Why infrastructure projects are failing on variables nobody is measuring, and what it means for engineering firms

Artifex AI Research • artifexai.io

In Q2 2025, organized community opposition blocked or delayed **\$98 billion** in U.S. infrastructure projects. That is more disruption in a single quarter than the previous two years combined.

These projects did not fail on engineering merit. They did not fail on environmental compliance or financial viability. They failed on variables that no feasibility study measured.

\$98B

in projects disrupted in Q2 2025
alone

264

state-level infrastructure bills
introduced in 2026

188

organized opposition groups across
17 states

66%

of protested projects blocked or
delayed

Sources: Data Center Watch Report, May 2025 & Q2 2025 Update; Latitude Media, May 2026; Construction Dive, April 2026.

What Changed

Average permitting timelines have doubled in a decade. What used to take six to nine months now runs over twelve months nationally. But the timeline is no longer the primary risk. The risk is what happens during that timeline: organized opposition that did not exist five years ago.

This opposition is networked, funded, and learning fast. Data Center Watch tracks 188 active opposition groups across 17 states. In Indiana, groups share legal strategies, model ordinance language, and organizing playbooks across county and state lines. A successful project block in Virginia becomes a template in Arizona within weeks. A moratorium in one county becomes proposed legislation in three others.

“The number one concern we have in the market right now is public sentiment. What looks viable on paper usually breaks down on power, permitting, or labor. Sometimes all three.”

— Principal, Gensler, New York Build 2026

The implication for engineering firms is direct. When a protested project dies, the downstream construction-phase fees die with it. In Charlottesville, a developer walked away from a 200-unit mixed-use project after 16 months of zoning confusion and community pushback. Every consultant and engineer on that project lost the work. The feasibility had checked every technical box. It missed the ones that mattered.

The variables that determine project survival have expanded. The scope of feasibility has not.

The Asymmetry

There is an information gap between the two sides of every development dispute, and it is widening.

Developers and their engineering teams enter a jurisdiction with technical data: site surveys, environmental assessments, traffic models, financial pro-formas. Their opponents enter with political data: community networks, elected-official relationships, social media campaigns, shared legal playbooks, and real-time coordination with groups in other states fighting similar projects.

One side is operating with 2025 intelligence infrastructure. The other is using 2005 spreadsheets and phone calls to the planning department.

The zoning data platforms the industry depends on answer one question: *What does the code allow?* The question that determines whether a project survives is different: *What will the jurisdiction actually do?*

That second question depends on three variables that standard feasibility processes do not measure.

THE THREE UNMEASURED VARIABLES IN PROJECT FEASIBILITY

01

Regulatory Trajectory

Not what the code says today, but where it is heading. In 2026 alone, state legislatures introduced 264 infrastructure-related bills: moratorium proposals, tax incentive rollbacks, new environmental review requirements. A developer who completed site feasibility in Q4 2024 could face a moratorium bill by Q1 2025 that did not exist when the analysis was performed. Zoning codes are snapshots. Regulatory trajectory is a motion picture. The current feasibility toolkit captures the snapshot.

02

Community Sentiment

Not whether opposition exists, but its probability, intensity, and sophistication for a specific project type in a specific jurisdiction. Of the projects tracked by Data Center Watch that faced organized protest, 66% were blocked or delayed. The common opposition concerns (utility rate impacts, water consumption, noise, property values, green space) are not irrational. They are measurable community priorities that can be assessed before site selection, not after. Engineering firms already prepare traffic studies and environmental impact assessments. No comparable community sentiment assessment exists in standard practice.

03

Cross-Jurisdictional Pattern Intelligence

What happened in comparable jurisdictions with comparable projects. The industry currently treats every site as independent. The opposition does not. When a legal strategy blocks a solar farm in one county, that strategy appears in filings in the next county within weeks. When a tactic forces a data center withdrawal in Virginia, the same tactic surfaces in Indiana. Understanding how outcomes in one jurisdiction predict outcomes in another is how the opposition already operates. It is absent from the engineering side.

These three variables do not replace engineering, environmental, or financial feasibility. They extend it. The technical analysis is necessary. It is no longer sufficient.

What Early Movers Are Doing

A small number of engineering and advisory firms have started integrating jurisdictional intelligence into their pre-development services. One mid-Atlantic AEC firm cut zoning analysis preparation from 240 hours to 24 hours per project by replacing manual municipal research with structured jurisdictional data. Senior staff moved from document review to client-facing advisory work. Billable scope expanded without adding headcount.

At the same time, lenders and institutional investors are revising underwriting assumptions when permitting timelines slip. That pattern is creating demand for engineering firms that can provide jurisdictional risk context alongside their technical deliverables. The firms winning the most pre-development advisory work right now are not the largest. They are the ones bringing intelligence to the table that nobody else in the room has.

Get the Jurisdictional Risk Briefing

Artifex AI publishes a monthly intelligence briefing covering regulatory changes, opposition patterns, and legislative developments affecting infrastructure project pipelines across all 50 states. Each edition includes specific bill tracking, opposition group activity, and jurisdictional risk patterns you can forward directly to your clients and project teams.

artifexai.io/briefing

Or email russ@artifexai.com to discuss jurisdictional intelligence for your active project pipeline.

SOURCES

Data Center Watch. "\$64 Billion of Data Center Projects Have Been Blocked or Delayed Amid Local Opposition." May 2025.
Data Center Watch. "Q2 2025 Update." June 2025.
Latitude Media. "In Indiana, an Anatomy of Data Center Opposition." May 2026.
Construction Dive. "What's Stalling Data Center Projects?" April 2026.
National Petroleum Council / U.S. DOE. "Bottleneck to Breakthrough: A Permitting Blueprint." December 2025.
KPMG. "Permitting: Streamlining Delivery of Today's Infrastructure Opportunity." 2023.
CRETI / Commercial Observer. "How \$16.7B in 2025 Proptech Funding Is Rewiring CRE." January 2026.
Cville Right Now. "Developer Frustration Grows Amid Charlottesville Zoning Confusion." May 2025.

© 2026 Artifex AI. This briefing may be shared freely with attribution.