

Fort Dodge Lagoon Eco-Data Hub

Investment Prospectus

190-Acre Master-Planned Development | Fort Dodge, Iowa

Prepared by 2521 Community Fund LLC

Executive Summary

The Fort Dodge Lagoon Eco-Data Hub represents a transformational \$1.03 billion development opportunity combining hyperscale data center infrastructure with the Midwest's first Crystal Lagoons amenity community. This 190-acre master-planned development integrates four data center buildings (300MW total capacity), a 25-acre year-round heated lagoon, 350 residential units, and 170 hotel rooms into a sustainable, waste-heat-powered ecosystem.

The project leverages Iowa's exceptional data center advantages—including the nation's lowest electricity rates, robust renewable energy grid, and generous tax incentives—to deliver projected returns of 40-45% IRR with a 13.2x equity multiple. With \$535 million in tax benefits offsetting 52% of total investment, this development offers institutional-grade returns with significantly de-risked capital structure.

Investment Highlights

Metric	Value
Total Investment	\$1.03 Billion
Tax Benefits	\$535 Million (52%)
Stabilized Annual NOI	\$220 Million
Target IRR	40-45%
Equity Multiple	13.2x
Permanent Jobs Created	600+

Project Components

Data Center Campus — \$800 Million

The data center campus occupies 50 acres along the southern boundary with dedicated access from 1st Avenue South. The campus comprises four hyperscale buildings totaling over 1,000,000 square feet of technical space.

Specification	Details
Total Power Capacity	300MW (75MW per building)
Building Count	4 hyperscale facilities
Total Square Footage	1,000,000+ sq ft
Waste Heat Recovery	32-48 MWth
Power Provider	MidAmerican Energy
Power Rate	\$0.04/kWh
Sales Tax Exemption	\$56 Million

The waste heat recovery system captures 32-48 megawatts thermal from the data center cooling systems, providing year-round heating for the Crystal Lagoon and optional radiant floor heating for residential units. This circular design eliminates waste while generating additional revenue streams.

Crystal Lagoon — \$85-110 Million

The centerpiece of the development is a 25-acre Crystal Lagoons amenity featuring five finger inlet cul-de-sacs that create over 8,000 linear feet of waterfront—five times the standard lagoon design.

Feature	Specification
Total Size	25 acres
Main Body	15 acres
Finger Inlets	5 cul-de-sacs (10 acres total)
Waterfront Length	8,000+ linear feet
Year-Round Temperature	82-86°F
Heat Source	Data center waste heat

The lagoon includes public beach areas with volleyball courts and splash pads, a beach club island with restaurant and bar, kayak and paddleboard rentals, and private beach coves for luxury lot owners.

Residential Development — \$73.5 Million

The residential component comprises 350 units across four product types, tiered by proximity to the lagoon with larger, more expensive homes closest to the water.

Product Type	Units	Size Range	Price Range	Investment
Luxury Waterfront Lots	50	15,000-25,000 sq ft	320K – 620K	\$16M revenue
Single-Family Homes	100	1,350-2,100 sq ft	400K – 525K	\$24.5M
Townhomes	100	1,050-1,500 sq ft	300K – 350K	\$16.3M
Apartments	100	525-1,650 sq ft	1, 200 – 2,500/mo	\$32.7M

The 50 luxury waterfront lots surrounding the finger inlets offer 75-120 feet of private waterfront per lot, with built home values projected at \$1.8-3.1 million—priced at 50-75% of comparable Okoboji lakefront properties.

Hospitality — \$31.2 Million

Two waterfront hotels totaling 170 rooms serve tournament visitors, business travelers, and destination guests.

Property	Rooms	Type	Features
Hotel 1	100	Select-Service (Marriott/Hilton)	Lagoon-view pool, conference facilities
Hotel 2	70	Boutique Lifestyle	Restaurant/bar, beach access

Projected Performance: 65% occupancy, 149 *ADR*, 4.9M annual NOI

Community Amenities — \$26 Million (City-Funded via TIF)

Facility	Size	Features	Investment
Recreation Center	5 acres	Indoor aquatic center, 15,000 sq ft fitness center, indoor track, basketball/volleyball courts	\$18M
Community Center	3 acres	Branch library, meeting rooms, senior center, public plaza	\$8M

Retail Village — \$4.83 Million

A 20,000 square foot waterfront retail village connected to the community center includes waterfront restaurants (8,000 sq ft), boutique shops (6,000 sq ft), convenience/grocery (4,000 sq ft), and spa/wellness services (2,000 sq ft). Projected annual NOI: \$480,000.

Tax Benefits & Incentives

The project benefits from \$535 million in combined federal, state, and local incentives, offsetting 52% of total investment.

Incentive	Value	Description
TIF Bonds	\$450M	20-year tax increment financing
Data Center Sales Tax Exemption	\$56M	Iowa's data center equipment exemption
Waste Heat ITC	\$10.8M	30% federal investment tax credit
LIHTC	\$8M	Low-Income Housing Tax Credits
NMTC	\$6M	New Markets Tax Credits (if eligible)
Iowa Workforce Housing Credit	\$4.5M	State housing development credit
Total	\$535.3M	52% of investment

Revenue Projections

Annual Stabilized Revenue Streams

Source	Annual Revenue
Data Center Lease NOI	\$211.6M
Rental Income (200 units)	\$5.25M
Hotel NOI	\$4.9M
Lagoon Operations	\$2.94M
Retail NOI	\$0.48M
Total Annual NOI	\$220M

One-Time Sales Revenue

Source	Revenue
Luxury Lot Sales (50 lots)	\$16M
Home Sales (150 units)	\$59.75M
Total Sales Revenue	\$75.75M

Iowa Data Center Advantages

Iowa has emerged as a premier destination for hyperscale data center development, offering compelling advantages over competing markets.

Power & Infrastructure

MidAmerican Energy provides some of the nation’s lowest commercial electricity rates at approximately \$0.04/kWh, powered by a grid that is 90%+ renewable (wind and solar). The state’s central location offers low-latency connectivity to major population

centers, while robust fiber infrastructure supports enterprise-grade connectivity requirements.

Business Climate

Iowa offers no sales tax on data center equipment purchases, no corporate income tax on out-of-state revenue, and a skilled technical workforce from institutions including Iowa State University and the University of Iowa. The state’s stable regulatory environment and business-friendly policies have attracted major operators including Microsoft, Google, and Meta.

Recent Market Activity

The Iowa data center market has seen significant recent investment:

- **Tract** entered Iowa in September 2025 with a 453-acre site in Altoona
- **QTS** is constructing a \$10 billion campus in Cedar Rapids
- **Meta** operates a major facility in Altoona
- **Microsoft** continues expanding its West Des Moines presence

Development Timeline

Phase	Timeline	Components
Phase 1	Months 1-18	Site preparation, infrastructure, Data Center Building 1, lagoon construction begins
Phase 2	Months 12-30	Data Center Building 2, lagoon completion, first residential lots released
Phase 3	Months 24-42	Data Center Building 3, hotels, recreation center
Phase 4	Months 36-54	Data Center Building 4, remaining residential, retail village

Site Specifications

Dimension	Measurement
Total Acreage	190.7 acres
North Boundary	2,950 ft
East Boundary	3,273 ft
South Boundary	1,939 ft
Primary Access	N 32nd Street (west) - 2 entry points
Data Center Access	1st Avenue South (dedicated)

Contact Information

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