

# *Opportunity Zone 2.0 Goes Rural:*

## *Unlocking the Economic Potential of America's Rural Communities*

**Promised Land OZ Fund | Mid-South Chapter ASFMRA | Starkville, Mississippi.**

June 4, 2026



# Agenda

- Why Promised Land?
- Opportunity Zone Program Overview
- What Makes a Farm Investable?
- Working with Farm Managers and Rural Appraisers
- PLOZ Fund III

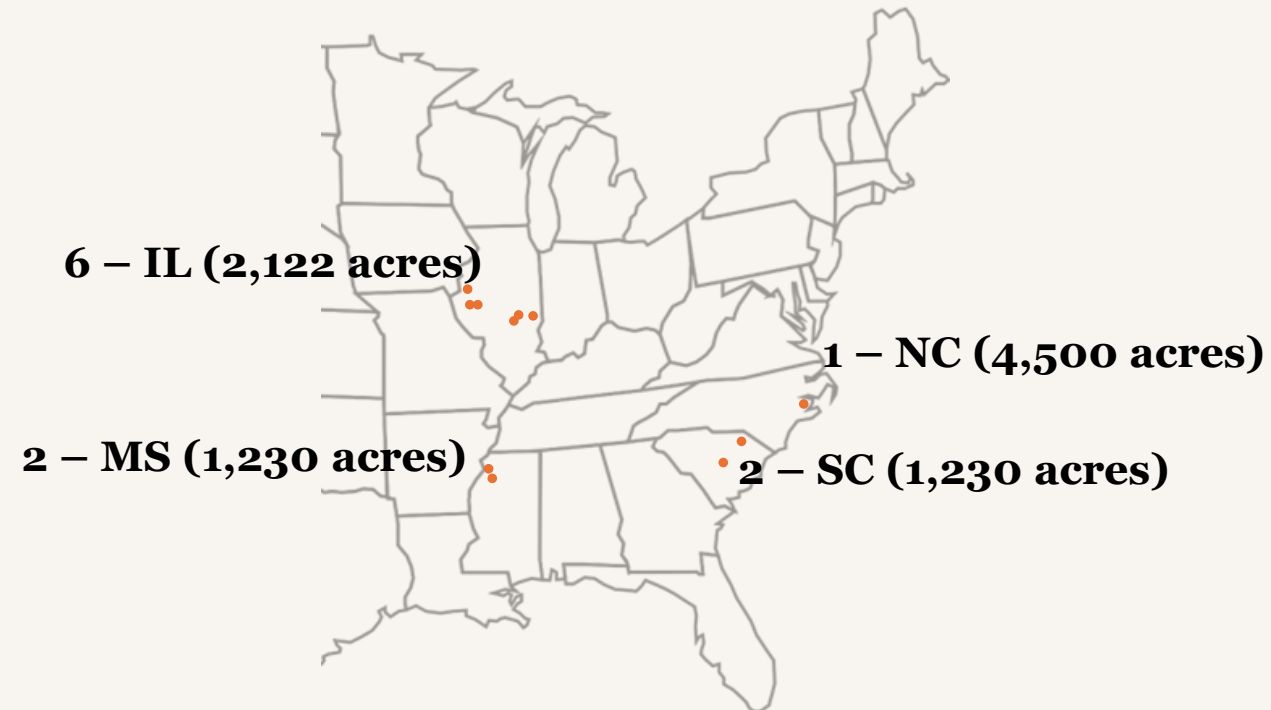


***PROMISED LAND***

# *Promised Land Opportunity Zone Fund*

***The leading rural development partner for rural Opportunity Zones in America.***

- Enhance farmland to preserve it as productive agricultural land for future generations.
- Deployed nearly \$70 million into rural Opportunity Zones since 2020, spanning ~10,000 acres including two farms in Mississippi..
- Our expanding national footprint gives us a comparative view of where rural OZ capital flows.



# What is an Opportunity Zone?

Established by the Tax and Jobs Act of 2017, Opportunity Zones provide significant tax incentives to attract long-term (“patient”) private capital to underserved urban and rural communities.

Question	Answer
What makes a community eligible?	Federal law uses poverty and income tests tied to census tract data.
What are the test thresholds?	Poverty rate of at least 20%, or median family income at or below 80% of the relevant benchmark under the original framework.
Who picks the zones?	Governors nominate from the eligible tracts,; only 25% of eligible zones can be designated.
What differentiates a rural OZ from an urban OZ?	<50,000 in population and not adjacent to city or town of >50,000

**Since 2018, only \$1 of every \$10 were invested in rural Opportunity Zones!**



# OZ 1.0 vs OZ 2.0

OZ 1.0 proved the concept, and OZ 2.0, established by the One Big Beautiful Bill, improves the economics and structure for investing in rural farmland and agricultural infrastructure.

OZ 1.0	OZ 2.0
Temporary program with tracts fixed through 2028.	<b>Permanent program</b> with new designations taking effect in 2027.
Gain deferral plus partial (10%) basis step-ups and 10-year appreciation exclusion.	Rolling 5-year deferrals, <b>30% rural basis step-up</b> , and 10-year appreciation exclusion.
100% substantial-improvement threshold.	<b>50%</b> substantial-improvement threshold.
2017–2028; original tracts <b>sunset December 31, 2028</b> .	<b>Permanent</b> starting <b>January 1, 2027</b> ; first new designation cycle runs <b>2027–2036</b> .

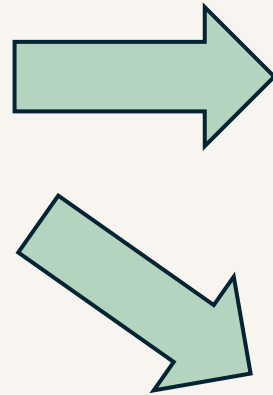
***Promised Land* expects that OZ 1.0 tracts will receive OZ 2.0 benefits after **January 1, 2027**.**



# OZ 2.0 Incentives at Work - Example

## Opportunity Overview

- Invest **\$10M gain** into a 1,000-acre OZ 2.0 farm
- Asset mix: **\$9M land + \$1M capital assets**



## Immediate Tax Benefit

- **30% basis step-up** → excludes **\$3M** of gain
- Taxed basis reduced to **\$7M** → **\$2.59M tax vs. \$3.7M baseline**

**\$1.11M  
permanent  
federal tax  
savings**

## 50% Substantial-Improvement Rule

- **Only 50% of improvement basis** required within 30 months
- **\$500K required capex** (vs. \$1.0M under prior 100% rule)

**\$500K  
savings**



# OZ 2.0 Incentives at Work - Projected Asset Growth



**10 years  
at  
6.25% CAGR**



**Appreciation:**  
\$8.18M  
**Capital Gains Tax**  
= \$0

- **\$1.93M–\$2.30M** → potential tax avoided on appreciation (OZ exit)

**Total Federal Tax Benefit: ~\$3.04M–\$3.41M combined savings (LT and NIIT)**



# The Future: Qualified Production Property (QPP)

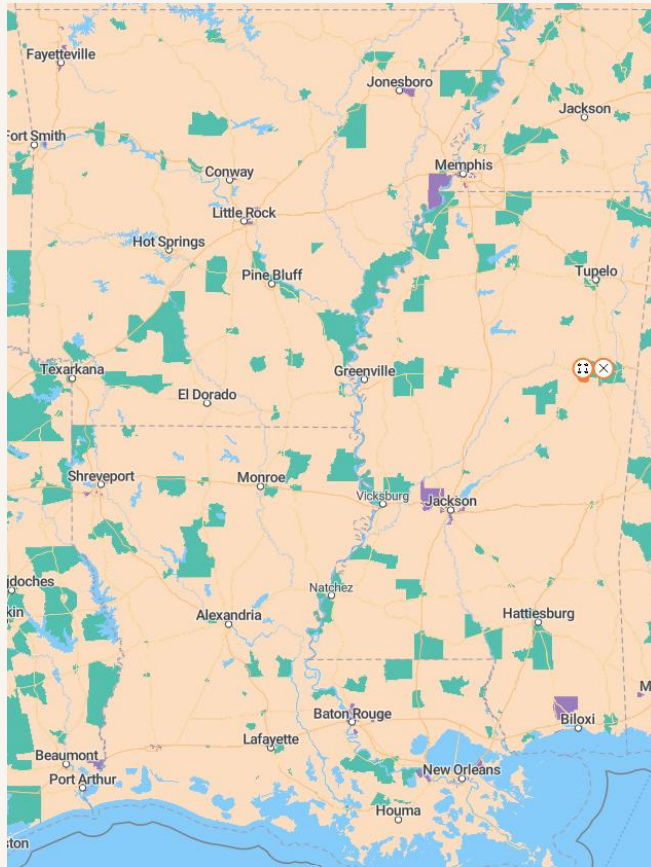
***The future of rural OZs is not land alone—it's integrated operating ecosystems.***

- QPP expands OZ 2.0 beyond land to production and processing assets.
- Examples include grain processing, feed systems, dairy and poultry operations, biofuels, fermentation, and related infrastructure.
- The most competitive tracts will connect land, infrastructure, and operating businesses.

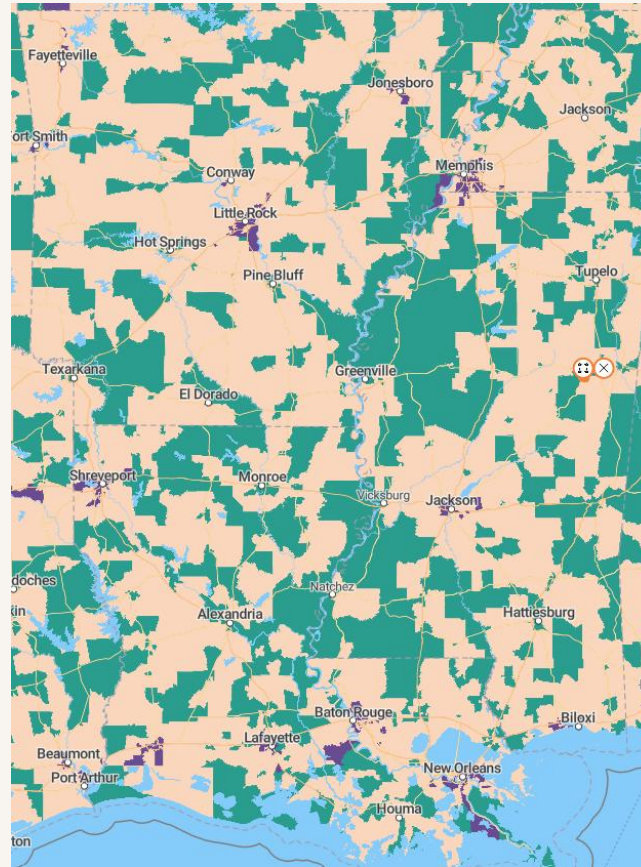


# OZs in the Delta

## OZ 1.0 (Current)



## OZ 2.0 (Eligible)



- 25% of eligible census tracts can be nominated
- MS: Nomination process being led by Mississippi Development Authority (MDA)
- AR, TN, LA: No formal state level process announced
- **KEY DATES**
  - **July 1, 2026:** Governors have 90 days to nominate eligible tracts
  - **December 28, 2026:** Latest date for Treasury to publish final list of OZ 2.0 designations

Source: Novogradac & Company LLP. (2026). *Novogradac OZ 2.0 Map: Opportunity Zone Low-Income Community (LIC) Eligibility* [Interactive map]. PolicyMap. Retrieved May 8, 2026, from <https://www.policymap.com/embed/widget/12163/DNAOEK4M0FUJAGJCCEX7MVRX9IRWBIKG>

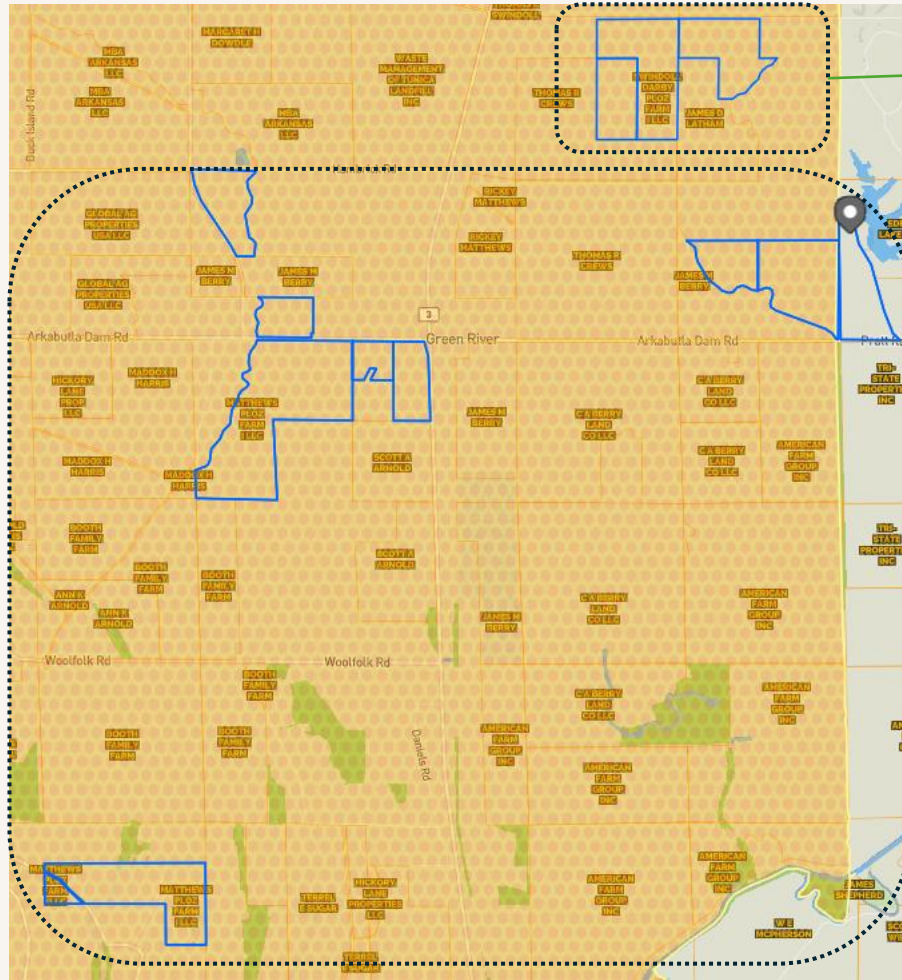


# What Makes a Farm Investable for *Promised Land*?

Criteria	What we look for
OZ eligibility	<b>At least 70%</b> of the property in an OZ.
Land quality	<b>Strong soils and productive capability</b> using region-appropriate metrics such as PI, CSR, or NCCPI.
Parcel characteristics	Enough tillable acres, workable field shape, continuity, and road access to support <b>efficient farming and management</b> . Typically, <b>160-acres or larger</b> for a standalone parcel.
Farm operation	<b>Stable operator situation, leaseability, and realistic fit for row crops</b> or practical mixed-use agricultural operations.
Infrastructure and markets	<b>Proximity</b> to elevators, processors, transport, and farm-support services that help ensure productivity and liquidity.
Improvement potential	Drainage, irrigation, bins, handling systems, or similar improvements that can <b>measurably lift output or returns and meet the substantial improvement threshold</b> .
Investment fit	Current yield with a path to <b>3–5% annual income, 3–7% appreciation, and 3.5–3.8% starting yield</b> growing ~2% per year over a long hold.



# Promised Land's Delta Farms



**Swindoll Darby PLOZ Farm LLC -**  
3 parcels comprising 359 acres

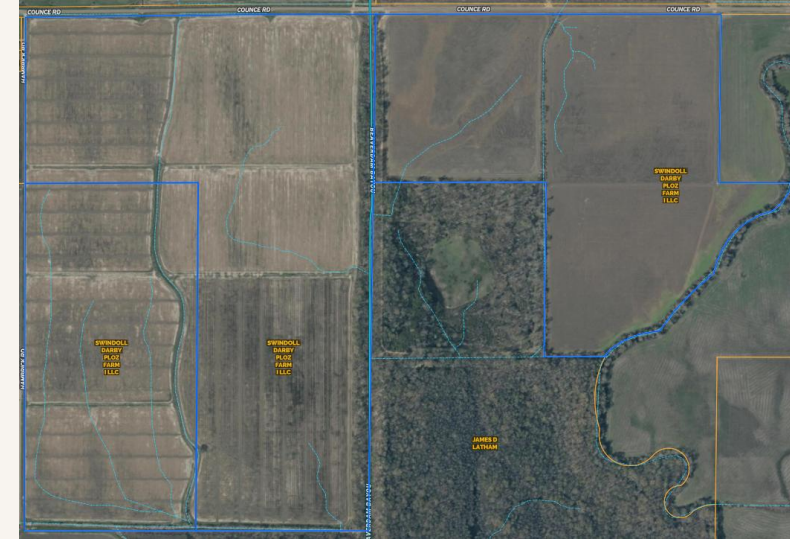
**Matthews PLOZ Farm LLC -**  
20 parcels comprising 1,121 acres

Source: Land id®. (n.d.). *Land Identity & Property Mapping: Mississippi Parcels (Robinsonville, Tunica, and Hernando)*. Retrieved May 8, 2026, from <https://id.land/discover>



# Swindoll Darby PLOZ LLC

- **Purchased:** January 2021
- **Purchase Price:** \$1.5M
- **Size:** 359 acres total; 345 tillable
- **Capital Improvement:**  
Drainage Tile



# Matthews PLOZ LLC

- **Purchased:** January 2021
- **Purchase Price:** \$5.9 Million
- **Size:** 1,210 total acres, 1048 tillable
- **Capital Improvement:** Grain Bins and Drainage Tile



# *How We Work with Farm Managers*

***Local/regional farm managers help us source, underwrite, manage, and improve the farms we own.***

- Source farm opportunities that fit PLOZ criteria.
- Support underwriting on rents, operators, soils, and capex needs.
- Provide local market insight and ensure strong tenant relationships.
- Manage day-to-day operations and lease administration.
- Help execute capital projects and coordinate vendors.
- Serve in minimum-term management roles on sourced farms.



# *How We Work with Rural Appraisers*

***Rural appraisers support periodic valuation, refinancing, and the measurement of value created through farm improvements.***

- Periodic appraisals for portfolio valuation and reporting.
- Appraisals to support refinancing and lender needs.
- Support tax and financial reporting by providing independent fair-value estimates over time.
- Valuation of improvement impacts, such as drainage, irrigation, and grain storage.
- Market insight on comparable sales, rents, and cap rates.



# *Promised Land Opportunity Zone Fund III*

***Seeking to engage partners to expand our leadership in realizing the promise of OZs for rural communities.***

Promised Land Opportunity Zone Fund II successfully closed as a single farm vehicle with the purchase of an 858-acre, prime central Illinois farm within an Opportunity Zone in January 2025. A large-scale tiling project was completed after last year's harvest.

Efforts are underway to build a pipelines of suitable OZ 2.0 eligible projects along with preparation of a private offering memorandum and related organizational documentation for Promised Land Opportunity Zone Fund III (PLOZ III).



# Thank you!

*Promised Land Team:*

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