

ALEXANDRIA VIRGINIA INCENTIVES 101

Local Incentives

Alexandria evaluates cash or in-kind incentives on a case-by-case basis. All grants require execution of a performance agreement between the business and Alexandria Economic Development Partnership.

Alexandria Investment Fund – Provides cash grants to businesses seeking to locate or expand in Alexandria. Incentive amounts depend on factors such as projected job creation, capital investment and real estate impact.

Real Estate Tax Abatements – Partial real estate tax exemptions have been provided for users who are the catalyst for significant new development or redevelopment.

Infrastructure Investment – If changes to the built environment are required for a business to thrive, AEDP can leverage the City's \$1.6 Billion capital improvement budget to identify and advocate for projects.

Tax Exempt Financing – Below market rate bond financing of capital projects may be available for qualified businesses and organizations seeking to invest in Alexandria.

State Incentives

Virginia has a variety of discretionary programs offering performance-based cash incentives for companies considering another State or Country.

Program	Description	Minimum Business Requirements
Commonwealth Opportunity Fund (COF)	A deal-closing resource targeting companies that are considering another state or country to locate or expand.	<ul style="list-style-type: none"> ◦ \$5M capital investment ◦ 50 net new jobs with wages above the local prevailing wage (Alexandria = \$71,000)
Virginia Jobs Investment Program (VJIP)	Supports job creation and investment in VA by offsetting recruitment and training costs for new or expanding businesses.	<ul style="list-style-type: none"> ◦ \$1M capital investment ◦ 25 net new jobs within first 12 months of initial hiring (Criteria adjusted for small businesses & start-ups)
Virginia Economic Development Incentive Grant (VEDIG)	Assists with the location of significant headquarters, administrative, or service sector operations in VA.	<ul style="list-style-type: none"> ◦ \$5M capital investment ◦ Sustain 300-400 jobs with salaries 50-100% above the local prevailing wage
Major Business Facility Job Tax Credit	Supports new job creation by providing a \$1,000 corporate income tax credit per new job after a 50 job threshold is met.	<ul style="list-style-type: none"> ◦ Must meet a 50 new full-time job threshold within a 12 month period

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Overall Timeline for Incentive Opportunities



1. A Tenant interested in leasing or purchasing commercial property in Alexandria contacts AEDP about incentive opportunities.



2. AEDP requests general financial information from the Tenant and contacts State partners about VA incentive opportunities.



3. Tenant shares information such as job creation, capital investment, revenue targets, and details of the Real Estate deal.



4. AEDP reviews information and coordinates with State partners.



5. Tenant narrows business location/expansion decision to Alexandria and another State or Country.



6. AEDP presents City & State offers and initial letter of intent and Tenant accepts initial terms of incentive deal.



7. Performance agreement is negotiated and executed.



8. Alexandria/State incentive funds are distributed by AEDP over the agreed upon performance period.