GREATER RICHMOND PARTNERSHIP

Updated November 1, 2026

STATE INCENTIVES

Virginia and the local governments in Greater Richmond offer a variety of incentives designed to meet the needs of companies considering an investment in the Commonwealth and Greater Richmond. Below are descriptions of key state programs, updated with information published by the Virginia Economic Development Partnership (VEDP) and other state agencies as of November 2026.

For new, competitive projects, VEDP may count telework positions held by Virginia residents toward the job requirements of its performance-based incentives.

PRIMARY INCENTIVES

Commonwealth's Development Opportunity Fund (COF)

Provides "deal-closing" grants at the Governor's discretion to secure a company location or expansion in Virginia when the Commonwealth faces active, realistic competition from another state or country. A grant is awarded to a local government on behalf of the company. The locality must enter into a performance agreement with the company and provide a dollar-for-dollar match, in cash or in kind.

- General thresholds: 50 new jobs and $5 million in capital investment, or 25 new jobs and $100 million in capital investment. The Governor may lower the job threshold to as few as 25 if wages are at least twice the prevailing average.
- Localities with an unemployment rate or poverty rate above the statewide average: 25 new jobs and $2.5 million in capital investment.
- Localities with both an unemployment rate and a poverty rate above the statewide averages: 15 new jobs and $1.5 million in capital investment.
- New jobs must pay at least the prevailing average annual wage in the locality, excluding fringe benefits. The threshold is 85% of that wage in distressed localities.
- The company must be a basic employer, meaning at least 51% of the facility's revenue comes from outside Virginia.
- For most performance agreements, the minimum capital investment, job and wage thresholds must be met within 36 months.

Virginia Jobs Investment Program (VJIP)

A discretionary program that provides funding and services to support new job creation or upskilling alongside new or expanding operations. VJIP is not approved for a project that has already been announced publicly.

- All VJIP programs are limited to basic employers. At least 51% of revenue must come directly or indirectly from out-of-state sources, as determined by VEDP.

- New jobs programs support corporate headquarters, distribution centers, information technology, manufacturing, research and development and shared service centers. Retraining programs support manufacturing and distribution centers.
- Virginia New Jobs Program (more than 250 employees): 25 net new full-time jobs within 12 months of the first hire and at least $1 million in capital investment, in competition with another state or country.
- Small Business New Jobs Program (250 or fewer employees): five net new full-time jobs within 12 months of the first hire and at least $100,000 in capital investment.
- Retraining programs: at least 25 jobs retrained and $1 million in capital investment (more than 250 employees), or five jobs and $100,000 (250 or fewer employees). Companies must show new technology, a product line change or a substantial change in service delivery. A company may use new jobs or retraining support, but not both.
- Only full-time jobs count. The entry-level wage must be at least the prevailing average wage of the locality, or 85% of it in distressed localities. The project's overall average wage must meet the same threshold.
- Support typically runs up to 36 months. New jobs are reimbursed 90 days after each hire.

Virginia Talent Accelerator Program

Delivered by VEDP in partnership with the Virginia Community College System, the program accelerates facility start-ups and expansions by speeding recruiting and shortening the new-hire learning curve. Services are provided at no cost to eligible companies as an incentive for job creation.

- Services include customized recruiting, pre-employment training, job-specific training and organizational development training and consulting.
- Eligibility is determined case by case for competitive projects. Manufacturing and distribution operations must create at least 25 net new jobs within the first year. All other eligible operations must create at least 50.
- The average annual wage of new jobs must equal at least the prevailing average annual wage of the locality, or 85% of it in distressed localities.
- The project must be affiliated with a basic employer. Most eligible companies choose either this program or VJIP.

Virginia Investment Performance Grant (VIP)

A performance-based grant for existing manufacturers, and for research and development services that support manufacturing, that make a major capital investment in Virginia.

- Minimum capital investment of $25 million in real property, tangible personal property or both. The company must have had a legal presence in Virginia for at least three years before announcing the project.
- No minimum number of new jobs is required, but employment cannot fall from project completion through one year afterward. If new jobs are part of the award, their average wage must meet the locality's prevailing average annual wage.

- The company must be a basic employer and face active, realistic competition from another state or country. Local matching participation of at least 50% is expected.
- The Secretary of Commerce and Trade sets the award with the Governor's approval. Grants are limited to $5 million, with payments of no more than $1 million a year, made in five equal annual installments.

Virginia Economic Development Incentive Grant (VEDIG)

Supports headquarters, administrative and service sector projects that face competition from another state or country.

- Metro areas with a population of 300,000 or more: 400 new full-time jobs paying at least 150% of the local prevailing average wage, or 300 jobs paying at least 200%. Capital investment must be at least $5 million or $6,500 per job, whichever is greater.
- Elsewhere in Virginia: 200 new full-time jobs paying at least 150% of the local prevailing average wage and capital investment of at least $6,500 per job.
- The company must be a basic employer. Awards are set by the Secretary of Commerce and Trade with the Governor's approval and are paid in at least five annual installments beginning in the first year after VEDP verifies that the grant requirements have been met (Va. Code § 2.2-5102.1).

Commercial and Industrial Sales and Use Tax Exemption

Provides sales and use tax exemptions for eligible equipment used directly in manufacturing and research and development operations under § 58.1-609.3 of the Code of Virginia. Some common exemptions include:

- Production-related machinery and equipment.
- Equipment used for production line testing and quality control.
- Research and development equipment.
- Utilities used in manufacturing delivered through pipes, lines or mains.
- Repair parts.

Foreign Trade Zones

Allows companies to defer or reduce U.S. customs duties on foreign merchandise held in designated zones. Virginia has six foreign trade zones, and all six use the Alternative Site Framework, which lets eligible facilities in a zone's service area obtain zone status more quickly. Greater Richmond is served by Foreign Trade Zone 207.

- Zone 207 centers on Richmond International Airport, with more than 100 acres for on-airport development and magnet sites in Ashland, Prince George and South Hill. Its service area includes Richmond, Henrico, Chesterfield, Hanover and Goochland along with other central and eastern Virginia counties and cities such as Petersburg, Hopewell and Colonial Heights.
- Customs duties and federal excise tax are deferred until imported goods enter U.S. commerce. No duties or quota charges apply to goods that are re-exported.

- Foreign goods and domestic goods held for export are exempt from state and local inventory taxes. Users may also qualify for streamlined U.S. Customs and Border Protection procedures, such as weekly entry or direct delivery.
- Any company that imports product into the United States and performs qualifying activities in a zone may participate. Permitted activities include storing, assembling, manufacturing, repairing, testing, repackaging and relabeling. Manufacturing requires specific FTZ Board authorization, and retail trade is prohibited.
- A company does not need to be in a zone already. The FTZ Board can designate a usage-driven site at its facility, and sites must be activated by U.S. Customs and Border Protection before zone activity begins. For the Richmond area, contact the Capital Region Airport Commission.

PORT-RELATED INCENTIVES

Effective Jan. 1, 2025, Virginia converted its barge and rail, international trade facility and port volume tax credits into grant programs administered by the Virginia Port Authority. Together with the Economic and Infrastructure Development Grant, they form the Port of Virginia's four Growth Incentive Grants. Awards are subject to appropriation. Pre-application periods run Sept. 1 to Nov. 1. Contact the authority at GrowthIncentiveGrants@portofvirginia.com for current deadlines.

Virginia Barge and Rail Usage Grant Program

Benefits international trade facilities that use barge or rail to move cargo to or from public or private port terminals in Virginia rather than by truck or motor vehicle on Virginia's highways.

- The grant is $25 per one of the following: (1) one TEU (20-foot equivalent unit); (2) 16 tons of non-containerized cargo; or (3) one unit of roll-on/roll-off cargo moved by barge or rail.
- The facility must increase its barge and rail cargo volume by at least 5% year over year.
- Only cargo shipped through maritime port facilities qualifies.
- Only international shipments qualify. Shipments to a Virginia port from another state, or domestic exports from Virginia, do not qualify.

International Trade Facility Grant Program

Benefits companies that increase qualified trade activity through Virginia ports and either create jobs or make a capital investment in an international trade facility.

- The company must be an international trade facility engaged in port-related activities, such as warehousing, distribution, freight forwarding, freight handling or goods processing, and must own the cargo when port facilities are used.
- Cargo volume through Virginia port facilities must increase by at least 5% in a calendar year.
- The company chooses one award: $3,500 per new qualified full-time job or 2% of the capital investment made to support the increased trade. Both cannot be awarded for the same activities.
- Jobs must be new, permanent and full-time, with a minimum entry-level wage of at least 1.2 times the federal or Virginia minimum wage, whichever is higher.

- The Virginia Port Authority revised the program policy in September 2026. Confirm current terms before applying.

Virginia Port Volume Increase Grant Program

Benefits manufacturing, distribution, agriculture, and mineral and gas companies that use Virginia's port facilities. A company that increases its port cargo volume by 5% in a single calendar year over its base year can receive a grant.

- The grant is $50 per TEU, unit of roll-on/roll-off cargo or 16 net tons of non-containerized cargo above the base year volume. A new major facility receives $50 per TEU moved during its first calendar year.
- Awards are capped at $250,000 per company each calendar year and $3.8 million for all recipients combined.
- The company must own the cargo when port facilities are used.
- Applications are due to the Virginia Port Authority by March 1 of the year after the volume increase.

Port of Virginia Economic and Infrastructure Development Grant (EID Grant)

Designed to encourage companies to locate new maritime-related employment centers or expand existing centers to support growth of The Port of Virginia.

- Creates at least 25 new, permanent full-time positions at a facility within Virginia from commencement of the project through the first full year of operation or during the year when the expansion occurs.
- Is involved in maritime commerce or exports or imports manufactured goods through The Port of Virginia.
- Is engaged in one or more of the following: distribution, freight forwarding, freight handling, goods processing, manufacturing, warehousing, crossdocking, transloading or wholesaling of goods exported and imported through The Port of Virginia; shipbuilding and ship repair; dredging; marine construction; or offshore energy exploration and extraction.
- Awards are $1,000 per job for 25 to 49 new jobs, $1,500 for 50 to 74, $2,000 for 75 to 99 and $3,000 for 100 or more. The EID and ITF grants share a $2 million appropriation cap.

INFRASTRUCTURE-RELATED INCENTIVES

Rail Industrial Access Program

Provides funds to build or improve railroad track for new or substantially expanded industrial and commercial projects. The Virginia Department of Rail and Public Transportation administers the program.

- Grants of up to $750,000 per project are available, up from $450,000. Applicants must provide a 30% match.

- Funds may be used for engineering, site preparation and the construction, rehabilitation or improvement of track and related facilities on public or private property. Funds may not be used for right-of-way acquisition or utility relocation.
- Eligible recipients are business, commercial or industrial enterprises; local governments or local economic development departments acting on behalf of enterprises; and railroads.

Economic Development Access Program

Provides state-funded incentives for road access improvements for new or expanding significant businesses. The Virginia Department of Transportation (VDOT) administers the program.

- A locality can receive up to $700,000 in unmatched funds per fiscal year, which can cover one or more projects. If a project costs more, the locality can request up to $150,000 in supplemental funds, matched dollar for dollar from its general fund.
- Funds can improve existing secondary roads and city streets to handle added traffic from an eligible site, or build a new road from a publicly maintained road to the establishment's primary entrance when no road exists.
- The project must serve a basic employer, meaning 51% or more of the facility's revenue is generated outside the Commonwealth. Eligible establishments include manufacturers, processors, research and development facilities, distribution centers, regional service centers, corporate headquarters and government installations.
- The site must lack adequate access. Turn lanes or intersection work may be included but cannot be the project's main purpose.
- Costs incurred before the Commonwealth Transportation Board makes an allocation are not reimbursable. Initial board approval typically takes six to eight months.

Transportation Partnership Opportunity Fund (TPOF)

Provides grants, revolving loans and other financial assistance, awarded at the Governor's discretion, to agencies and local governments for transportation projects that support economic development. VDOT administers the fund, and anything developed with these funds is public property.

- The Governor is authorized to award grants of up to $5 million.
- Loans are interest-free and available up to $30 million, based on funding availability. Loan terms vary but will not exceed seven years.
- The applicant must be an agency or local government of the Commonwealth, and the project must address needs identified in a state, regional or local transportation plan.
- The project must meet COF economic development criteria or, if it only retains jobs, VIP criteria. Job and capital investment targets must be met within 36 months after final disbursement.

R&D INCENTIVES

Virginia's two research and development income tax credits applied only to taxable years beginning before Jan. 1, 2025, and VEDP's current incentives directory does not list either credit.

- Major R&D Expenses Tax Credit: applied to taxable years beginning on or after Jan. 1, 2023 and before Jan. 1, 2025, for companies with more than $5 million in Virginia qualified research and development expenses. The credit was capped at $16 million per year.
- Refundable R&D Expenses Tax Credit: available for taxable years beginning on or after Jan. 1, 2011 and before Jan. 1, 2025.
- R&D operations may still qualify for VJIP, VIP (research and development services that support manufacturing) and the sales and use tax exemption for research and development equipment. Confirm any later legislative changes with the Virginia Department of Taxation.

LOCATION-BASED INCENTIVES

Virginia Business Ready Sites Program (VBRSP)

A VEDP discretionary program that awards competitive grants to localities to assess and develop industrial and commercial sites, building a portfolio of project-ready sites across the Commonwealth.

- Site characterization grants assess and designate a site's current level of readiness.
- Site development grants fund work that raises a site's readiness tier. Grants are made at the discretion of the program's review and funding approval committees.

Virginia Enterprise Zone Real Property Investment Grant

Available to investors undertaking rehabilitation, expansion or new construction projects within the boundaries of an Enterprise Zone. The Virginia Department of Housing and Community Development administers Enterprise Zone grants, and applications are due April 1 for the prior calendar year.

- The building or facility must be commercial, including office and retail; industrial; or mixed-use, with at least 30% of usable floor space devoted to commercial, office or industrial use.
- For rehabilitation or expansion of an existing structure, the qualified zone investor must capitalize at least $100,000 in qualified real property investments.
- For new construction, the qualified zone investor must capitalize at least $500,000 in qualified real property investments.
- The grant is up to 20% of qualified investment above the threshold. Over any five consecutive years, grants are capped at $100,000 per building for investments under $5 million and $200,000 for investments of $5 million or more. Grants may be prorated when requests exceed funding.

Virginia Enterprise Zone Job Creation Grant

Provides grants to investors and job creators within areas designated as Enterprise Zones, on a per-job basis.

- Annual cash grant of up to $500 per job for positions paying at least 150% of the Virginia minimum wage, or up to $800 per job for positions paying at least 175%. The wage threshold is 125% in High Unemployment Areas and for qualifying SWaM-certified businesses.

- Requires at least four net new permanent full-time positions over a base year to establish a five-year grant period. Grants are available for up to 350 positions per year.
- Only full-time jobs with health benefits are eligible. The firm must offer to cover at least 50% of an employee's health insurance premium.
- Personal service, food and beverage, and retail businesses, along with government units and most nonprofits, are excluded.

VEDP also lists Defense Production Zones, Green Development Zones and Technology Zones among its targeted regional and local incentives. Contact GRP to learn whether any apply to a specific site.

Sources: Virginia Economic Development Partnership, Incentives website; Virginia Port Authority, Growth Incentive Grants; Virginia Department of Rail and Public Transportation; Virginia Department of Transportation; Virginia Department of Housing and Community Development; Code of Virginia. Accessed Nov. 2026. Incentives are discretionary, subject to appropriation and conditional on due diligence. Confirm current terms with VEDP before relying on any figure.