



## The Joint Alleghany County, Town of Clifton Forge and City of Covington Enterprise Zone (VA #53)

### Local Incentives

1. Utility Consumer Tax Reduction

A payment equal to the amount of a 3-yr. reduction of utility consumer tax for qualifying new businesses. A 70% reduction in year one, 40% reduction for year two and 20% reduction for the third year.

2. Business License Tax Reduction

A payment equal to the amount of a 3-yr. reduction of business license taxes for qualifying new businesses. 70%-40%-20% reductions.

3. Real Estate Tax Reduction

A payment equal to the amount of a 3-yr. reduction in real estate taxes for qualifying new businesses. 70%-40%-20% reductions.

4. Machinery and Tools Tax Reduction

A payment equal to the amount of a 3-yr. reduction in the machinery and tool tax for qualifying new businesses. 70%-40%-20% reductions.

5. Rezoning Fees Reimbursement

A payment equal to the amount of the rezoning application fees for qualifying new businesses.

## 6. Building Permit Fee Reimbursement

A payment equal to the amount of the building permit fees for qualifying new businesses.

## **State Incentives**

### 1. Virginia Job Creation Grant

Up to \$500/year per net new permanent, full-time position earning at least 175% of the federal minimum wage with health benefits.

Up to \$800/year per net new permanent full-time position earning at least 200% of federal minimum wage with health benefits.

#### Grant Term

Available for a five-consecutive year term for net new permanent full-time positions above the four-job threshold, which meet the wage and health benefit requirement.

#### Eligibility Requirement

Creation of at least four net new permanent full-time positions.

Net new permanent full-time positions created over the four-job threshold that meet wage and health benefit requirements are eligible.

Excludes retail, personal service, personal care services, hair, nail, and skin care services, barber shops, beauty salons, nail salons, other personal care services, diet and weight reducing centers, death care services, funeral homes and funeral services, cemeteries and crematories, dry-cleaning and laundry services, coin-operated laundries and drycleaners, linen and uniform supply, industrial launderers, pet care, except veterinary services, photo finishing, photo finishing laboratories, except one-hour, one-hour photo finishing, parking lots and garages and all other personal services.

## 2. Virginia Real Property Investment Grant

Up to \$100,000 per building or facility for qualifying real property investments of less than \$5 million.

Up to \$200,000 per building or facility for qualifying real property investments of \$5 million or more.

### Grant Term

Capped per building or facility at a maximum of \$200,000 within a five-consecutive year term.

- Grants are available in amounts up to 20% of the total amount of qualified real property investments, not to exceed \$200,000 per building within a five-year period.

### Eligibility Requirement

Commercial, industrial, or mixed-use buildings or facilities.

For rehabilitation and expansion, at least \$100,000 incurred in qualified real property investments (grant award applied against the amount of qualified real property investment over and above the \$100,000 threshold).

For new construction, at least \$500,000 incurred in qualified real property investments (grant award applied against the amount of qualified real property investment over and above the \$500,000 threshold).

Amended: January 2022

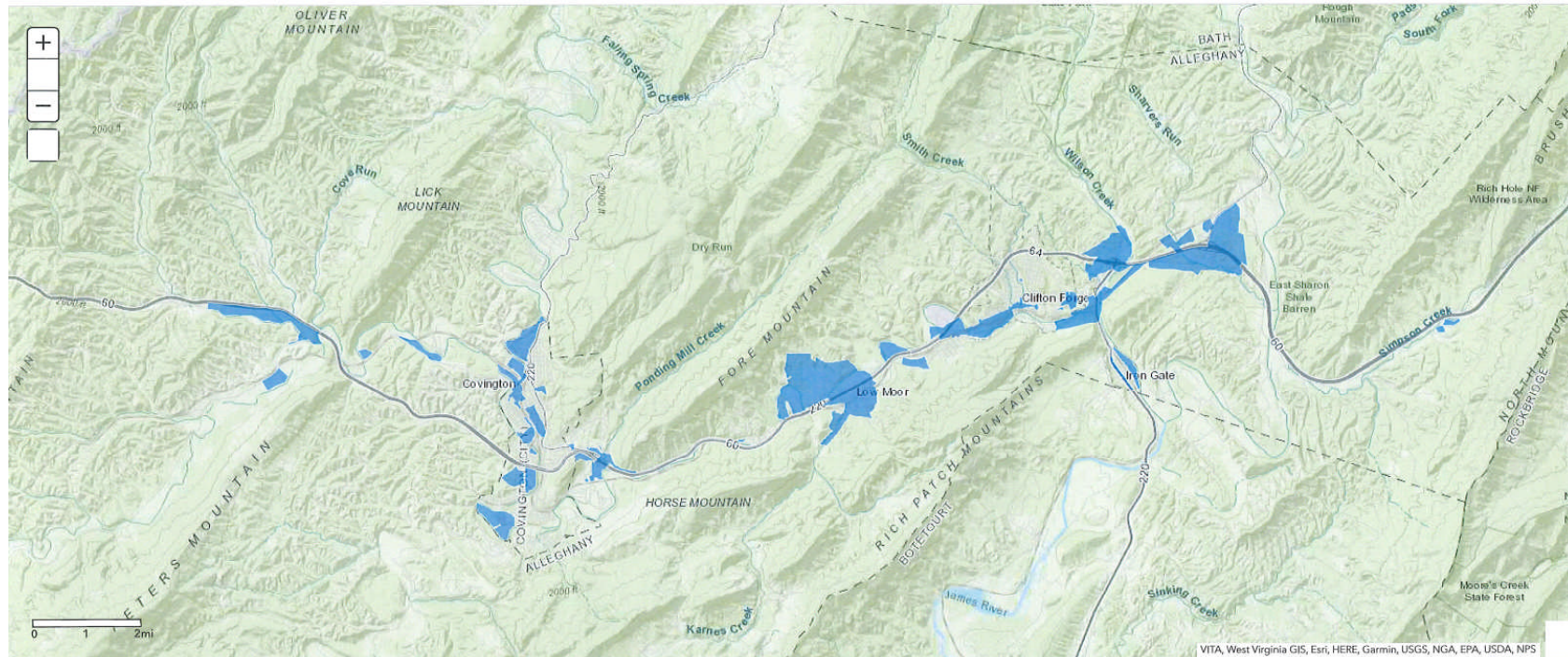
## What Constitutes Qualified Real Property Investment?

### Qualified Real Property Investments

Carpentry  
Ceilings  
Cleaning and clean-up  
Demolition  
Doors, windows  
Driveway  
Drywall  
Cabinetry (if taxed as real property)  
Electrical improvements, such as  
    In-wall wiring system (equipment  
    unrelated to construction and labor  
    and material cannot be included  
    in this category)  
Excavation, grading  
Exterior repair  
Fencing  
Fire suppression systems  
Fixtures  
HVAC  
Landscaping  
Mechanical improvements (equipment  
    unrelated to construction and labor  
    and material cannot be included in  
    this category)  
Painting  
Plumbing  
Masonry  
Roofing and flashing  
Sheetrock, plater  
Shelving  
Sidewalks

### NOT Qualified Real Property Investments

Lead and termite abatement  
Appraisals, architectural, engineering, and interior  
    design fee  
Bids  
Blinds  
Bonding  
Closing Costs  
Furnishings (such as window treatment or appliance)  
Insurance  
Land or building acquisition  
Legal, accounting, realtor, sales and marketing or  
    other professional fees  
Loan fees; capitalized interest  
Outbuildings (if ancillary to the function of the main  
    building)  
Permits, user fees, zoning fees, impact fees,  
    inspection fees  
Rent loss  
Signage or signs  
Temporary facilities  
Utilities  
Utility hook-up or access fees  
Well, septic, or sewer systems  
Roads  
Basis of any property: i. For which a grant was  
    previously awarded; ii. Which was previously  
    placed in service in Virginia by the taxpayer, a  
    related party, or a trade or business under  
    common control; iii. Which was previously in  
    service in Virginia and has a basis in the hands  
    of the person acquiring it, determined in whole  
    or in part by reference to the basis of such  
    property in the hands of the person from whom  
    acquired, or Internal Revenue Code § 1014 (a).



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