

Item Title: Public Hearing and Consideration of a Business Development Grant Agreement for Ralliant Corporation

Specific Action Requested:

That the Board of Commissioners holds a public hearing and approves a Business Development Grant Agreement with Ralliant Corporation subject to the terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: State law authorizes counties to make appropriations for economic development purposes determined by the governing body to increase population, tax base, employment, and overall business prospects for the County. Wake County's Business Development Grant policy governs County appropriations for economic development incentives paid to companies expanding or locating in Wake County, including specific requirements for investment and job creation. Per statute, the governing board must hold a public hearing prior to making appropriations for economic development.

Background: Ralliant Corporation, recently formed as a spinoff from the global technology leader Fortive, specializes in precision technologies across industries such as healthcare, engineering, and workplace safety. The company focuses on critical advancements in test and measurement, specialty sensors, and subsystems for aerospace and defense.

In March 2025, Ralliant announced plans to locate their headquarters in Raleigh, a project that includes a planned \$2.1 million investment, and the creation of 180 new jobs with average salaries exceeding \$170,000 annually. The Company will be lease space in the North Hills Office Tower located at 4114 Center at North Hills Street.

Strategic Plan: This action supports Inclusive Prosperity Goal 2: By 2029, four out of five residents asked will say they have employment opportunities that are available and right for their needs.

Fiscal Impact: The County agrees to a Business Development Grant of 35% of new tax revenue generated each year for a period of eight years. The company also plans to participate in the Upward Mobility Bonus program for an additional 5% of new tax revenue each year it qualifies for the standard grant over the grant period.

The total grant, including the Upward Mobility Bonus, is estimated to be \$21,925 over the five-year period. Appropriations sufficient to

meet the County's obligations under the terms of the agreement will be incorporated in the annual budget ordinance.

Additional Information:

On November 4, 2024 the Wake County Board of Commissioners met in closed session and authorized the County Manager to negotiate a business development grant agreement for the project.

To receive payment from the County, the company must meet performance criteria outlined in the proposed agreement including:

1. Investments that result in at least \$2,120,000 million in additional assessed property tax valuation by December 31, 2026.
2. Creation of 162 net new full-time Wake County jobs by December 31, 2029
3. New jobs must pay an average annual salary of \$170,531
4. Full payment of Wake County Property taxes for all previous and current years in which taxes are owed.
5. Documented policies and practices to qualify and receive the 5% Upward Mobility Bonus.

Upward Mobility Bonus

The Company has also agreed to participate in the County's Upward Mobility Bonus program to receive an additional grant of 5% of new tax revenue generated by the project throughout the term of the grant. To qualify each year, the company will submit documentation to the County demonstrating that it does the following:

- Prohibits discrimination in employment practices consistent with the County's Nondiscrimination Ordinance.
- Offers health insurance at a level generally considered affordable.
- Provides paid leave that accommodates vacation, sick, bereavement, and parental leave; and

Offers at least two of the following:

- Program(s) that offset costs to employees associated with childcare.
- Program(s) that offset costs to employees associated with transportation.
- Program(s) that offset costs to employees associated with tuition or related educational expenses that increase employee skills and opportunities for advancement.
- Second chance hiring practices, including removal of prior conviction checkoffs.

Estimated Payments

Based on the proposed agreement, the first payment is expected to be made in late 2029 or early 2030 assuming the investment and corresponding hiring goals are met. The first payment could be earlier if the company meets its investment and hiring goals faster than anticipated.

The following chart is for illustration purposes only. The actual business development grant annual amount will be based on new annual assessed valuations as determined by the Wake County Tax Administrator.

Business Development Grant & Upward Mobility Bonus *Estimate*						
Year	Total New Assessed Value	Wake County Tax	Incentive %	Business Development Grant Estimate	Upward Mobility Bonus	Total Estimate
1	\$2,120,000	\$10,963	35%	\$3,837	\$548	\$4,385
2	\$2,120,000	\$10,963	35%	\$3,837	\$548	\$4,385
3	\$2,120,000	\$10,963	35%	\$3,837	\$548	\$4,385
4	\$2,120,000	\$10,963	35%	\$3,837	\$548	\$4,385
5	\$2,120,000	\$10,963	35%	\$3,837	\$548	\$4,385
Total				\$19,185	\$2,740	\$21,925

Other Participation

The State of North Carolina is participating in the project through the Job Development and Investment Grant (JDIG) program. The JDIG grant includes potential reimbursement to the company of up to \$2.6 million over 12 years, provided the company meets all of its performance requirements set by the state.

The City of Raleigh also approved a jobs-based incentive for the Company not to exceed \$36,000 on April 1, 2025.

Attachments:

1. Presentation
2. Business Development Grant Agreement
3. Wake County Business Development Grant Policy (Amended December 4, 2023)