

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

APPLICANT: Realogy Corporation

COMPANY ADDRESS: 1 Campus Drive Parsippany Morris County
3001 Leadenhall Road Mt Laurel Burlington County

PROJECT LOCATION: To Be Determined Morris County
3001 Leadenhall Road Mt Laurel Burlington County

GOVERNOR'S INITIATIVES: () NJ Urban Fund () Edison Innovation Fund (X) Core

APPLICANT BACKGROUND:

Realogy Corporation (Realogy), a global provider of real estate and relocation services, has a diversified business model that includes real estate franchising, brokerage, relocation and title services. Realogy's world-renowned brands and business units include Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, NRT LLC, Cartus and Title Resource Group (TRG). Collectively, Realogy's franchise system has approximately 14,700 offices and 264,000 sales associates doing business in 100 countries and territories around the world. Headquartered in Parsippany, Realogy is owned by affiliates of Apollo Management, L.P., a subsidiary of Apollo Global Management, LLC, a leading global alternative asset manager.

The applicant was created as a result of an October 2005 decision by Cendant to split into four separate companies, citing a necessity to diversify in appealing to stockholders and in an attempt to increase the value of the post-split up company. Realogy inherited the Parsippany building as part of the spin off in 2006 from Cendant. Even then the facility was significantly larger than the applicant needed, in addition to being a highly inefficient building with a high loss factor due to the amount of common area.

NRT, LLC, a subsidiary of Realogy was approved in May 2002 for a 10 year BEIP grant, 50% award level, to create 115 new jobs in Parsippany. To date NRT has received \$ 1,415,640 for the creation of 111 jobs through 2007. The jobs created under the BEIP grant are ineligible to be included in the BRRAG grant. Based on anticipated revision of the regulations for the STX program at the May 10, 2011 Board meeting, the applicant will submit a request for a Sales & Use Tax Exemption related to the \$25,060,000 capital improvements to be made at the Parsippany facility. The applicant has also demonstrated that the grant of these tax credits will result in a net positive benefit to the State.

MATERIAL FACTOR/NET BENEFIT:

Realogy is seeking a BRRAG grant to support retaining a total of 953 jobs, with 713 jobs at a new corporate headquarters in Morris County, and 240 jobs at its Title Resource Group (TRG) offices in Mt. Laurel, Burlington County. The applicant's review of its current real estate strategy is a result of its 377,000 s.f. Parsippany facility lease expiring (Oct 31, 2013) and the facility would need significant leasehold improvements. The applicant is looking for a 225,000 s.f. facility to house the 713 employees that make up the corporate staff. Also under consideration is consolidating all the NJ operations, which also includes 240 jobs at Title Insurance Group in Mt. Laurel (81,000 s.f.) into a 280,000 s.f. facility in either North Carolina or Georgia. Project costs are estimated to exceed \$25 million. The applicant has also demonstrated that the grant of these tax credits will result in a net positive benefit to the State.

APPROVAL REQUEST:

TAX CREDIT TERM: 5 years
COMMITMENT DURATION: 10 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Realogy Corporation to encourage the company to remain and relocate within New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be raised or lowered to reflect the award amount and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 10 years, exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 12/31/2012 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 12/31/2012.

END OF APPLICANT'S FISCAL YEAR:

December 31

CAPITAL INVESTMENT MUST BE SPENT BY:

December 31, 2012

TOTAL ESTIMATED GRANT AWARD OVER TERM:**\$ 10,721,250**

STATE FISCAL YEAR 1 APPROVAL (SFY2013) \$ 2,144,250

STATE FISCAL YEAR 2 APPROVAL (SFY2014) \$ 2,144,250

STATE FISCAL YEAR 3 APPROVAL (SFY2015) \$ 2,144,250

STATE FISCAL YEAR 4 APPROVAL (SFY2016) \$ 2,144,250

STATE FISCAL YEAR 5 APPROVAL (SFY2017) \$ 2,144,250

ELIGIBLE BRRAG JOBS:**953****YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:****\$ 1,500****BONUS TAX AWARD PER EMPLOYEE:****\$ 750****TOTAL YEARLY TAX CREDIT & INCLUDING BONUS****\$ 2,250****ANTICIPATED AVERAGE WAGES:****\$ 80,916****ESTIMATED TOTAL GROSS ANNUAL PAYROLL:****\$ 77,112,948****ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 10YRS:****\$ 24,920,931****ESTIMATED ELIGIBLE CAPITAL INVESTMENT:****\$ 25,060,000****OPERATED IN NJ SINCE:****1995****PROJECT IS:** () Expansion (X) Relocation**CONSTRUCTION:** (X) Yes () No**BUSINESS DEVELOPMENT OFFICER: J. Colon****APPROVAL OFFICER: M.Krug**