

CEDAR REALTY TRUST, INC.

Form 10-K

February 25, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

COMMISSION FILE NUMBER: 001-31817

CEDAR REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

42-1241468
(I.R.S. Employer
Identification Number)

44 South Bayles Avenue, Port Washington, NY
(Address of principal executive offices)

11050-3765
(Zip Code)

Registrant's telephone number, including area code: (516) 767-6492

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.06 par value	New York Stock Exchange
7-1/4% Series B Cumulative Redeemable	New York Stock Exchange
Preferred Stock, \$25.00 Liquidation Value	

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer x
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No x

Based on the closing sales price on June 30, 2013 of \$5.18 per share, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$354,746,000.

The number of shares outstanding of the registrant's Common Stock \$.06 par value was 79,166,226 on February 20, 2014.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive proxy statement relating to its 2014 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Part I.

Items 1 and 2. Business and Properties

General

Cedar Realty Trust, Inc. (the *Company*), organized in 1984, is a fully-integrated real estate investment trust that focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington DC to Boston corridor. At December 31, 2013, the Company owned and managed a portfolio of 65 operating properties (excluding properties held for sale/conveyance) totaling approximately 9.4 million square feet of gross leasable area (*GLA*). The portfolio was 92.6% occupied and 93.6% leased at December 31, 2013.

The Company has elected to be taxed as a real estate investment trust (*REIT*) under applicable provisions of the Internal Revenue Code of 1986, as amended (the *Code*). To qualify as a REIT under those provisions, the Company must have a preponderant percentage of its assets invested in, and income derived from, real estate and related sources. The Company's objectives are to provide to its shareholders a professionally-managed real estate portfolio consisting primarily of grocery-anchored shopping centers straddling the Washington DC to Boston corridor, which will provide substantial cash flow, currently and in the future, taking into account an acceptable modest risk profile, and which will present opportunities for additional growth in income and capital appreciation.

The Company, organized as a Maryland corporation, has established an umbrella partnership structure through the contribution of substantially all of its assets to Cedar Realty Trust Partnership L.P. (the *Operating Partnership*), organized as a limited partnership under the laws of Delaware. The Company conducts substantially all of its business through the Operating Partnership. At December 31, 2013, the Company owned 99.3% of the Operating Partnership and is its sole general partner. The approximately 516,000 limited Operating Partnership Units (*OP Units*) are economically equivalent to the Company's common stock and are convertible into the Company's common stock at the option of the holders on a one-to-one basis.

The Company derives substantially all of its revenues from rents and operating expense reimbursements received pursuant to long-term leases. The Company's operating results therefore depend on the ability of its tenants to make the payments required by the terms of their leases. The Company focuses its investment activities on grocery-anchored community shopping centers. The Company believes that, because of the need of consumers to purchase food and other staple goods and services generally available at such centers, its type of necessities-based properties should provide relatively stable revenue flows even during difficult economic times.

The Company, the Operating Partnership, their subsidiaries and affiliated partnerships are separate legal entities. For ease of reference, the terms *we*, *our*, *us*, *Company* and *Operating Partnership* (including their respective subsidiaries and affiliates) refer to the business and properties of all these entities, unless the context otherwise requires. The Company's executive offices are located at 44 South Bayles Avenue, Port Washington, New York 11050-3765 (telephone 516-767-6492). The Company also maintains property management, construction management and/or leasing offices at several of its shopping-center properties. The Company's website can be accessed at www.cedarrealtytrust.com, where a copy of the Company's Forms 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission (*SEC*) can be obtained free of charge. These SEC filings are added to the website as soon as reasonably practicable. The Company's Code of Ethics, corporate governance guidelines and committee charters are also available on the website.

Table of Contents***The Company's Properties******Consolidated Portfolio***

The following tables summarize information relating to the Company's consolidated portfolio as of December 31, 2013:

State	Number of properties	GLA	Percentage of GLA
Pennsylvania	28	4,738,325	50.5%
Massachusetts	8	1,308,091	13.9%
Connecticut	7	1,138,899	12.1%
Maryland	7	835,972	8.9%
Virginia	11	802,124	8.5%
New Jersey	3	373,065	4.0%
New York	1	194,082	2.1%
Total consolidated portfolio	65	9,390,558	100.0%

Table of Contents**Tenant Concentration**

Tenant	Number of stores	GLA	% of GLA	Annualized base rent	Annualized Percentage base rent per sq. ft.	annualized base rents
Top twenty tenants (a):						
Giant Foods	13	848,000	9.0%	\$ 12,759,000	\$ 15.05	11.9%
LA Fitness	7	282,000	3.0%	4,574,000	16.22	4.3%
Farm Fresh	6	307,000	3.3%	3,290,000	10.72	3.1%
Stop & Shop	4	271,000	2.9%	2,805,000	10.35	2.6%
Dollar Tree	22	208,000	2.2%	2,183,000	10.50	2.0%
Food Lion	7	243,000	2.6%	1,925,000	7.92	1.8%
Shop Rite	2	118,000	1.3%	1,744,000	14.78	1.6%
Staples	5	104,000	1.1%	1,729,000	16.63	1.6%
Redner s	4	207,000	2.2%	1,514,000	7.31	1.4%
United Artists	1	78,000	0.8%	1,425,000	18.27	1.3%
Big Y	1	64,000	0.7%	1,404,000	21.94	1.3%
Shaw s	2	125,000	1.3%	1,389,000	11.11	1.3%
Shoppers Food Warehouse	2	120,000	1.3%	1,237,000	10.31	1.2%
Ukrop s Supermarket	1	63,000	0.7%	1,163,000	18.46	1.1%
Kohl s	2	149,000	1.6%	1,113,000	7.47	1.0%
Marshalls	5	143,000	1.5%	1,111,000	7.77	1.0%
Carmike Cinema	1	45,000	0.5%	1,034,000	22.98	1.0%
TJ Maxx	4	106,000	1.1%	1,007,000	9.50	0.9%
Walmart	2	150,000	1.6%	838,000	5.59	0.8%
Dick s Sporting Goods	1	56,000	0.6%	812,000	14.50	0.8%
Sub-total top twenty tenants	92	3,687,000	39.3%	45,056,000	12.22	42.1%
Remaining tenants	807	5,010,000	53.3%	62,040,000	12.38	57.9%
Sub-total all tenants (b)	899	8,697,000	92.6%	\$ 107,096,000	\$ 12.31	100.0%
Vacant space	N/A	694,000	7.4%			
Total	899	9,391,000	100.0%			

(a) Several of the tenants listed above share common ownership with other tenants: (1) Giant Foods and Stop & Shop, (2) Farm Fresh, Shoppers Food Warehouse, and Shop n Save (GLA of 53,000; annualized base rent of \$120,000), (3) Marshalls, TJ Maxx and Home Goods (GLA of 51,000; annualized base rent of \$583,000), and (4) Shaw s and Acme Markets (GLA of 172,000; annualized base rent of \$781,000).

(b) Comprised of large tenants (greater than 15,000 sq. ft.) and small tenants as follows:

	GLA	% of GLA	Annualized base rent	Annualized base rent per sq. ft.	Percentage annualized base rents
Large tenants	6,099,000	70.1%	\$ 62,628,000	\$ 10.27	58.5%
Small tenants	2,598,000	29.9%	44,468,000	17.12	41.5%
Total	8,697,000	100.0%	\$ 107,096,000	\$ 12.31	100.0%

Table of Contents**Lease Expirations**

Year of lease expiration	Number of leases expiring	GLA expiring	Percentage of GLA expiring	Annualized expiring base rents	Annualized Percentage expiring base rent per sq. ft.	Annualized Percentage expiring base rents
Month-To-Month	42	138,000	1.6%	1,788,000	\$ 12.96	1.7%
2014	124	674,000	7.7%	7,452,000	\$ 11.06	7.0%
2015	143	1,115,000	12.8%	12,684,000	\$ 11.38	11.8%
2016	130	903,000	10.4%	10,512,000	\$ 11.64	9.8%
2017	119	925,000	10.6%	12,396,000	\$ 13.40	11.6%
2018	104	814,000	9.4%	11,580,000	\$ 14.23	10.8%
2019	60	850,000	9.8%	8,580,000	\$ 10.09	8.0%
2020	39	943,000	10.8%	8,868,000	\$ 9.40	8.3%
2021	37	442,000	5.1%	6,432,000	\$ 14.55	6.0%
2022	23	148,000	1.7%	2,160,000	\$ 14.59	2.0%
2023	25	235,000	2.7%	3,336,000	\$ 14.20	3.1%
2024	16	303,000	3.5%	4,140,000	\$ 13.66	3.9%
Thereafter	37	1,207,000	13.9%	17,168,000	\$ 14.22	16.0%
All tenants	899	8,697,000	100.0%	\$ 107,096,000	\$ 12.31	100.0%
Vacant space	N/A	694,000	N/A			
Total portfolio	899	9,391,000	N/A			

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Property description	Percent owned	Year acquired	GLA	Percent occupied	Average base rent per sq. ft. (a)	Major tenants (b)
<u>Connecticut</u>						
Big Y Shopping Center	100%	2013	101,105	100.0%	\$ 22.69	Big Y
Groton Shopping Center	100%	2007	117,186	82.3%	11.74	TJ Maxx
Jordan Lane	100%	2005	177,504	99.2%	10.98	Stop & Shop CW Price Retro Fitness
New London Mall	40%	2009	259,566	94.8%	14.55	Shop Rite Marshalls