

FRANKLIN STREET PROPERTIES CORP /MA/  
Form 10-Q  
October 28, 2014  
[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10 - Q**

(Mark One)

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

**For the quarterly period ended September 30, 2014.**

**OR**

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

**For the transition period from                      to                      .**

**Commission File Number: 001-32470**

# Franklin Street Properties Corp.

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation  
or organization)

**04-3578653**  
(I.R.S. Employer Identification No.)

**401 Edgewater Place, Suite 200**

**Wakefield, MA 01880**

(Address of principal executive offices)(Zip Code)

**(781) 557-1300**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

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 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.

Large accelerated filer

Accelerated filer

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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

The number of shares of common stock outstanding as of October 24, 2014 was 100,187,405.

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Table of Contents

Franklin Street Properties Corp.

Form 10-Q

Quarterly Report

September 30, 2014

Table of Contents

	<b>Page</b>
<u>Part I.</u>	
<u>Financial Information</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets as of September 30, 2014 and December 31, 2013</u>	3
<u>Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2014 and 2013</u>	4
<u>Condensed Consolidated Statements of Other Comprehensive Income for the three and nine months ended September 30, 2014 and 2013</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7-16
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17-31
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	32
<u>Item 4.</u>	
<u>Controls and Procedures</u>	34
<u>Part II.</u>	
<u>Other Information</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	35
<u>Item 1A.</u>	
<u>Risk Factors</u>	35
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	35
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	35
<u>Item 4.</u>	
<u>Mine Safety Disclosures</u>	35
	4

<u>Item 5.</u>	<u>Other Information</u>	35
<u>Item 6.</u>	<u>Exhibits</u>	35
<u>Signatures</u>		36

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****Franklin Street Properties Corp.****Condensed Consolidated Balance Sheets****(Unaudited)**

(in thousands, except share and par value amounts)	September 30, 2014	December 31, 2013
Assets:		
Real estate assets:		
Land	\$ 185,479	\$ 185,479
Buildings and improvements	1,613,699	1,603,941
Fixtures and equipment	1,633	1,170
	1,800,811	1,790,590
Less accumulated depreciation	258,799	222,252
Real estate assets, net	1,542,012	1,568,338
Acquired real estate leases, less accumulated amortization of \$95,534 and \$69,848, respectively	149,019	183,454
Investment in non-consolidated REITs	78,907	80,494
Cash and cash equivalents	15,930	19,623
Restricted cash	707	643
Tenant rent receivables, less allowance for doubtful accounts of \$175 and \$50, respectively	2,865	5,102
Straight-line rent receivable, less allowance for doubtful accounts of \$135 and \$135, respectively	46,737	42,261
Prepaid expenses and other assets	9,131	10,506
Related party mortgage loan receivables	88,436	99,746
Other assets: derivative asset	4,582	5,321
Office computers and furniture, net of accumulated depreciation of \$964 and \$747, respectively	637	709
Deferred leasing commissions, net of accumulated amortization of \$17,841 and \$15,031, respectively	28,354	27,837
Total assets	\$ 1,967,317	\$ 2,044,034
Liabilities and Stockholders' Equity:		
Liabilities:		
Bank note payable	\$ 285,000	\$ 306,500
Term loans payable	620,000	620,000
Accounts payable and accrued expenses	40,228	44,137
Accrued compensation	2,863	2,985
Tenant security deposits	4,331	4,027
Other liabilities: derivative liability	4,847	2,044
Acquired unfavorable real estate leases, less accumulated amortization of \$8,045 and \$6,926, respectively	11,679	14,175
Total liabilities	968,948	993,868
Commitments and contingencies		

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Stockholders' Equity:

Preferred stock, \$.0001 par value, 20,000,000 shares authorized, none issued or outstanding		
Common stock, \$.0001 par value, 180,000,000 shares authorized, 100,187,405 and 100,187,405 shares issued and outstanding, respectively	10	10
Additional paid-in capital	1,273,556	1,273,556
Accumulated other comprehensive income (loss)	(265)	3,277
Accumulated distributions in excess of accumulated earnings	(274,932)	(226,677)
Total stockholders' equity	998,369	1,050,166
Total liabilities and stockholders' equity	\$ 1,967,317	\$ 2,044,034

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

Table of Contents

**Franklin Street Properties Corp.**

**Condensed Consolidated Statements of Income (Loss)**

**(Unaudited)**

(in thousands, except per share amounts)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,
	2014	2013	