

FRANKLIN STREET PROPERTIES CORP /MA/
Form 10-Q
April 30, 2013

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 March 31, 2013.

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.)

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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
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 April 26, 2013 was 82,937,405.

Franklin Street Properties Corp.

Form 10-Q

Quarterly Report

March 31, 2013

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Signatures

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)	March 31, 2013	December 31, 2012
Assets:		
Real estate assets:		
Land	\$ 144,336	\$ 144,336
Buildings and improvements	1,180,959	1,178,144
Fixtures and equipment	904	904
	1,326,199	1,323,384
Less accumulated depreciation	189,995	180,756
Real estate assets, net	1,136,204	1,142,628
Acquired real estate leases, less accumulated amortization of \$45,700 and \$40,062, respectively	105,882	111,982
Investment in non-consolidated REITs	81,746	81,960
Cash and cash equivalents	17,282	21,267
Restricted cash	583	575
Tenant rent receivables, less allowance for doubtful accounts of \$110 and \$1,300, respectively	2,357	1,749
Straight-line rent receivable, less allowance for doubtful accounts of \$135 and \$135, respectively	36,287	35,441
Prepaid expenses	2,438	1,106
Related party mortgage loan receivables	96,896	93,896
Other assets	7,574	12,655
Office computers and furniture, net of accumulated depreciation of \$626 and \$584, respectively	533	544
Deferred leasing commissions, net of accumulated amortization of \$12,607 and \$11,812, respectively	24,920	23,376
Total assets	\$ 1,512,702	\$ 1,527,179
Liabilities and Stockholders' Equity:		
Liabilities:		
Bank note payable	\$ 221,750	\$ 216,750
Term loan payable	400,000	400,000
Accounts payable and accrued expenses	25,493	31,122
Accrued compensation	540	2,540
Tenant security deposits	2,474	2,489
Other liabilities: derivative liability	778	1,219
Acquired unfavorable real estate leases, less accumulated amortization of \$5,246 and \$4,870, respectively	7,834	8,310
Total liabilities	658,869	662,430
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, 82,937,405 and 82,937,405 shares issued and outstanding, respectively	8	8
Additional paid-in capital	1,042,876	1,042,876
Accumulated other comprehensive loss	(778)	(1,219)
Accumulated distributions in excess of accumulated earnings	(188,273)	(176,916)
Total stockholders' equity	853,833	864,749
Total liabilities and stockholders' equity	\$ 1,512,702	\$ 1,527,179

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

Franklin Street Properties Corp.

Condensed Consolidated Statements of Income (Loss)

(Unaudited)

**For the
Three Months Ended
March 31,**

(in thousands, except per share amounts)

2013

2012

Revenue: