

KITE REALTY GROUP TRUST  
Form 10-Q  
November 09, 2009

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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, 2009

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: 001-32268

Kite Realty Group Trust  
(Exact Name of Registrant as Specified in its Charter)

Maryland  
(State or other jurisdiction of incorporation  
or organization)

11-3715772  
(IRS Employer Identification Number)

30 S. Meridian Street, Suite 1100  
Indianapolis, Indiana  
(Address of principal executive offices)

46204  
(Zip code)

Telephone: (317) 577-5600  
(Registrant's telephone number, including area code)

Not Applicable  
(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

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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 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 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  Smaller reporting company

(Do not check if a 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 Common Shares outstanding as of November 6, 2009 was 62,993,589 (\$.01 par value).

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KITE REALTY GROUP TRUST  
QUARTERLY REPORT ON FORM 10-Q  
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2009

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Cautionary Note About Forward-Looking Statements

This Quarterly Report on Form 10-Q, together with other statements and information publicly disseminated by Kite Realty Group Trust (the “Company”), contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which cannot be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include but are not limited to:

- national and local economic, business, real estate and other market conditions, particularly in light of the current recession and governmental action and policies;
  - financing risks, including accessing capital on acceptable terms;
    - the level and volatility of interest rates;
  - the financial stability of tenants, including their ability to pay rent;
    - the need to recognize additional impairment charges;
    - the competitive environment in which the Company operates;
    - acquisition, disposition, development and joint venture risks;
      - property ownership and management risks;
- the Company’s ability to maintain its status as a real estate investment trust (“REIT”) for federal income tax purposes;
  - potential environmental and other liabilities;
  - other factors affecting the real estate industry generally; and
- other risks identified in this Quarterly Report on Form 10-Q and, from time to time, in other reports we file with the Securities and Exchange Commission (the “SEC”) or in other documents that we publicly disseminate, including, in particular, the section titled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, and in our quarterly reports on Form 10-Q.

The Company undertakes no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.



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## Part I. FINANCIAL INFORMATION

## Item 1.

Kite Realty Group Trust  
Condensed Consolidated Balance Sheets  
(Unaudited)

	September 30, 2009	December 31, 2008
Assets:		
Investment properties, at cost:		
Land	\$ 223,754,713	\$ 227,781,452
Land held for development	23,074,389	25,431,845
Buildings and improvements	708,340,286	690,161,336
Furniture, equipment and other	5,062,448	5,024,696
Construction in progress	202,394,665	191,106,309
	1,162,626,501	1,139,505,638
Less: accumulated depreciation	(120,645,551 )	(104,051,695 )
	1,041,980,950	1,035,453,943
Cash and cash equivalents	32,567,300	9,917,875
Tenant receivables, including accrued straight-line rent of \$8,415,943 and \$7,221,882, respectively, net of allowance for uncollectible accounts	18,458,400	17,776,282
Other receivables	9,160,617	10,357,679
Investments in unconsolidated entities, at equity	10,164,529	1,902,473
Escrow deposits	12,507,517	11,316,728
Deferred costs, net	20,732,102	21,167,288
Prepaid and other assets	4,781,364	4,159,638
Total Assets	\$ 1,150,352,779	\$ 1,112,051,906
Liabilities and Equity:		
Mortgage and other indebtedness	\$ 660,172,565	\$ 677,661,466
Accounts payable and accrued expenses	38,001,798	53,144,015
Deferred revenue and other liabilities	20,324,548	24,594,794
Total Liabilities	718,498,911	755,400,275
Commitments and contingencies		
Redeemable noncontrolling interests in Operating Partnership	47,985,758	67,276,904
Equity:		