MAYS J W INC
Form 10-K
October 09, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

S **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended: July 31, 2008

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: 1-3647

J.W. MAYS, INC.
(Exact name of registrant as specified in its charter)

New York	11-1059070
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
9 Bond Street, Brooklyn, New York	11201-5805
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: (718) 624-7400

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

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $1 per share	The NASDAQ Stock Market LLC

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

(Title of class)

(Title of class)

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

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 _X_

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 _X_ No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations 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. S **No delinquent filers**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. Large accelerated filer ___ Accelerated filer ___ Non-accelerated filer _X_

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 S	**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_

The aggregate market value of voting stock held by non-affiliates of the registrant was approximately $8,612,003 as of January 31, 2008 based on the average of the bid and asked price of the stock reported for such date. For the purpose of the foregoing calculation, the shares of common stock held by each officer and director and by each person who owns 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of the registrant s common stock as of September 12, 2008 was 2,015,780.

DOCUMENTS INCORPORATED BY REFERENCE

Document	**Part of Form 10-K in which the Document is incorporated**
Annual Report to Shareholders for Fiscal Year Ended July 31, 2008	Parts I and II
Definitive Proxy Statement for the 2008 Annual Meeting of Shareholders	Part III

J.W. MAYS, INC.
FORM 10-K FOR THE FISCAL YEAR ENDED JULY 31, 2008
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PART I

Item 1. ***Business.***

J.W. Mays, Inc. (the Company or Registrant) with executive offices at 9 Bond Street, Brooklyn, New York 11201, operates a number of commercial real estate properties, which are described in Item 2 Properties . The Company s business was founded in 1924 and incorporated under the laws of the State of New York on July 6, 1927.

The Company discontinued its department store business which operated under the name of MAYS , in the year ended July 31, 1989, and has continued the leasing of real estate. The Company has no foreign operations.

The Company employs approximately 30 employees and has a contract, expiring November 30, 2010, with a union covering rates of pay, hours of employment and other conditions of employment for approximately 23% of its employees. The Company considers that its labor relations with its employees and union are good.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K may contain forward-looking statements which include assumptions about future market conditions, operations and financial results. These statements are based on current expectations and are subject to risks and uncertainties. They are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company s actual results, performance or achievements in the future could differ significantly from the results, performance or achievements discussed or implied in such forward-looking statements herein and in prior Securities and Exchange Commission filings by the Company. The Company assumes no obligation to update these forward-looking statements or to advise of changes in the assumptions on which they were based.

Factors that could cause or contribute to such differences include, but are not limited to, changes in the competitive environment of the Company, general economic and business conditions, industry trends, changes in government rules and regulations and environmental rules and regulations. Statements concerning interest rates and other financial instrument fair values and their estimated contribution to the Company s future results of operations are based upon market information as of a specific date. This market information is often a function of significant judgment and estimation. Further, market interest rates are subject to significant volatility.

Item 1A. ***Risk Factors.***

Risks Relating to Ownership Structure

The controlling shareholder group may be able to vote its shares in favor of its interests that may not always coincide with the interests of shareholders not part of such group. This risk may be counter-balanced to a degree by the actions of the Board of Directors whose composition is made up of a majority of independent directors.

The controlling shareholder group includes a corporation that owns a significant percentage of the Company s common stock and which does business with the Company, as further described in the Notes to the Consolidated Financial Statements. In theory, this could result in a conflict of interest; nevertheless, the Company and its largest shareholder have put in place some controls to reduce the effects of any perceived conflict of interest.

Certain conflicts of interest may be perceived by the relationship between the Company and its largest shareholder. Both entities use the same outside auditors, both entities have the same Chief Executive Officer, and certain management personnel work for both entities. Nevertheless, the Company s Board of Directors is composed of a majority of independent directors. As recently as 2005, in a case involving both entities, the Delaware Supreme Court in connection with an attempt to obtain books and records of the Company through a proceeding against the

Company s significant shareholder, held that the actions of the Company s Board were proper.

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Risks Related to Our Business

We are a part of the communities in which we do business. Accordingly, like other businesses in our communities, we are subject to the following risks:

- the continued threat of terrorism;
- economic downturns, both on a national and on local scales;
- loss of key personnel;
- the availability, if needed, of additional financing;
- the continued availability of insurance (in different types of policies) at reasonably acceptable rates; and
- the general burdens of governmental regulation, at the Local, State and Federal levels.

Risks Related to Real Estate Operations

Our investment in property development may be limited by increasing costs required to fit up property to be leased to tenants. Also, as the cost of fitting up properties increases, we may be required to wait and forsake opportunities that would be revenue producing until such time that we obtain the necessary financing of such ventures. This risk may be mitigated by our obtaining of lines of credit and other financing vehicles, although such have significant limitations on the amounts that may be borrowed at any point in time.

We also may be subject to environmental liability as an owner or operator of properties. Many of our properties are old and when we need to fit up a property for a new tenant, we may find materials and the like that could be deemed to contain hazardous elements requiring remediation or encapsulation.

There are also risks associated with non-renewals of leases by the Company s landlords and the loss of major tenants. The Company is trying to mitigate the latter by leasing our properties to multiple tenants where applicable in order to diversify the tenant base.

Risks Related to our Investments

Excess cash and cash equivalents may be invested from time to time. We seek to earn rates of return that will help us finance our business operations. These investments may be subject to significant uncertainties and may not be successful for many reasons, including, but not limited to the following:

- fluctuations in interest rates;
- worsening of general economic and market conditions; and
- adverse legal and regulatory developments that may affect a particular business.

Risk Factors Summary

These are some of the Risk Factors that could affect the Company s business. The Company endeavors to take actions and do business in a way that reduces these Risk Factors or, at least, takes them into account when conducting its business. Nevertheless, some of these Risk Factors cannot be avoided so that the Company must also take actions and do business that negates the adverse effects that these may have on the ongoing business of the Company.

Item 2. ***Properties.***

The table below sets forth certain information as to each of the properties currently operated by the Company:

	Location	Approximate Square Feet
1.	Brooklyn, New York Fulton Street at Bond Street	380,000
2.	Brooklyn, New York Jowein building Fulton Street at Elm Place	430,000
3.	Jamaica, New York Jamaica Avenue at 169th Street	297,000
4.	Fishkill, New York Route 9 at Interstate Highway 84	203,000 (located on 14.6 acres)
5.	Levittown, New York Hempstead Turnpike	10,000 (located on 75,800 square feet of land)
6.	Massapequa, New York Sunrise Highway	133,400
7.	Circleville, Ohio Tarlton Road	193,350 (located on 11.6 acres)
8.	Brooklyn, New York Truck bays, passage facilities and tunnel-Schermerhorn Street	17,000
	Building-Livingston Street	10,500

Properties leased are under long-term leases for varying periods, the longest of which extends to 2073, and in most instances renewal options are included. Reference is made to Note 5 to the Consolidated Financial Statements contained in the 2008 Annual Report to Shareholders, incorporated herein by reference. The properties owned which are held subject to mortgage are the Brooklyn Bond Street building, the Jowein building, the Jamaica building and the Fishkill property.

1. Brooklyn, New York Fulton Street at Bond Street

13% of the property is leased by the Company under six separate leases. Expiration dates are as follows: 6/30/2011 (1 lease); 12/8/2013 (1 lease) which lease has two thirty-year renewal options through 12/8/2073; 4/30/2021 (2 leases), which leases previously had expiration dates of April 30, 2011 and were extended for an additional ten years; and 4/30/31 (2 leases) which leases previously had expiration dates of April 30, 2011 and were extended for an additional twenty years. The Company is adding two new elevators to its lobby at 9 Bond Street. The work is anticipated to be completed in the year 2008. There are plans to renovate vacant space for office use upon the execution of future leases to tenants, although no assurances can be made as to when or if such leases will be entered into.

The property is currently leased to seventeen tenants of which eight are retail tenants, two are fast food restaurants and seven occupy office space. Two tenants have leased in excess of 10% of the rentable square footage. One tenant is a department store (33.42%) and the other tenant will occupy office space (15.06%). Approximately 25,000 square feet of the building are available for lease.

Occupancy		Lease Expiration		
Year Ended	Rate	Year Ended	Number of Leases	Area Sq. Ft.
7/31/04	42.70 %	7/31/2009	3	4,480
7/31/05	51.62 %	7/31/2011	5	17,111
7/31/06	56.68 %	7/31/2013	3	28,438
7/31/07	61.50 %	7/31/2014	1	36,088
7/31/08	53.05 %	7/31/2016	1	13,451
		7/31/2018	1	3,300
		7/31/2019	1	21,121
		7/31/2021	3	140,334
			18	264,323

As of July 31, 2008 the federal tax basis is $21,079,486 with accumulated depreciation of $7,544,225 for a net carrying value of $13,535,261. The lives taken for depreciation vary between 18-40 years and the methods used are the straight-line and the declining balance.

The real estate taxes for this property are $969,611 per year and the rate used is averaged at $11.433 per $100 of assessed valuation.

2. Brooklyn, New York Jowein building, Fulton St. & Elm Place

Approximately 47% of the property is owned and 53% is leased. The leases with two landlords expire on April 30, 2010. There are no renewal options. There are plans to renovate vacant space for office use upon the execution of future leases to tenants, although no assurances can be made as to when or if such leases will be entered into. The property is currently leased to twenty tenants of which seven are retail stores, two are fast food restaurants and eleven leases are for office space. Approximately 150,000 square feet of the building are available for lease.

Upon the termination of the Company s leases with its landlords on April 30, 2010, the Company will lose seven tenants who occupy 90,697 square feet. The occupancy rate for the portion of the building that the Company owns would be approximately 72.50%. The loss in income to the Company should not have a significant effect on its ongoing operations.

Occupancy		Lease Expiration		
Year Ended	Rate	Year Ended	Number of Leases	Area Sq. Ft.
7/31/04	64.08 %	7/31/2009	1	305
7/31/05	40.86 %	7/31/2010	8	116,807
7/31/06	49.20 %	7/31/2011	5	61,664
7/31/07	50.75 %	7/31/2012	1	15,000
7/31/08	59.30 %	7/31/2013	2	18,000
		7/31/2014	1	5,000

7/31/2017	1	5,500
7/31/2018	1	15,900
	20	238,176

As of July 31, 2008 the federal tax basis is $16,162,964 with accumulated depreciation of $7,528,263 for a net carrying value of $8,634,701. The lives taken for depreciation vary between 18-40 years and the methods used are the straight-line and the declining balance.

The real estate taxes for this property are $1,461,109 per year and the rate used is averaged at $10.952 per $100 of assessed valuation.

3. Jamaica, New York Jamaica Avenue at 169th Street

The building is owned and the land is leased from an affiliated company. The lease expires July 31, 2027. The property is currently leased to eleven tenants: six are retail tenants and five for office space. Three tenants each occupy in excess of 10% of the rentable square footage: a major retail store occupies 15.86%; and two tenants occupy office space one occupies 14.23% and the other 11.07% of the rentable space. Approximately 27,000 square feet of the building are available for lease. There are plans to renovate vacant space for office use upon the execution of future leases to tenants, although no assurances can be made as to when or if such leases will be entered into.

Occupancy		Lease Expiration		
Year Ended	Rate	Year Ended	Number of Leases	Area Sq. Ft.
7/31/04	70.70 %	7/31/2010	1	2,000
7/31/05	76.00 %	7/31/2011	1	42,250
7/31/06	71.98 %	7/31/2012	2	26,625
7/31/07	66.03 %	7/31/2014	2	58,844
7/31/08	79.38 %	7/31/2015	1	24,109
		7/31/2016	1	6,021
		7/31/2017	3	75,907
			11	235,756

As of July 31, 2008 the federal tax basis is $19,342,882 with accumulated depreciation of $8,351,244 for a net carrying value of $10,991,638. The lives taken for depreciation vary between 18-40 years and the methods used are the straight-line and the declining balance.

The real estate taxes for this property are $333,655 per year and the rate used is averaged at $11.282 per $100 of assessed valuation.

4. Fishkill, New York Route 9 at Interstate Highway 84

The Company owns the entire property. There are plans to renovate vacant space to tenants upon the execution of future leases to tenants, although no assurances can be made as to when or if such leases will be entered into. There are approximately 203,000 square feet of the building available for lease.

Occupancy		Lease Expiration		
Year Ended	Rate	Year Ended	Number of Leases	Area Sq. Ft.
7/31/04	12.28 %			
7/31/05	12.28 %			
7/31/06	4.09 %			
7/31/07				
7/31/08				

As of July 31, 2008 the federal tax basis is $9,608,448 with accumulated depreciation of $7,395,240 for a net carrying value of $2,213,208. The lives taken for depreciation vary between 18-40 years and the methods used are the straight-line and the declining balance.

The real estate taxes for this property are $124,822 per year and the rate used is averaged at $1.73 per $100 of assessed valuation.

5. Levittown, New York Hempstead Turnpike

The Company owns the entire property. In October 2006, the Company entered into a lease agreement with a restaurant. The restaurant constructed a new 10,000 square foot building, which opened in May 2008. Ownership of the building reverts to the Company at the conclusion of the leasing arrangement, currently August 16, 2017.

Occupancy		**Lease Expiration**		
Year Ended	**Rate**	**Year Ended**	**Number of Leases**	**Area Sq. Ft.**
7/31/04	100 %	7/31/2018	Building	10,000
7/31/05	16.67 %		Land	75,800
7/31/06			1	85,800
7/31/07				
7/31/08	25 %			

The real estate taxes for this property are $135,310 per year and the rate used is averaged at $728.10 per $100 of assessed valuation.

6. Massapequa, New York Sunrise Highway

The Company is the prime tenant of this leasehold. The lease expires May 14, 2009 and there is one renewal option for twenty-one years, which the Company exercised in April, 2008. There are no present plans for additional improvements of this property. The entire leasehold is currently sub-leased to two tenants; one, to a gasoline service station and the other for use as a bank. Each of these tenants occupies in excess of 10% of the rentable square footage. The gasoline service station sub-lease expires April 29, 2009 with no renewal options. The gas station is responsible to remove all its equipment, including oil tanks, and is also responsible for any oil spill clean up if necessary. The sub-sub-lease to the bank expires May 14, 2009 with one renewal option, which was exercised in May, 2007.

Occupancy		**Lease Expiration**		
Year Ended	**Rate**	**Year Ended**	**Number of Leases**	**Area Sq. Ft.**
7/31/04	100 %	7/31/2009	1	20,000
7/31/05	100 %	7/31/2030	1	113,400
7/31/06	100			