

BioMed Realty Trust Inc  
Form 10-Q  
October 30, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form 10-Q

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

For the quarterly period ended September 30, 2014

Commission File Number: 1-32261 (BioMed Realty Trust, Inc.)  
000-54089 (BioMed Realty, L.P.)  
BIOMED REALTY TRUST, INC.  
BIOMED REALTY, L.P.  
(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

20-1142292 (BioMed Realty Trust, Inc.)  
20-1320636 (BioMed Realty, L.P.)  
(I.R.S. Employer Identification No.)

17190 Bernardo Center Drive  
San Diego, California  
(Address of Principal Executive Offices)  
(858) 485-9840

92128  
(Zip Code)

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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.

BioMed Realty Trust, Inc. Yes  No

BioMed Realty, L.P. 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).

BioMed Realty Trust, Inc. Yes  No

BioMed Realty, L.P. 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. (Check one):

BioMed Realty Trust, Inc.:

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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

BioMed Realty, L.P.:

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).

BioMed Realty Trust, Inc. Yes  No

BioMed Realty, L.P. Yes  No

The number of outstanding shares of BioMed Realty Trust, Inc.'s common stock, par value \$0.01 per share, as of October 30, 2014 was 197,442,432.

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Table of Contents

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended September 30, 2014 of BioMed Realty Trust, Inc., a Maryland corporation, and BioMed Realty, L.P., a Maryland limited partnership of which BioMed Realty Trust, Inc. is the parent company and general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our” or “our company” refer to BioMed Realty Trust, Inc. together with its consolidated subsidiaries, including BioMed Realty, L.P. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “our operating partnership” or “the operating partnership” refer to BioMed Realty, L.P. together with its consolidated subsidiaries.

BioMed Realty Trust, Inc. operates as a real estate investment trust, or REIT, and is the general partner of BioMed Realty, L.P. As of September 30, 2014, BioMed Realty Trust, Inc. owned an approximate 97.4% partnership interest and other limited partners, including some of our directors, executive officers and their affiliates, owned the remaining 2.6% partnership interest (including long term incentive plan units) in BioMed Realty, L.P. As the sole general partner of BioMed Realty, L.P., BioMed Realty Trust, Inc. has the full, exclusive and complete responsibility for the operating partnership’s day-to-day management and control.

There are a few differences between our company and our operating partnership, which are reflected in the disclosure in this report. We believe it is important to understand the differences between our company and our operating partnership in the context of how BioMed Realty Trust, Inc. and BioMed Realty, L.P. operate as an interrelated consolidated company. BioMed Realty Trust, Inc. is a REIT, whose only material asset is its ownership of partnership interests of BioMed Realty, L.P. As a result, BioMed Realty Trust, Inc. does not conduct business itself, other than acting as the sole general partner of BioMed Realty, L.P., issuing public equity from time to time and guaranteeing certain debt of BioMed Realty, L.P. BioMed Realty Trust, Inc. itself does not hold any indebtedness but guarantees some of the secured and unsecured debt of BioMed Realty, L.P. BioMed Realty, L.P. holds substantially all the assets of the company and holds the ownership interests in the company’s joint ventures. BioMed Realty, L.P. conducts the operations of the business and is structured as a partnership with no publicly-traded equity. Except for net proceeds from public equity issuances by BioMed Realty Trust, Inc., which are generally contributed to BioMed Realty, L.P. in exchange for partnership units, BioMed Realty, L.P. generates the capital required by the company’s business through BioMed Realty, L.P.’s operations, by BioMed Realty, L.P.’s direct or indirect incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests and stockholders’ equity and partners’ capital are the main areas of difference between the consolidated financial statements of BioMed Realty Trust, Inc. and those of BioMed Realty, L.P. The operating partnership and long term incentive plan units in BioMed Realty, L.P. that are not owned by BioMed Realty Trust, Inc. are accounted for as partners’ capital in BioMed Realty, L.P.’s financial statements and as noncontrolling interests in BioMed Realty Trust, Inc.’s financial statements. The noncontrolling interests in BioMed Realty, L.P.’s financial statements include the interests of joint venture partners. The noncontrolling interests in BioMed Realty Trust, Inc.’s financial statements include the same noncontrolling interests at the BioMed Realty, L.P. level as well as the limited partnership unitholders of BioMed Realty, L.P., not including BioMed Realty Trust, Inc. The differences between stockholders’ equity and partners’ capital result from the differences in the equity issued at the BioMed Realty Trust, Inc. and BioMed Realty, L.P. levels.

We believe combining the quarterly reports on Form 10-Q of BioMed Realty Trust, Inc. and BioMed Realty, L.P. into this single report:

- better reflects how management and the analyst community view the business as a single operating unit,
  - enhances investor understanding of our company by enabling them to view the business as a whole and in the same manner as management,
  - is more efficient for our company and results in savings in time, effort and expense, and
  - is more efficient for investors by reducing duplicative disclosure and providing a single document for their review.
- To help investors understand the significant differences between our company and our operating partnership, this report presents the following separate sections for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P.:
- consolidated financial statements,
  - the following notes to the consolidated financial statements:

Equity / Partners' Capital,  
Debt, and

2

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Table of Contents

Earnings Per Share / Unit,

Liquidity and Capital Resources in Management's Discussion and Analysis of Financial Condition and Results of Operations, and

Unregistered Sales of Equity Securities and Use of Proceeds.

This report also includes separate Item 4. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P. in order to establish that the Chief Executive Officer and the Chief Financial Officer of BioMed Realty Trust, Inc. have made the requisite certifications and BioMed Realty Trust, Inc. and BioMed Realty, L.P. are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

BIOMED REALTY TRUST, INC. AND BIOMED REALTY, L.P.

FORM 10-Q - QUARTERLY REPORT  
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2014  
TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1 Consolidated Financial Statements</u>	<u>6</u>
<u>Consolidated Financial Statements of BioMed Realty Trust, Inc.:</u>	<u>6</u>
<u>Consolidated Balance Sheets as of September 30, 2014 (Unaudited) and December 31, 2013</u>	<u>6</u>
<u>Consolidated Statements of Income for the three and nine months ended September 30, 2014 and 2013 (Unaudited)</u>	<u>7</u>
<u>Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2014 and 2013 (Unaudited)</u>	<u>8</u>
<u>Consolidated Statement of Equity for the nine months ended September 30, 2014 (Unaudited)</u>	<u>9</u>
<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013 (Unaudited)</u>	<u>10</u>
<u>Consolidated Financial Statements of BioMed Realty, L.P.:</u>	<u>12</u>
<u>Consolidated Balance Sheets as of September 30, 2014 (Unaudited) and December 31, 2013</u>	<u>12</u>
<u>Consolidated Statements of Income for the three and nine months ended September 30, 2014 and 2013 (Unaudited)</u>	<u>13</u>
<u>Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2014 and 2013 (Unaudited)</u>	<u>14</u>
<u>Consolidated Statement of Capital for the nine months ended September 30, 2014 (Unaudited)</u>	<u>15</u>
<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013 (Unaudited)</u>	<u>16</u>
<u>Notes to Consolidated Financial Statements of BioMed Realty Trust, Inc. and BioMed Realty, L.P.</u>	<u>18</u>
<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>33</u>
<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	<u>51</u>
<u>Item 4 Controls and Procedures</u>	<u>54</u>
<u>PART II - OTHER INFORMATION</u>	

<u>Item 1 Legal Proceedings</u>	<u>55</u>
<u>Item 1A Risk Factors</u>	<u>55</u>

<u>Item 2 Unregistered Sale of Equity Securities and Use of Proceeds</u>	<u>55</u>
<u>Item 3 Defaults Upon Senior Securities</u>	<u>55</u>
<u>Item 4 Mine Safety Disclosures</u>	<u>55</u>
<u>Item 5 Other Information</u>	<u>55</u>
<u>Item 6 Exhibits</u>	<u>55</u>
<u>SIGNATURES</u>	<u>57</u>
Exhibit 31.1	
Exhibit 31.2	
Exhibit 32.1	



Table of Contents

## PART I - FINANCIAL INFORMATION

## ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

## BIOMED REALTY TRUST, INC.

## CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	September 30, 2014 (Unaudited)	December 31, 2013
<b>ASSETS</b>		
Investments in real estate, net	\$5,535,115	\$5,217,902
Investments in unconsolidated partnerships	36,275	32,137
Cash and cash equivalents	33,864	34,706
Accounts receivable, net	18,843	8,421
Accrued straight-line rents, net	183,904	173,779
Deferred leasing costs, net	224,824	198,067
Other assets	205,487	307,589
Total assets	\$6,238,312	\$5,972,601
<b>LIABILITIES AND EQUITY</b>		
Mortgage notes payable, net	\$478,543	\$709,324
Exchangeable senior notes	95,678	180,000
Unsecured senior notes, net	1,293,572	895,083
Unsecured senior term loans	755,876	758,786
Unsecured line of credit	229,000	128,000
Accounts payable, accrued expenses and other liabilities	375,933	314,383
Total liabilities	3,228,602	2,985,576
Equity:		
Stockholders' equity:		
Common stock, \$.01 par value, 250,000,000 shares authorized, 197,455,157 shares and 192,115,002 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively	1,975	1,921
Additional paid-in capital	3,643,957	3,554,558
Accumulated other comprehensive loss, net	(20,915)	(32,923)
Dividends in excess of earnings	(675,763)	(583,569)