

CORPORATE OFFICE PROPERTIES TRUST
Form 8-K
August 04, 2003

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 2, 2003

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CORPORATE OFFICE PROPERTIES TRUST

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

0-20047
(Commission File Number)

23-2947217
(IRS Employer Identification Number)

8815 Centre Park Drive, Suite 400
Columbia, Maryland 21045
(Address of principal executive offices)

(410) 730-9092
(Registrant's telephone number, including area code)

Item 5. Other Events

13200 Woodland Park Drive

On June 2, 2003, Corporate Office Properties Trust (the Company), through an affiliate of Corporate Office Properties, L.P. (the Operating Partnership), acquired a 404,665 square foot office building located in Herndon, Virginia (13200 Woodland Park Drive).

13200 Woodland Park Drive was acquired for an aggregate cost to the Company of \$71.4 million, including transaction costs. The Company paid the purchase price and transaction costs using \$63.9 million in proceeds from the issuance of common shares of beneficial interest and \$7.5 million in cash escrowed from prior property sales.

The following table sets forth certain information relating to 13200 Woodland Park Drive as of June 30, 2003:

Property	Year Built	Rentable Square Feet	Occupancy (1)	Total Rental Revenue (2)	Total Rental Revenue per Occupied Square Foot (3)	Major Tenants (10% or more of Rentable Square Feet)	Year of Lease Expiration
13200 Woodland Park Drive	2002	404,665	100.0%	\$ 8,985,450	\$ 22.20	VeriSign (100.0%)(4)	2014(4)

(1) This percentage is based on all leases in effect as of June 30, 2003.

(2) Total rental revenue is the monthly contractual base rent as of June 30, 2003 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

(3) This represents the property's total rental revenue divided by its occupied square feet as of June 30, 2003.

(4) The tenant has the right to terminate the lease with respect to a maximum of 232,268 rentable square feet at designated times from June 2005 through September 2006. We expect that the tenant will exercise these termination rights in full.

Dulles Tech/Ridgeview Properties

On July 25, 2003, the Company, through an affiliate of the Operating Partnership, acquired five office buildings in Northern Virginia totaling 433,814 square feet (the Dulles Tech/Ridgeview Properties). The Dulles Tech Ridgeview Properties were acquired for an aggregate cost of \$75.5 million, including transaction costs. The Company paid the purchase price and transaction costs using borrowings from both a new mortgage loan and the Operating Partnership's revolving credit facility with Bankers Trust Company.

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The following table sets forth certain information relating to the Dulles Tech/Ridgeview Properties as of June 30, 2003:

Property	Year Built/ Renovated	Rentable Square Feet	Occupancy (1)	Total Rental Revenue (2)	Total Rental Revenue per Occupied Square Foot (2)(3)	Major Tenants (10% or more of Rentable Square Feet)
One Ridgeview at Westfields	1999	127,572	100.0%	\$ 3,368,182	26.40	MBA Management, Inc. (11%); FedEx Express (11%); eMeritus Communications, Inc. (10%)
Two Ridgeview at Westfields	2000	69,710	100.0%	1,633,188	23.43	Omniplex World Services Corporation (100%)
Three Ridgeview at Westfields	2000	69,711	100.0%	1,802,728	25.86	RBR Network, Inc. (51%); Rolls Royce North America, Inc. (49%)
Dulles Tech I	1998	113,093	85.7%	2,549,134	26.29	BAAN USA, Inc. (58%); National Student (10%)
Dulles Tech II	1998	53,728	100.0%	1,441,522	26.83	Vista Information (100%)
Total/Average		433,814	96.3%	\$ 10,794,754	25.74	

- (1) This percentage is based on all leases in effect as of June 30, 2003.
(2) Total rental revenue is the monthly contractual base rent as of June 30, 2003 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.
(3) This represents the property's total rental revenue divided by that property's occupied square feet as of June 30, 2003.

The following table sets forth annual lease expirations for the Dulles Tech/Ridgeview Properties as of June 30, 2003 assuming that none of the tenants exercise renewal options:

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	Percentage of Total Occupied Square Feet	Total Rental Revenue of Expiring Office Leases (1)	Percentage of Total Office Rental Revenue Expiring (1)	Total Rental Revenue of Expiring Leases Per Occupied Square Foot (1)
7/1/03-12/31/03	1	4,037	1.0%	\$ 91	0.8%	\$ 22.50
2004	2	5,741	1.4%	154	1.4%	26.76
2005	4	23,430	5.6%	625	5.8%	26.67
2006	4	27,565	6.5%	765	7.1%	27.77
2007	8	62,592	15.0%	1,638	15.2%	26.16
2008	2	53,728	12.9%	1,442	13.4%	26.83
2009	6	83,388	20.0%	2,177	20.2%	26.11
2010	4	122,783	29.4%	3,004	27.8%	24.47

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2011			0.0%		0.0%	
2012			0.0%		0.0%	
2013	1	34,414	8.2%	899	8.3%	26.13
Total/Weighted Avg.	32	417,678	100.0%	\$ 10,795	100.0%	\$ 25.89

(1) Total rental revenue is the monthly contractual base rent as of June 30, 2003 multiplied by 12 plus the estimated annualized expense reimbursements under existing leases.

Ratio of Earnings to Combined Fixed Charges and Preferred Share Dividends

The Registrant is filing as Exhibit 12 to this Form 8-K a schedule supporting the computation of its ratio of earnings to combined fixed charges and preferred share dividends.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Business Acquired

The financial statements of 13200 Woodland Park Drive and Dulles Tech/Ridgeview are included herein. See pages F-15 through F-24.

(b) Pro Forma Financial Information

The pro forma condensed consolidating financial statements of the Company are included herein. See pages F-1 through F-14.

(c) Exhibits

Exhibit Number	Description
12	Schedule supporting computation of the Registrant's ratio of earnings to combined fixed charges and preferred share dividends.
99.1	Agreement of Purchase and Sale and Joint Escrow Instructions, dated May 15, 2003, between TST Waterview I, LLC; VeriSign, Inc.; and Anchor Title Insurance Company.
99.2	Agreement to Assign/Assume Purchase and Sale Agreement, dated May 15, 2003, between COPT Acquisitions, Inc.; VeriSign, Inc.; and Anchor Title Insurance Company.
99.3.1	Purchase and Sale Agreement, dated April 14, 2003, between TCC Dulles Tech Associates, LLC; PGI Westfields Associates, LLC; and COPT Acquisitions, Inc.
99.3.2	Reinstatement of and First Amendment to Purchase and Sale Agreement, dated June 20, 2003, between TCC Dulles Tech Associates, LLC; PGI Westfields Associates, LLC; and COPT Acquisitions, Inc.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 1, 2003

CORPORATE OFFICE PROPERTIES TRUST

By: /s/ Randall M. Griffin
Name: Randall M. Griffin
Title: President and Chief Operating Officer

By: /s/ Roger A. Waesche, Jr.
Name: Roger A. Waesche, Jr.
Title: Senior Vice President and Chief Financial Officer