

RETAIL PROPERTIES OF AMERICA, INC.

Form S-3ASR

November 02, 2018

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As filed with the Securities and Exchange Commission on November 2, 2018

Registration No. 333-

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

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RETAIL PROPERTIES OF AMERICA, INC.
(Exact Name Of Registrant As Specified In Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation of Organization)

2021 Spring Road, Suite 200
Oak Brook, Illinois 60523

42-1579325
(I.R.S. Employer
Identification Number)

(630) 634-4200

**(Address, Including Zip Code, and
Telephone Number, Including
Area Code, of Registrant's
Principal Executive Offices)
Steven P. Grimes**

Chief Executive Officer

Retail Properties of America, Inc.

2021 Spring Road, Suite 200

Oak Brook, Illinois 60523

Telephone (630) 634-4200

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Gilbert G. Menna

Daniel P. Adams

Goodwin Procter LLP

100 Northern Avenue

Boston, MA 02210

(617) 570-1000

Julie M. Swinehart

**Executive Vice President, Chief Financial Officer and
Treasurer**

Retail Properties of America, Inc.

2021 Spring Road, Suite 200

Oak Brook, Illinois 60523

(630) 634-4200

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.

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Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Class A Common Stock				
Preferred Stock				
Depository Shares(1)				
Debt Securities				
Warrants				
Stock Purchase Contracts				
Units(2)				
Total	(3)	(3)	(3)	(3)

- (1) Each depository share will be issued under a deposit agreement, will represent an interest in a fractional share or multiple shares of preferred stock and will be evidenced by a depository receipt.
- (2) Each unit will be issued under a unit agreement and will represent an interest in two or more other securities, which may or may not be separable from one another.
- (3) The amount to be registered consists of an unspecified amount of the securities of each identified class as may from time to time be offered at indeterminate prices. As discussed below, pursuant to Rule 415(a)(6) under the Securities Act of 1933, as amended (the Securities Act), this registration statement includes a total of \$250,000,000 of unsold Class A common stock of Retail Properties of America, Inc. that had been previously registered and for which the registration fee had been previously paid. In accordance with Rules 456(b) and 457(r) under the Securities Act, except with respect to the unsold securities that had been previously registered, Retail Properties of America, Inc. is deferring payment of the entire registration fee.

Pursuant to Rule 415(a)(6) under the Securities Act, the securities registered hereby include unsold securities consisting of \$250,000,000 of unsold Class A common stock of Retail Properties of America, Inc. that had been previously registered on the registration statement of Retail Properties of America, Inc. on Form S-3 (Registration No. 333-207824) pursuant to a prospectus supplement filed pursuant to Rule 424(b)(5) of the Securities Act on December 21, 2015 (the Unsold Securities). Filing fees totaling \$25,175 were previously paid in connection with the registration of the Unsold Securities, which filing fees will continue to be applied to such Unsold Securities pursuant to Rule 415(a)(6) under the Securities Act.

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RETAIL PROPERTIES OF AMERICA, INC.

Class A Common Stock

Preferred Stock

Depository Shares

Debt Securities

Warrants

Stock Purchase Contracts

Units

This prospectus provides you with a general description of debt and equity securities that Retail Properties of America, Inc. and selling security holders may offer and sell from time to time. Each time we or selling security holders sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that sale and may add to or update the information in this prospectus. You should read this prospectus and any applicable prospectus supplement carefully before you invest in our securities.

Retail Properties of America, Inc. may offer and sell these securities to or through one or more underwriters, dealers and/or agents on a continuous or delayed basis.

Our Class A common stock is listed on the New York Stock Exchange, or NYSE, under the symbol RPAI. On November 1, 2018, the last reported sale price of our Class A common stock on the NYSE was \$12.06.

Investing in our securities involves various risks. See Risk Factors beginning on page 4 as well as the risk factors contained in documents Retail Properties of America, Inc. files with the Securities and Exchange Commission and which are incorporated by reference in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 2, 2018

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PROSPECTUS SUMMARY

This summary only highlights the more detailed information appearing elsewhere in this prospectus or incorporated by reference in this prospectus. It may not contain all of the information that is important to you. You should carefully read the entire prospectus and the documents incorporated by reference in this prospectus before deciding whether to invest in our securities.

Unless the context otherwise requires, or unless otherwise specified, all references in this prospectus to the terms we, us, our and our company refer to Retail Properties of America, Inc., a Maryland corporation, together with its consolidated subsidiaries.

About This Prospectus

This document is called a prospectus and it provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and in a prospectus supplement, you should rely on the information in that prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

Retail Properties of America, Inc. has filed a registration statement with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf registration process, we may offer and sell any combination of the securities described in this prospectus, in one or more offerings.

Our SEC registration statement containing this prospectus, including exhibits, provides additional information about us and the securities offered under this prospectus. The registration statement can be read on the SEC's website, which is provided under the heading **Where You Can Find More Information**.

When acquiring securities, you should rely only on the information provided in this prospectus and in the related prospectus supplement, including any information incorporated by reference. No one is authorized to provide you with information different from that which is contained, or deemed to be contained, in the prospectus and related prospectus supplement. We and the selling security holders, if applicable, are not offering securities in any state where the offer of such securities is prohibited. You should not assume that the information in this prospectus, any prospectus supplement or any document incorporated by reference is truthful or complete as of any date other than the date indicated on the cover page of these documents.

This prospectus contains forward-looking statements. You should read the explanation of the qualifications and limitations on such forward-looking statements on page 4 of this prospectus. You should also carefully consider the various risk factors incorporated by reference into this prospectus from our SEC filings, which risk factors may cause our actual results to differ materially from those indicated by such forward-looking statements. You should not place undue reliance on our forward-looking statements.

Unless otherwise stated, currency amounts in this prospectus and any prospectus supplement are stated in United States dollars.

About Retail Properties of America, Inc.

We are a real estate investment trust, or REIT, that owns and operates high quality, strategically located open-air shopping centers, including properties with a mixed-use component. As of September 30, 2018, we

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owned 105 retail operating properties in the United States representing 19,466,000 square feet of gross leasable area, or GLA. Our retail operating portfolio includes (i) neighborhood and community centers, (ii) power centers, and (iii) lifestyle centers and multi-tenant retail-focused mixed-use properties, as well as single-user retail properties.

The following table summarizes our retail operating portfolio as of September 30, 2018:

Property Type	Number of Properties	GLA (in thousands)	Occupancy	Percent Leased Including Leases Signed (a)
<u>Retail operating portfolio:</u>				
Multi-tenant retail:				
Neighborhood and community centers	61	9,798	91.8%	94.2%
Power centers	26	5,512	92.1%	93.4%
Lifestyle centers and mixed-use properties	15	3,800	92.0%	93.7%
Total multi-tenant retail	102	19,110	91.9%	93.9%
Single-user retail	3	356	100.0%	100.0%
Total retail operating portfolio	105	19,466	92.1%	94.0%
Redevelopment projects:				
Reistertown Road Plaza	1			
Circle East redevelopment portion (b)				
Carillon (c)	1			
Total number of wholly-owned properties	107			

(a) Includes leases signed but not commenced.

(b) This portion of the property was formerly known as Towson Circle and the operating portion, which was formerly known as Towson Square, is included in lifestyle centers and mixed-use properties within the property count for our retail operating portfolio.

(c) We have begun activities in anticipation of future redevelopment of this property, which was formerly known as Boulevard at the Capital Centre.

Our principal executive office is located at 2021 Spring Road, Suite 200, Oak Brook, Illinois 60523, and our telephone number is (630) 634-4200. We maintain an internet website at www.rpai.com that contains information concerning us. The information included, or referenced to, on, or otherwise accessible through, our website is not intended to form a part of or be incorporated by reference into this prospectus.

Ratio of Earnings to Fixed Charges

The following table sets forth Retail Properties of America, Inc.'s consolidated ratio of earnings to fixed charges for each of the periods shown:

	Nine Months					
	Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	September 30,	December 31,	December 31,	December 31,	December 31,	December 31,
	2018	2017	2016	2015	2014	2013
Ratio of Earnings to Fixed Charges	2.10	2.67	2.47	1.88	1.34	(a)

(a) The ratio was less than 1:1 for the year ended December 31, 2013 as earnings were inadequate to cover fixed charges by a deficiency of approximately \$28.7 million.

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The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges. Earnings consist of (a) pretax income or loss from continuing operations and gain on sales of investment properties before adjustment for income or loss from unconsolidated joint ventures, plus (b) fixed charges, plus (c) amortization of capitalized interest, plus (d) distributions on investments in unconsolidated joint ventures, plus (e) the Company's share of pretax losses of investments in unconsolidated joint ventures for which charges arising from guarantees are included in fixed charges, less (f) interest capitalized, less (g) preference security dividend requirements of consolidated subsidiaries, less (h) the noncontrolling interests in pretax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, (c) an estimate of the interest within rental expense, and (d) preference security dividend requirements of consolidated subsidiaries.

Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

The following table sets forth Retail Properties of America, Inc.'s consolidated ratio of earnings to combined fixed charges and preferred stock dividends for each of the periods shown:

	Nine Months Ended September 30, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	2.10	2.45	2.28	1.76	1.25	(a)

(a) The ratio was less than 1:1 for the year ended December 31, 2013 as earnings were inadequate to cover fixed charges by a deficiency of approximately \$38.1 million.

The ratio of earnings to combined fixed charges and preferred stock dividends was computed by dividing earnings by fixed charges and preferred stock dividends. Earnings consist of (a) pretax income or loss from continuing operations and gain on sales of investment properties before adjustment for income or loss from unconsolidated joint ventures, plus (b) fixed charges, plus (c) amortization of capitalized interest, plus (d) distributions on investments in unconsolidated joint ventures, plus (e) the Company's share of pretax losses of investments in unconsolidated joint ventures for which charges arising from guarantees are included in fixed charges, less (f) interest capitalized, less (g) preference security dividend requirements of consolidated subsidiaries, less (h) the noncontrolling interests in pretax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of the sum of (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, (c) an estimate of the interest within rental expense, and (d) preference security dividend requirements of consolidated subsidiaries. Preferred stock dividends are the amount of pretax earnings that are required to pay the dividends on outstanding preferred stock. During the year ended December 31, 2017, we redeemed all outstanding shares of our preferred stock.

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RISK FACTORS

You should carefully consider the risks described in the documents incorporated by reference in this prospectus before making an investment decision. These risks are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially adversely affected by the occurrence of any of these risks. The trading price of our securities could decline due to the materialization of any of these risks, and you may lose all or part of your investment. This prospectus and the documents incorporated herein by reference also contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described in the documents incorporated herein by reference, including (i) Retail Properties of America, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2017, (ii) Retail Properties of America, Inc.'s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018 and (iii) documents Retail Properties of America, Inc. files with the SEC after the date of this prospectus that are deemed incorporated by reference in this prospectus.

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus and the documents incorporated by reference herein may constitute forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). You can identify forward-looking statements by use of forward-looking terminology such as believes, expects, may, should, intends, plans, estimates, could, would or anticipates and variations of such words or similar expressions or the negative of such words. You can also identify forward-looking statements by discussions of strategies, plans or intentions. Risks, uncertainties and changes in the following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

economic, business and financial conditions, and changes in our industry and changes in the real estate markets in particular;

economic and other developments in markets where we have a high concentration of properties;

our business strategy;

our projected operating results;

rental rates and/or vacancy rates;

frequency and magnitude of defaults on, early terminations of or non-renewal of leases by tenants;

bankruptcy or insolvency of a major tenant or a significant number of smaller tenants;

adverse impact of e-commerce developments and shifting consumer retail behavior on our tenants;

interest rates or operating costs;

real estate and zoning laws and changes in real property tax rates;

real estate valuations;

our leverage;

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our ability to generate sufficient cash flows to service our outstanding indebtedness and make distributions to our shareholders;

our ability to obtain necessary outside financing;

the availability, terms and deployment of capital;

general volatility of the capital and credit markets and the market price of our Class A common stock;

risks generally associated with real estate acquisitions and dispositions, including our ability to identify and pursue acquisition and disposition opportunities;

risks generally associated with redevelopment, including the impact of construction delays and cost overruns, our ability to lease redeveloped space and our ability to identify and pursue redevelopment opportunities;

composition of members of our senior management team;

our ability to attract and retain qualified personnel;

our ability to continue to qualify as a REIT;

governmental regulations, tax laws and rates and similar matters;

our compliance with laws, rules and regulations;

environmental uncertainties and exposure to natural disasters;

insurance coverage; and

the likelihood or actual occurrence of terrorist attacks in the U.S.

Readers should not place undue reliance on any forward-looking statements, which are based only on information currently available to us (or to third parties making the forward-looking statements). We undertake no obligation to publicly release any revisions to such forward-looking statements to reflect events or circumstances after the date of this prospectus, except as required by applicable law. Investors should also refer to Retail Properties of America, Inc. s

annual reports on Form 10-K and quarterly reports on Form 10-Q for future periods and current reports on Form 8-K as it files them with the SEC, and to other materials Retail Properties of America, Inc. may furnish to the public from time to time through Forms 8-K or otherwise.

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HOW WE INTEND TO USE THE PROCEEDS

Unless we provide otherwise in a supplement to this prospectus, we expect to use the net proceeds from any sale of securities by us under this prospectus for one or more of the following:

the acquisition, development, redevelopment and improvement of properties;

the repayment of debt;

the possible repurchase of shares of our stock;

capital expenditures;

working capital; and

other general business purposes.

Pending such uses, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Except as mentioned in any prospectus supplement, specific allocations of the proceeds to such purposes will not have been made at the date of that prospectus supplement.

Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings of a character and amount that we determine as the need arises.

We will not receive any of the proceeds of the sale by selling security holders of the securities covered by this prospectus.

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DESCRIPTION OF WARRANTS

Please note that in the sections entitled Description of Warrants, Description of Stock Purchase Contracts, Description of Units, Description of Common and Preferred Stock, Description of Depositary Shares and Description of Debt Securities, references to we, our and us refer only to Retail Properties of America, Inc. and not to its consolidated subsidiaries. The following description sets forth certain general terms and provisions of the warrants that we may offer from time to time. This summary does not contain all of the information that you may find useful. The particular terms of any of the warrants that we may offer and the related agreements will be described in the prospectus supplement relating to those warrants. For more information, you should review the relevant form of warrant agreement and the relevant form of warrant certificate, if any, which will be filed with the SEC.

We may issue warrants for the purchase of one or more of the other securities described in this prospectus. Warrants may be issued independently, together with any other securities offered by any prospectus supplement and may be attached to or separate from such securities. We may issue warrants under a warrant agreement to be entered into between us and a warrant agent. We will name any warrant agent in the applicable prospectus supplement. You should review the applicable prospectus supplement for the specific terms of any warrants that may be offered, including:

the title of such warrants;

the aggregate number of the warrants;

the price or prices at which the warrants will be issued;

the designation and terms of the securities with which the warrants will be issued and the number of warrants issued with each such security;

the date, if any, on and after which the warrants and the related security, if any, will be separately transferable;

the price at which each security that can be purchased upon exercise of such warrants may be purchased;

the date on which the right to exercise the warrants will commence and the date on which such right will expire;

the minimum or maximum amount of such warrants which may be exercised at any one time, if applicable;

information with respect to book-entry procedures, if any;

a discussion of certain federal income tax considerations; and

any other terms of such warrants, including terms, procedures and limitations relating to the transferability, exchange and exercise of such warrants.

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DESCRIPTION OF STOCK PURCHASE CONTRACTS

The following description sets forth certain general terms and provisions of the stock purchase contracts that we may offer from time to time. This summary does not contain all of the information that you may find useful. The particular terms of any purchase contract that we may offer and the related agreements will be described in the prospectus supplement relating to those stock purchase contracts. For more information, you should review the relevant form of stock purchase contract and the relevant form of pledge agreement for stock purchase contracts, if any, which will be filed with the SEC.

If we offer any stock purchase contracts, certain terms of that series of stock purchase contracts will be described in the applicable prospectus supplement, including, without limitation, the following:

the price of the securities or other property subject to the stock purchase contracts (which may be determined by reference to a specific formula described in the stock purchase contracts);

any requirement for us to make periodic payments to holders or vice versa, and whether the payments are unsecured or pre-funded;

any provisions relating to any security provided for the stock purchase contracts;

whether the stock purchase contracts obligate the holder or us to purchase or sell, or both purchase and sell, the securities subject to purchase or sale under the stock purchase contract, and the nature and amount of each of those securities, or the method of determining those amounts;

whether the stock purchase contracts are to be prepaid or not;

whether the stock purchase contracts are to be settled by delivery, or by reference or linkage to the value, performance or level of the securities subject to purchase under the stock purchase contract;

any acceleration, cancellation, termination or other provisions relating to the settlement of the stock purchase contracts;

whether the stock purchase contracts will be issued in fully registered or global form;

a discussion of certain federal income tax considerations; and

any other terms of such stock purchase contracts and any securities subject to such stock purchase contracts.

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DESCRIPTION OF UNITS

The following description sets forth certain general terms and provisions of the units that we may offer from time to time. This summary does not contain all of the information that you may find useful. The particular terms of any of the units that we may offer and the related agreements will be described in the prospectus supplement relating to those units. For more information, you should review the relevant form of unit agreement and the relevant form of unit certificate, if any, which will be filed with the SEC.

We may issue units comprised of one or more of the other securities described in this prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The prospectus supplement will describe:

the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances the securities comprising the units may be held or transferred separately;

a description of the terms of any unit agreement governing the units;