Kilroy Realty Completes Amendment and Restatement of Its Unsecured Revolving Credit Facility and Term Loan Facility

July 26, 2017 4:23 PM ET

LOS ANGELES--(BUSINESS WIRE)--Jul. 26, 2017-- Kilroy Realty Corporation **(*NYSE: KRC*)** today announced that its operating partnership, Kilroy Realty, L.P., amended and restated its unsecured revolving credit facility and term loan facility (together, the “Facility”). The amendment and restatement increased the size of the revolver from $600 million to $750 million, maintained the size of the term loan of $150 million, reduced the borrowing costs and extended the maturity date of the Facility to July 2022. The revolver now bears interest at LIBOR plus 1.00% and includes a 20 basis point facility fee. The term loan features two, six-month delay draw options, now bears interest at LIBOR plus 1.10% and includes a 20 basis point facility fee on undrawn commitments. The interest rates and facility fees vary depending upon Kilroy Realty, L.P.’s credit ratings. Additionally, Kilroy Realty, L.P. may elect to borrow, subject to additional lender commitments and the satisfaction of certain conditions, up to an additional $600 million under the Facility for a maximum borrowing capacity of $1.5 billion. The Facility was undrawn at closing, including the $150 million term loan, which was repaid in full at closing with available cash.

Kilroy Realty, L.P. expects to use the Facility for general corporate purposes, including funding its development and redevelopment programs, opportunistic acquisitions and repaying long-term debt. In addition, concurrently with the closing of the Facility, Kilroy Realty, L.P. repaid in full its $39 million unsecured term loan with available cash.

The Facility was syndicated to a group of 15 U.S. and international banks led by J.P. Morgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, which acted as joint lead arrangers and joint bookrunners. JPMorgan Chase Bank, N.A. is the administrative agent for the Facility, and Bank of America, N.A. was the syndication agent. PNC Capital Markets, LLC and U.S. Bank National Association acted as joint lead arrangers. Wells Fargo Bank, N.A., PNC Bank, National Association, U.S. Bank National Association, Bank of the West, Barclays Bank PLC, Compass Bank, MUFG Union Bank, N.A., Royal Bank of Canada and Sumitomo Mitsui Banking Corporation acted as co-documentation agents. Other participants in the Facility include Citibank, N.A., Comerica Bank, KeyBank National Association and The Bank of Nova Scotia.

About Kilroy Realty Corporation. With approximately 70 years’ experience owning, developing, acquiring and managing real estate assets in West Coast real estate markets, Kilroy Realty Corporation (KRC), a publicly traded real estate investment trust and member of the S&P MidCap 400 Index, is one of the region’s premier landlords. The company provides physical work environments that foster creativity and productivity and serves a broad roster of dynamic, innovation-driven tenants, including technology, entertainment, digital media and health care companies.

Forward-Looking Statements. This press release contains 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. Forward-looking statements are based on our current expectations, beliefs and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results and events may vary materially from those indicated in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others: global market and general economic conditions and their effect on our liquidity and financial conditions and those of our tenants; adverse economic or real estate conditions generally, and specifically, in the States of California and Washington; risks associated with our investment in real estate assets, which are illiquid, and with trends in the real estate industry; defaults on or non-renewal of leases by tenants; any significant downturn in tenants’ businesses; our ability to release property at or above current market rates; costs to comply with government regulations, including environmental remediation; the availability of cash for distribution and debt service and exposure to risk of default under debt obligations; increases in interest rates and our ability to manage interest rate exposure; the availability of financing on attractive terms or at all, which may adversely impact our future interest expense and our ability to pursue development, redevelopment and acquisition opportunities and refinance existing debt; a decline in real estate asset valuations, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing, and which may result in write offs or impairment charges; significant competition, which may decrease the occupancy and rental rates of properties; potential losses that may not be covered by insurance; the ability to successfully complete acquisitions and dispositions on announced terms; the ability to successfully operate acquired, developed and redeveloped properties; the ability to successfully complete development and redevelopment projects on schedule and within budgeted amounts; delays or refusals in obtaining all necessary zoning, land use and other required entitlements, governmental permits and authorizations for our development and redevelopment properties; increases in anticipated capital expenditures, tenant improvement and/or leasing costs; defaults on leases for land on which some of our properties are located; adverse changes to, or implementations of, applicable laws, regulations or legislation; risks associated with joint venture investments, including our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers; environmental uncertainties and risks related to natural disasters; and our ability to maintain our status as a REIT. These factors are not exhaustive and additional factors could adversely affect our business and financial performance. For a discussion of additional factors that could materially adversely affect our business and financial performance, see the factors included under the caption "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2016 and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information, and speak only as of the date on which they are made. We assume no obligation to update any forward-looking statement made in this press release that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.

View source version on businesswire.com: http://www.businesswire.com/news/home/20170726006357/en/

Source: Kilroy Realty Corporation

Kilroy Realty Corporation
Tyler H. Rose
Executive Vice President
and Chief Financial Officer
(310) 481-8484
or
Michelle Ngo
Senior Vice President
and Treasurer
(310) 481-8581