

CEDAR REALTY TRUST, INC.

Form DEF 14A

March 29, 2019

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

CEDAR REALTY TRUST, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee previously paid with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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March 29, 2019

Dear Fellow Stockholders:

Please join my fellow directors and me at our 2019 Annual Meeting of Stockholders, which will be held on Wednesday, May 1, 2019, at our corporate headquarters in Port Washington, New York. The business we will conduct at the meeting is described in the attached Notice of Annual Meeting of Stockholders and Proxy Statement.

A famous aphorism ascribed to the economist John Maynard Keynes states that the market can remain irrational longer than most investors can remain solvent. This irrationality was very much in evidence at the end of December 2018 when we successfully sold a lower-half rated asset at approximately a 7% cap rate, at the same time that our entire company was being valued at a 9.5% cap rate. Indeed, at year-end 2018 our stock was trading at a price that constituted roughly a 50% discount to our consensus net asset value (NAV).

In the face of this dissonance, we forged ahead with announcing and successfully executing a share repurchase funded by the proceeds of our asset sale. I am proud that Cedar has the distinction of being among a very select group of REIT management teams that have, over the last five years, consistently issued equity when trading at a premium to consensus NAV and repurchased shares with the proceeds of lower-half asset sales, when trading at a discount to consensus NAV. This is textbook REIT capital allocation, which we believe is our duty as responsible stewards of shareholder capital. The chart below shows our capital raises from 2014-2018:

Source: SNL as of December 31, 2018.

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At the same time, along with all other shareholders I lament the underperformance of our stock during 2018, even if I believe it is irrational. We at Cedar continue to forge ahead resolute in the conviction that our corporate goal of being counted among the best-in-class shopping center REITs remains within reach and that 2019 represents an inflection point in reaching that goal.

In 2019, we anticipate breaking ground on at least one of our three major urban mixed-use redevelopment projects, two of which are in Philadelphia and one in Washington, D.C. As a relatively small REIT, our ambitious goal of being considered among the best-in-class is supported by a strategy to evolve our urban assets into premiere mixed-use assets. Over the coming quarters and years, we anticipate methodically executing on these redevelopments, announcing anchor lease signings, ground breakings, progress reports and stabilizations, in what we ultimately believe will result in attractive returns and significant shareholder value creation. I cannot say at what point in our execution the market will celebrate our accomplishments and reward us with an improved share price. I am confident, however, that in systematically and accretively migrating our capital into better assets and markets, we will grow the warranted value of Cedar.

I thank you for your continued interest in and support of Cedar Realty Trust. As a meaningful shareholder myself, I am constantly reminded of the challenges REITs such as ours face in today's capital markets. At the same time, I am optimistic for the future of this company due to Cedar's unique strategy for value creation being executed by our terrific team.

Sincerely,

BRUCE J. SCHANZER
President and Chief Executive Officer

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CEDAR REALTY TRUST, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 1, 2019

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Cedar Realty Trust, Inc. (the Company) will be held at the offices of the Company, 44 South Bayles Avenue, Port Washington, NY 11050, on Wednesday, May 1, 2019 at 8:30 in the morning for the following purposes:

1. To elect seven directors.
2. To approve the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019.
3. To vote on an advisory (non-binding) resolution to approve the compensation of our named executive officers.
4. To approve an amendment to the Company's 2017 Stock Incentive Plan to increase the number of available shares that may be issued under the plan.

In addition, stockholders will transact any other business that properly comes before the meeting or any adjournment thereof.

The Company and the Board recommend a vote FOR proposals 1, 2, 3 and 4. You should carefully review the accompanying Proxy Statement which contains additional information.

Stockholders of record in our common stock at the close of business on March 8, 2019 shall be entitled to notice of, and to vote at, the meeting.

THE PROXY STATEMENT AND OUR 2018 ANNUAL REPORT ARE AVAILABLE AT

[HTTP://WWW.CEDARREALTYTRUST.COM](http://www.cedarrealtytrust.com).

Sincerely,

ADINA G. STORCH, ESQ.
Executive Vice President,

General Counsel and

Corporate Secretary

Dated: March 29, 2019

Port Washington, NY

IMPORTANT: WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE FILL IN, DATE, SIGN AND PROMPTLY MAIL THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE TO ENSURE THAT YOUR SHARES ARE COUNTED AT THE MEETING.

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The following is a summary which highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider, and you are urged to read the entire Proxy Statement carefully before voting.

Information About Our 2019 Annual Meeting of Stockholders

DATE AND TIME: Wednesday, May 1, 2019 at 8:30 a.m. local time
PLACE: 44 South Bayles Avenue, Port Washington, NY 11050
RECORD DATE: Friday, March 8, 2019
Items of Business and Board of Directors Vote Recommendations

Proposal	Board Vote Recommendation	Page Number
Proposal 1: To elect seven directors to serve until the next annual meeting of stockholders or until earlier death, resignation or removal	FOR	11
Proposal 2: To ratify the appointment of Ernst & Young LLP to serve as independent registered public accounting firm for the year ending December 31, 2019	FOR	59
Proposal 3: Advisory vote (non-binding) to approve the compensation of our named executive officers as disclosed in this Proxy Statement	FOR	60
Proposal 4: To approve an amendment to the Company's 2017 Stock Incentive Plan to increase the number of available shares that may be issued under the plan	FOR	61

Our Director Nominees (Page 11)

Name	Director					
	Age	Since	Independent	AC	CC	N/CGC
Abraham Eisenstat ⁽¹⁾	49	2015	Yes			C
Gregg A. Gonsalves ⁽¹⁾	51	2017	Yes			
Pamela N. Hootkin ⁽¹⁾	71	2008	Yes			C
Sabrina L. Kanner	61	2018	Yes			
Steven G. Rogers ⁽¹⁾	64	2016	Yes	C		
Bruce J. Schanzer ⁽²⁾	50	2011	No			
Roger M. Widmann ⁽³⁾	79	2003	Yes			

(1) Audit Committee Financial Expert

(2) President and Chief Executive Officer

(3) Chairman of the Board

KEY: AC = Audit Committee CC = Compensation Committee

N/CGC = Nominating/Corporate Governance Committee = Member C = Chair

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	Number of Members	Independent	Number of Meetings During 2018 ⁽²⁾
Full Board of Directors	7	85.7%	12
Audit Committee	4	100.0%	4
Compensation Committee	4	100.0%	14
Nominating/Corporate Governance Committee	4	100.0%	4

(1) As of March 8, 2019.

(2) Includes in-person and telephonic meetings.

Our Corporate Governance (Page 16)⁽¹⁾

We structure our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Please refer to the table on page 16 of this Proxy Statement for a more detailed description of our governance practices.

WHAT WE DO:	WHAT WE DON'T DO:
<i>All Independent Directors Other than CEO</i>	<i>X No Hedging of Our Securities</i>

Continuously Improve Board Diversity

X No Pledging of Our Securities

Extend Important Rights to Shareholders, Such as Ability to Amend Our By-Laws

X *No Related Party Transactions*

Caps on Director Pay

X *No Poison Pill*

Independent Chairman and Committees

X *No Excessive Perquisites, No Tax Gross-Ups on Perquisites and No Contractual Tax Gross-Ups on Golden Parachutes*

Majority Voting for Directors in Annual Uncontested Elections

X *No Classified Board*

Regular Board Refreshment

X *No Undue Restrictions on Stockholder Rights*

X *No Overboarded Directors*

Frequent Stockholder Engagement

Share Ownership Guidelines

Risk Oversight by Full Board

Annual Board and Committee Self-Evaluations

***Regular Executive Sessions of Independent Directors
and Board Committees***

(1) As of March 8, 2019.

2 | *2019 Proxy Statement*

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We embrace responsible environmental and social stewardship, as well as corporate governance, as an essential part of our mission to build a successful business and to shape the communities we serve throughout our portfolio, in addition to our workplace community. At Cedar, we believe we can do well by doing good.

Below are some highlights of our commitment to Environmental, Social and Governance principles in 2018:⁽¹⁾

Environmental	Social	Governance
Installation of roof solar panels at four shopping centers	Focus on enhancing diversity with two women on the Board and directors representing a diversity of skills and background	Amendment of by-laws and charter to enable stockholders to act to amend by-laws
15 parking lot conversions to LED lighting	Women comprise half of mid-level managers and one-third of top executive leadership	Annual election of directors by majority vote in uncontested elections, with no classified Board
Installation of waste recycling at 13 shopping centers	Sponsorship of social programs in underserved communities such as All Night, inner city mobile art galleries, and donations of backpacks and school supplies to residents of our communities	Majority independent Board and entirely independent Board committees, with four new independent directors appointed in the last four years
Approvals obtained to install electric car charging stations at three shopping centers	Local planning committee sponsor of REAP in New York City, a real estate associate program that fosters the entry of multicultural professionals into the commercial real estate industry	Revisions to executive compensation arrangements favored by stockholders (as detailed more fully herein)

(1) As of December 31, 2018.

Independent Registered Public Accounting Firm (Page 59)

Ernst & Young LLP, independent registered public accounting firm, served as our auditors for fiscal year 2018. Our Audit Committee has selected Ernst & Young LLP to audit our financial statements for fiscal year 2019. Although it is not required to do so, the Board is submitting the Audit Committee's selection of our independent registered public accounting firm for ratification by the stockholders at the Annual Meeting in order to ascertain the view of our stockholders regarding such selection. Below is summary information about Ernst & Young's fees for services during fiscal years 2018 and 2017:

Description of Services	2018 (\$)	2017 (\$)
Audit Fees ⁽¹⁾	874,500	953,800

Audit-Related Fees

Tax Fees ⁽²⁾	131,975	55,525
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All Other Fees

TOTAL	1,006,475	&nb
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