

WEINGARTEN REALTY INVESTORS /TX/
Form DEFR14A
March 22, 2005

WEINGARTEN REALTY INVESTORS

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 3, 2005

To Our Shareholders:

You are invited to attend our annual meeting of shareholders that will be held at our corporate office located at 2600 Citadel Plaza Drive, Houston, Texas, on Tuesday, May 3, 2005, at 9:00 a.m., Houston time. The purpose of the meeting is to vote on the following proposals:

Proposal 1: To elect nine trust managers to serve until their successors are elected and qualified.

Proposal 2: To ratify the appointment of Deloitte & Touche LLP as independent registered public accounting firm for the fiscal year ending December 31, 2005.

Proposal 3: To take action upon any other business as may properly come before the meeting.

Shareholders of record at the close of business on March 7, 2005 are entitled to notice of, and to vote at, the annual meeting. A proxy card and a copy of our annual report to shareholders for the fiscal year ended December 31, 2004 are enclosed with this notice of annual meeting and proxy statement.

Your vote is important. Accordingly, you are asked to vote, whether or not you plan to attend the annual meeting. You may vote by: (i) mail by marking, signing, dating and returning the accompanying proxy card in the postage-paid envelope we have provided, or returning it to Weingarten Realty Investors, c/o ADP, 51 Mercedes Way, Edgewood, NY 11717, (ii) using the Internet at www.proxyvote.com, (iii) phone by calling 1-800-690-6903, or (iv) attending the annual meeting in person. If you plan to attend the annual meeting to vote in person and your shares are registered with our transfer agent, Mellon Investor Services LLC, in the name of a broker or bank, you must secure a proxy from the broker or bank assigning voting rights to you for your shares.

By Order of the Board of Trust Managers

M. Candace DuFour
Sr. Vice President and Secretary
March 23, 2005
Houston, Texas

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PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

Tuesday, May 3, 2005

**Weingarten Realty Investors
2600 Citadel Plaza Drive
Houston, Texas 77008**

The board of trust managers is soliciting proxies to be used at the 2005 annual meeting of shareholders to be held at our corporate office located at 2600 Citadel Plaza Drive, Houston, Texas 77008, on Tuesday, May 3, 2005, at 9:00 a.m., Houston time. This proxy statement, accompanying proxy card and annual report to shareholders for the fiscal year ended December 31, 2004 are first being mailed to shareholders on or about March 23, 2005. Although the annual report is being mailed to shareholders with this proxy statement, it does not constitute part of this proxy statement.

Who May Vote

Only shareholders of record at the close of business on March 7, 2005 are entitled to notice of, and to vote at, the annual meeting. As of March 7, 2005, we had 89,132,647 common shares of beneficial interest issued and outstanding. Each common shareholder of record on the record date is entitled to one vote on each matter properly brought before the annual meeting for each common share held.

In accordance with our amended and restated bylaws, a list of shareholders entitled to vote at the annual meeting will be available at the annual meeting and for 10 days prior to the annual meeting, between the hours of 9:00 a.m. and 4:00 p.m. local time, at our principal executive offices listed above.

How You May Vote

You may vote using any of the following methods:

- **BY MAIL:** Mark, sign, and date your proxy card and return it in the postage-paid envelope we have provided, or return it to Weingarten Realty Investors, c/o ADP, 51 Mercedes Way, Edgewood, NY 11717. The named proxies will vote your shares according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares in favor of proposals one and two.
- **BY INTERNET:** Go to [www.wreit.com](#) and use the Internet to transmit your voting instructions and for electronic delivery of information until 11:59 P.M. Eastern Time on May 2, 2005. Have your proxy card in hand when you access the Web site and then follow the instructions.

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- **BY PHONE:** Call 1-800-690-6903 and use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 2, 2005. Have your proxy card in hand when you call and then follow the instructions.

- **BY ATTENDING THE ANNUAL MEETING IN PERSON:**

You may revoke your proxy at any time before it is exercised by:

- giving written notice of revocation to our Secretary, M. Candace DuFour, at Weingarten Realty Investors, P.O. Box 924133, Houston, Texas, 77292-4133;
- timely delivering a properly executed, later-dated proxy; or
- voting in person at the annual meeting.

Voting by proxy will in no way limit your right to vote at the annual meeting if you later decide to attend in person. If you hold common shares through any of our share purchase or savings plans, you will receive voting instructions. Please sign and return those instructions promptly to assure that your shares are represented at the annual meeting. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, to be able to vote at the annual meeting. If no direction is given and the proxy is validly executed, the shares represented by the proxy will be voted in favor of proposals one and two. The persons authorized under the proxies will vote upon any other business that may properly come before the annual meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. We do not anticipate that any other matters will be raised at the annual meeting.

Quorum

The presence, in person or represented by proxy, of the holders of a majority of the common shares (45,457,650 shares) entitled to vote at the annual meeting is necessary to constitute a quorum at the annual meeting. However, if a quorum is not present at the annual meeting, the shareholders, present in person or represented by proxy, have the power to adjourn the annual meeting until a quorum is present or represented. Pursuant to our amended and restated bylaws, abstentions and broker "non-votes" are counted as present and entitled to vote for purposes of determining a quorum at the annual meeting. A broker "non-vote" occurs when a nominee holding common shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

Required Vote

The affirmative vote of the holders of a majority of the common shares (45,457,650) present in person or represented by proxy is required to re-elect trust managers. Any trust manager who is currently on the board shall remain on the board, regardless of the number of votes he receives, unless he is replaced by a nominee who receives the requisite vote to become a new trust manager. All of the nominees for trust manager served as our trust managers in 2004. Abstentions and broker non-votes are not counted for purposes of the election of trust managers.

The ratification of the appointment of Deloitte & Touche LLP requires the affirmative vote of the holders of a majority of the common shares (45,457,650) represented in person or by proxy at the annual meeting and entitled to vote thereon in order to be approved.

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Cost of Proxy Solicitation

The cost of soliciting proxies will be borne by us. Proxies may be solicited on our behalf by our trust managers, officers, employees or soliciting service in person, by telephone, facsimile or by other electronic means. In accordance with SEC regulations and the rules of the New York Stock Exchange (NYSE), we will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in mailing proxies and proxy materials and soliciting proxies from the beneficial owners of our common shares.

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**PROPOSAL ONE
ELECTION OF TRUST MANAGERS**

Pursuant to the Texas Real Estate Investment Trust Act, our amended and restated declaration of trust, and our amended and restated bylaws, our business, property and affairs are managed under the direction of the board of trust managers. At the annual meeting, nine trust managers will be elected by the shareholders, each to serve until his successor has been duly elected and qualified, or until the earliest of his death, resignation or retirement. Regardless of the number of votes each nominee receives, pursuant to the Texas Real Estate Investment Trust Act, each trust manager will continue to serve unless another nominee receives the affirmative vote of the holders of 66 2/3% of our outstanding common shares.

The persons named in the enclosed proxy will vote your shares as you specify on the enclosed proxy. If you return your properly executed proxy but fail to specify how you want your shares voted, the shares will be voted in favor of the nominees listed below. The board of trust managers has proposed the following nominees for election as trust managers at the annual meeting. Each of the nominees is currently a member of the board of trust managers.

Nominees

Stanford Alexander, Chairman of the Board of Trust Managers since 2001. Chief Executive Officer from 1993 to December 2000. President and Chief Executive Officer from 1962 to 1993. Trust manager since 1956 and our employee since 1955. Age: 76

Andrew M. Alexander, trust manager since 1983. Chief Executive Officer since January 2001. President since 1997. Executive Vice President/Asset Manager from 1993 to 1996 and President of Weingarten Realty Management Company since 1993. Senior Vice President/Asset Manager of Weingarten Realty Management Company from 1991 to 1993, and Vice President from 1990 to 1991 and, prior to our reorganization in 1984, Vice President from 1988 to 1990. Mr. Alexander has been our employee since 1978. He is a director of Academy Sports & Outdoors, Inc. Age: 48

J. Murry Bowden, trust manager since April, 2003. Mr. Bowden is Co-Chairman of The Hanover Company and has been involved in all aspects of apartment development, construction, management and finance for more than 25 years. Prior to forming The Hanover Company in 1982, he was an attorney in private practice. Age: 56

James W. Crownover, trust manager since 2001. Since 1998, Mr. Crownover has managed his personal investments. Mr. Crownover completed a 30-year career with McKinsey & Company, Inc. in 1998 where he was managing director of its southwest practice and a member of the firm's board of directors. He currently serves as a director on the boards of Unocal Corporation (audit committee chairman), Great Lakes Chemical Corporation and Allied Waste Industries (audit committee member). Age: 61

Robert J. Cruikshank, trust manager since 1997. Since 1993, Mr. Cruikshank has managed his personal investments. Senior partner of Deloitte & Touche LLP from 1989 to 1993. He currently serves on the boards of Encysive Pharmaceuticals, Inc. (audit committee chairman), MAXXAM, Inc., (audit committee member), and Kaiser Aluminum Corp. (audit committee member). Age: 74

Melvin A. Dow, trust manager since 1984. Shareholder, Winstead, Sechrest & Minick P. C. since August 2001. Chairman/Chief Executive Officer of Dow, Cogburn & Friedman, P.C. (which merged with Winstead, Sechrest & Minick P.C. in 2001) from 1995 to 2001. Age: 77

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Stephen A. Lasher, trust manager since 1980. President of The GulfStar Group, Inc. since January 1991. Age: 57

Douglas W. Schnitzer, trust manager since 1984. Chairman/Chief Executive Officer of Senterra Real Estate Group, L.L.C. since 1994. Age: 48

Marc J. Shapiro, trust manager since 1985. Since 2003, Mr. Shapiro has served as a consultant to J. P. Morgan Chase & Co. as a non-executive Chairman of its Texas operations. Former Vice Chairman of J. P. Morgan Chase & Co. from 1997 through September, 2003. Prior to that, he was Chairman and Chief Executive Officer of Chase Bank of Houston from January 1989 to 1997. He currently serves as Director of Kimberly-Clark Corporation (audit committee member) and Burlington Northern Santa Fe Corporation (audit committee member). Age: 57

Andrew M. Alexander is the son of Stanford Alexander.

The governance committee will consider trust manager candidates nominated by shareholders. Recommendations, including the nominee's name and an explanation of the nominee's qualifications should be sent to Candace DuFour, Sr. Vice President and Secretary, at P.O. Box 924133, Houston, Texas 77292-4133. The procedure for nominating a person for election as a trust manager is described under "Shareholder Proposals" on page 26.

The board of trust managers unanimously recommends that you vote FOR the election of trust managers as set forth in Proposal One.

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During fiscal 2004, the board of trust managers held four meetings. No trust manager attended less than 75% of the total number of board and committee meetings on which the trust manager served that were held while the trust manager was a member of the board or committee, as applicable. All of our trust managers are strongly encouraged to attend our annual meeting of shareholders. All of our trust managers, except Mr. Crownover, attended our 2004 annual meeting of shareholders. The board's current standing committees are as follows:

Name	Governance Committee	Audit Committee	Management Development & Compensation Committee	Executive Committee	Pricing Committee
Employee Trust Managers:					
Stanford Alexander				X	X
Andrew M. Alexander				X (1)	X
Non-Employee Trust Managers:					
J. Murry Bowden	X	X			
James W. Crownover	X	X (1)			
Robert J. Cruikshank		X	X (1)	X	
Melvin A. Dow				X	
Stephen A. Lasher			X	X	X
Douglas Schnitzer		X			
Marc J. Shapiro	X (1)		X		

(1) Chairman

Governance Committee

The governance committee has the responsibility to (1) oversee the nomination of individuals to the board, including the identification of individuals qualified to become board members and recommending such nominees; (2) develop and recommend to the board a set of governance principles; and (3) oversee matters of governance to insure that the board is appropriately constituted and operated to meet its fiduciary obligations, including advising the board on matters of board organization, membership and function and committee structure and membership. The committee also recommends trust manager compensation and benefits. The governance committee will consider nominees made by shareholders. Shareholders should send nominations to the company's secretary, Candace DuFour. Any shareholder nominations proposed for consideration by the governance committee should include the nominee's name and qualifications for board membership. See "Shareholder Proposals" on page 26. The governance committee met three times in 2004.

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Audit Committee

The audit committee assists the board in fulfilling its responsibilities for general oversight of: (1) our financial reporting processes and the audit of our financial statements, including the integrity of our financial statements; (2) our compliance with ethical policies contained in our code of conduct and ethics; (3) legal and regulatory requirements; (4) the independence, qualification and performance of our independent registered public accounting firm; (5) the performance of our internal audit function; and (6) risk assessment and risk management. The committee has the responsibility for selecting our independent registered public accounting firm and pre-approving audit and non-audit services. Among other things, the audit committee prepares the audit committee report for inclusion in the annual proxy statement, reviews the audit committee charter and the committee's performance; approves the scope of the annual audit; reviews our disclosure controls and procedures, internal controls, information security policies, internal audit function, and corporate policies with respect to financial information and earnings guidance. The committee also oversees investigations into complaints concerning financial matters. The audit committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as the audit committee deems necessary to carry out its duties. The audit committee met five times in 2004. The board of trust managers has determined that Mr. Cruikshank's simultaneous service on the audit committees of more than three public companies will not impair his ability to serve on our audit committee.

Management Development and Compensation Committee

The management development and compensation committee (1) discharges the board's responsibilities to establish the compensation of our executives; (2) produces an annual report on executive compensation for inclusion in our annual proxy statement; (3) provides general oversight for our compensation structure, including our equity compensation plans and benefits programs; and (4) retains and approves the terms of the retention of any compensation consultant or other compensation experts. Other specific duties and responsibilities of the committee include reviewing the leadership development process; reviewing and approving objectives relative to executive officer compensation; approving employment agreements for executive officers; approving and amending our incentive compensation and share option programs (subject to shareholder approval if required); and annually evaluating its performance and its charter. The committee met three times in 2004.

Executive Committee

The executive committee has the authority to enter into transactions to acquire and dispose of real property, execute certain contracts and agreements, including but not limited to, borrowing money and entering into financial derivative contracts, leases (as landlord or tenant) and construction contracts valued at up to \$100,000,000. The committee was established by the board to create and reinforce the approval and decision making process around these significant transactions. We have a detailed process that is followed for all of these transactions and the execution of unanimous consents for such transactions is the final documentation of such process. The executive committee did not meet in person during 2004, but conducted business by the execution of twenty unanimous written consents during that year.

Pricing Committee

The pricing committee is authorized to exercise all the powers of the board of trust managers in connection with the offering, issuance and sale of our securities. The pricing committee held one telephonic meeting during 2004, and executed one unanimous written consent during that year.

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Corporate Governance

Independence of Trust Managers and Committee Members. Our board has determined that each of the following trust managers standing for re-election has no material relationship with us (either directly or as a partner, shareholder or officer of an organization that has a relationship with us) and is independent within the meaning of our trust manager independent's standards, which reflect exactly NYSE Director Independence Standards, as currently in effect: Messrs. Bowden, Crownover, Cruikshank, Lasher, Schnitzer and Shapiro. The board has determined that Messrs. S. Alexander, A. Alexander and Dow are not independent trust managers within the meaning of the NYSE Director Independence Standards. Furthermore, the board has determined that each of the members of each of the governance, audit and management development and compensation committees has no material relationship with us (either directly as a partner, shareholder or officer of an organization that has a relationship with us) and is independent within the meaning of our trust manager independence standards.

Audit Committee Financial Expert. The board of trust managers has determined that Mr. Cruikshank meets the definition of audit committee financial expert promulgated by the Securities and Exchange Commission and is independent, as defined in the New York Stock Exchange Listing Standards.

Committee Charters and other Governance Materials. Our board has adopted: (1) a governance committee charter, a management development and compensation committee charter and a revised audit committee charter; (2) standards of independence for our trust managers for fiscal 2004; (3) a code of conduct and ethics for all trust managers, officers and employees; and (4) corporate governance guidelines. Our governance committee charter, management development and compensation committee charter, audit committee charter, corporate governance guidelines and code of conduct and ethics are available on our Web site at www.weingarten.com. These materials are also available in print to any shareholder who requests them by submitting a written request to Brook Wootton, Director of Investor Relations, 2600 Citadel Plaza Drive, Suite 300, Houston, Texas 77008.

Communications with the Board. Individuals may communicate with the board by sending a letter to:

Candace DuFour
Secretary to the Board of Trust Managers
2600 Citadel Plaza Drive, Suite 300
Houston, Texas 77008

All trust managers have access to this correspondence. Communications that are intended specifically for non-management trust managers should be sent to the street address noted above, to the attention of the chair of the Governance Committee. In accordance with instructions from the board, the secretary to the board reviews all correspondence, organizes the communications for review by the board, and posts communications to the full Board or individual trust managers as appropriate.

Executive Sessions. Executive sessions of non-employee trust managers were held at the end of each board meeting. In accordance with our Governance Policies, our independent trust managers will meet at least once per year in executive session. The chairman of the governance committee, currently Marc J. Shapiro, will chair this executive session. During 2004, our non-employee trust managers met four times in executive session.

Table of Contents**Compensation of Trust Managers**

Employee trust managers receive no compensation for board service.

During 2004, our non-employee trust managers received the following compensation:

Annual retainer fee	\$ 15,000
Fee for each board meeting attended	1,000
Audit committee chairman retainer	10,000
Audit committee member retainer	5,000
Chairman retainer for other committees	6,000
Other committee members retainer	4,000

Additionally, each non-employee trust manager received an award of 750 restricted shares. Members of the executive and pricing committees receive no additional compensation for their services.

Compensation Committee Interlocks and Insider Participation

During fiscal 2004, three of our independent trust managers served on the management development and compensation committee. The committee members for 2004 were Messrs. Cruikshank, Lasher and Shapiro. No member of the management development and compensation committee has any interlocking relationship with any other company that requires disclosure under this heading.

Certain Transactions

Messrs. S. Alexander, A. Alexander, Dow, Lasher, Stephen C. Richter, Schnitzer and Martin Debrovner were shareholders or officers and/or trust managers of WRI Holdings, Inc., a Texas corporation. In December 1984, we contributed certain assets and cash to WRI Holdings in exchange for, among other consideration, \$26.8 million in original principal amount of debt securities and common stock of WRI Holdings. The assets contributed by us to WRI Holdings included unimproved land in the Railwood Industrial Park in northeast Houston and all of the issued and outstanding capital stock of Plaza Construction, Inc. and Leisure Dynamics, Inc. The debt securities were issued pursuant to three separate trust indentures (the Holdings Bonds) and originally consisted of \$16.7 million in principal amount of debt securities (the Hospitality Bonds) due December 28, 2004, \$7.0 million in principal amount of debt securities (the Railwood Bonds) due December 28, 2004, and \$3.2 million in principal amount of debt securities (the Plaza Bonds) due December 28, 1994. The Railwood Bonds and Hospitality Bonds have been retired. On August 4, 2004, (date of dissolution), WRI Holdings, Inc. and all of its related subsidiaries were formally dissolved with the assets of WRI Holdings, Inc. being conveyed to Weingarten Realty Investors as partial payment of its indebtedness owing to WRI. WRI considers all remaining outstanding indebtedness as being cancelled and retired.

The amount on the Plaza Bonds immediately prior to the date of dissolution was \$.2 million and the accrued interest outstanding which was not recognized for financial accounting purposes was \$7.9 million.

Interest on the Plaza Bonds accrued at the rate of 16% per annum (the “accrual rate”), but was due and payable quarterly at the rate of 10% per annum (the “pay rate”). The difference between the accrual rate and the amount of interest paid by WRI Holdings at the pay rate on the debt securities was treated as unpaid accrued interest, which did not accrue any compound interest and was payable with the

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principal at maturity. We recognized as interest income only amounts actually received for payment under the note. Therefore, we did not carry the difference between the accrual rate and the pay rate as an asset on our consolidated balance sheet.

Pursuant to a loan agreement between WRI Holdings and us, and pursuant to a note dated December 28, 1984, as amended in October 1987, January 1991 and March 1994, WRI Holdings could borrow from us the amount necessary, up to a maximum of \$40 million, to enable WRI Holdings to pay the interest owing on the Holdings Bonds. Interest on the note accrued at the highest rate per annum permitted by Texas law as to a portion of the debt and at the JPMorgan Chase Bank prime rate plus 2% per annum (but not in excess of the maximum legal rate) on the balance of the debt. At the date of dissolution, \$31.4 million was outstanding under the note, which represented the difference between the amount recognized as interest income on the Holdings Bonds and the pay rate applicable to the bonds, none of which has been recognized by us as income.

In November 1982, we entered into a loan agreement with River Point Venture I, a joint venture in which Plaza Construction was a joint venture partner. In October of 1987, Plaza Construction acquired all ownership interests in the joint venture it did not already own from the other joint venturer. Additionally, Plaza Construction became the successor of the joint venture under the River Pointe loan agreement which was amended in December 1991. Under the terms of the River Pointe loan, we could loan Plaza Construction up to \$12 million for construction and development of River Pointe. Interest accrued at the prime rate plus 1%, but not in excess of the maximum rate permitted by law. Beginning in 1990, we discontinued the recognition of interest income on this note for financial statement purposes. At the date of dissolution, the principal amount outstanding under the River Pointe loan was \$2.6 million plus accrued, but nonrecognized, interest of \$20.2 million.

At the date of dissolution, we had \$2.8 million in the Plaza Bonds and the River Pointe loan. Net of deferred gain of \$3.0 million, the estimated fair market value of the remaining collateral, which was comprised of 9.5 acres of undeveloped land at a mixed-use development in Conroe, Texas, was conveyed to WRI as partial payment of the remaining indebtedness.

Mr. Dow is a shareholder of Winstead, Secrest & Minick P. C., a law firm that had a relationship with Weingarten during the 2004 fiscal year. Mr. Dow performs a significant amount of work for WRI. Payments made by WRI to Winstead, Secrest & Minick P. C. for his work constituted less than 5% of the firm's total annual revenue for 2004.

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The following table sets forth certain information regarding the beneficial ownership of our common shares as of February 18, 2005 by (1) each person known by us to own beneficially more than 5% of our outstanding common shares, (2) each current trust manager, (3) each named executive officer, and (4) all current trust managers and executive officers as a group. The number of shares beneficially owned by each entity, person, trust manager or executive officer is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has a right to acquire as of April 19, 2005 (60 days after February 18, 2005) through the exercise of any share option or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his spouse) with respect to the shares set forth in the following table.

Certain of the shares listed below are deemed to be owned beneficially by more than one shareholder under SEC rules.

Name	Amount and Nature of Beneficial Ownership	Percent of Class
Stanford Alexander	5,361,371(1)	6.0%
Andrew M. Alexander	1,555,131(2)	1.7%
J. Murry Bowden		