

REGENCY CENTERS CORP
Form 10-Q
May 09, 2007
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United States

SECURITIES AND EXCHANGE COMMISSION

Washington DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2007

-or-

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-12298

REGENCY CENTERS CORPORATION

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

One Independent Drive, Suite 114

Jacksonville, Florida 32202

59-3191743
(IRS Employer

Identification No.)

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(Address of principal executive offices) (Zip Code)

(904) 598-7000

(Registrant's telephone number, including area code)

Former Address

121 West Forsyth Street, Suite 200

Jacksonville, Florida 32202

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check One):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(Applicable only to Corporate Registrants)

As of May 7, 2007, there were 69,477,582 shares outstanding of the Registrant's common stock.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****REGENCY CENTERS CORPORATION****Consolidated Balance Sheets****March 31, 2007 and December 31, 2006****(in thousands, except share data)**

	2007	2006
	(unaudited)	
<u>Assets</u>		
Real estate investments at cost:		
Land	\$ 843,384	862,851
Buildings and improvements	1,923,384	1,963,634
	2,766,768	2,826,485
Less: accumulated depreciation	441,432	427,389
	2,325,336	2,399,096
Properties in development, net	747,163	615,450
Operating properties held for sale, net	74,695	25,608
Investments in real estate partnerships	435,251	434,090
Net real estate investments	3,582,445	3,474,244
Cash and cash equivalents	29,164	34,046
Notes receivable	19,979	19,988
Tenant receivables, net of allowance for uncollectible accounts of \$3,871 and \$3,961 at March 31, 2007 and December 31, 2006, respectively	59,631	67,162
Deferred costs, less accumulated amortization of \$38,006 and \$36,227 at March 31, 2007 and December 31, 2006, respectively	43,880	40,989
Acquired lease intangible assets, less accumulated amortization of \$11,257 and \$10,511 at March 31, 2007 and December 31, 2006, respectively	11,569	12,315
Other assets	30,266	23,041
	\$ 3,776,934	3,671,785
<u>Liabilities and Stockholders' Equity</u>		
Liabilities:		
Notes payable	\$ 1,438,932	1,454,386
Unsecured line of credit	236,000	121,000
Accounts payable and other liabilities	144,865	140,940
Acquired lease intangible liabilities, net	7,344	7,729
Tenants' security and escrow deposits	10,561	10,517
Total liabilities	1,837,702	1,734,572

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Preferred units	49,158	49,158
Exchangeable operating partnership units	15,274	16,941
Limited partners' interest in consolidated partnerships	14,613	17,797
Total minority interest	79,045	83,896
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value per share, 30,000,000 shares authorized; 3,000,000 Series 5 and 800,000 Series 3 and 4 shares issued and outstanding at both March 31, 2007 and December 31, 2006 with liquidation preferences of \$25 and \$250 per share, respectively	275,000	275,000
Common stock \$.01 par value per share, 150,000,000 shares authorized; 74,701,025 and 74,431,787 shares issued at March 31, 2007 and December 31, 2006, respectively	747	744
Treasury stock at cost	(111,414)	(111,414)
Additional paid in capital	1,742,188	1,744,201
Accumulated other comprehensive loss	(10,799)	(13,317)
Distributions in excess of net income	(35,535)	(41,897)
Total stockholders' equity	1,860,187	1,853,317
	\$ 3,776,934	3,671,785

See accompanying notes to consolidated financial statements.

Table of Contents**REGENCY CENTERS CORPORATION****Consolidated Statements of Operations****For the three months ended March 31, 2007 and 2006****(in thousands, except per share data)****(unaudited)**

	2007	2006
Revenues:		
Minimum rent	\$ 77,456	71,640
Percentage rent	735	438
Recoveries from tenants	22,143	20,472
Management, acquisition and other fees	6,381	7,260
Total revenues	106,715	99,810
Operating expenses:		
Depreciation and amortization	21,518	20,223
Operating and maintenance	13,106	11,694
General and administrative	12,297	10,803
Real estate taxes	11,374	10,107
Other expenses	460	3,658
Total operating expenses	58,755	56,485
Other expense (income):		
Interest expense, net of interest income of \$719 and \$1,591 in 2007 and 2006, respectively	19,389	19,218
Gain on sale of operating properties and properties in development	(25,645)	(15,680)
Total other expense (income)	(6,256)	3,538
Income before minority interests and equity in income of investments in real estate partnerships	54,216	39,787
Minority interest of preferred units	(931)	(931)
Minority interest of exchangeable operating partnership units	(540)	(641)
Minority interest of limited partners	(278)	(511)
Equity in income of investments in real estate partnerships	3,788	755
Income from continuing operations	56,255	38,459
Discontinued operations, net:		
Operating income from discontinued operations	733	1,975
Gain on sale of operating properties and properties in development		30,341
Income from discontinued operations	733	32,316
Net income	56,988	70,775

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Preferred stock dividends	(4,919)	(4,919)
Net income for common stockholders	\$ 52,069	65,856
Income per common share basic:		
Continuing operations	\$ 0.74	0.49
Discontinued operations	0.01	0.48
Net income for common stockholders per share	\$ 0.75	0.97
Income per common share diluted:		
Continuing operations	\$ 0.74	0.49
Discontinued operations	0.01	0.48
Net income for common stockholders per share	\$ 0.75	0.97

See accompanying notes to consolidated financial statements.

Table of Contents**REGENCY CENTERS CORPORATION****Consolidated Statement of Stockholders Equity and Comprehensive Income (Loss)****For the three months ended March 31, 2007****(in thousands, except per share data)****(unaudited)**

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Net Income	Total Stockholders Equity
Balance at December 31, 2006	\$ 275,000	744	(111,414)	1,744,201	(13,317)	(41,897)	1,853,317
Comprehensive Income:							
Net income						56,988	56,988
Amortization of loss on derivative instruments					327		327
Change in fair value of derivative instruments					2,191		2,191
Total comprehensive income							59,506
Restricted stock issued, net of amortization				4,675			4,675
Common stock redeemed for taxes withheld for stock based compensation, net		2		(8,468)			(8,466)
Common stock issued for partnership units exchanged		1		2,786			2,787
Reallocation of minority interest				(1,006)			(1,006)
Cash dividends declared:							
Preferred stock						(4,919)	(4,919)
Common stock (\$0.66 per share)						(45,707)	(45,707)
Balance at March 31, 2007	\$ 275,000	747	(111,414)	1,742,188	(10,799)	(35,535)	1,860,187

See accompanying notes to consolidated financial statements.

Table of Contents**REGENCY CENTERS CORPORATION****Consolidated Statements of Cash Flows****For the three months ended March 31, 2007 and 2006****(in thousands)****(unaudited)**

	2007	2006
Cash flows from operating activities:		
Net income	\$ 56,988	70,775
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,518	21,146
Deferred loan cost and debt premium amortization	711	823
Stock based compensation	5,034	4,521
Minority interest of preferred units	931	931
Minority interest of exchangeable operating partnership units	547	1,180
Minority interest of limited partners	278	511
Equity in income of investments in real estate partnerships	(3,788)	(755)
Net gain on sale of properties	(25,645)	(46,527)