

ACADIA REALTY TRUST
Form 10-Q
May 01, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2015

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 1-12002

ACADIA REALTY TRUST

(Exact name of registrant in its charter)

MARYLAND

(State or other jurisdiction of
incorporation or organization)

23-2715194

(I.R.S. Employer
Identification No.)

1311 MAMARONECK AVENUE, SUITE 260, WHITE
PLAINS, NY

(Address of principal executive offices)

(914) 288-8100

(Registrant's telephone number, including area code)

10605

(Zip Code)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES

NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

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company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

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

As of May 1, 2015 there were 68,785,193 common shares of beneficial interest, par value \$.001 per share, outstanding.

ACADIA REALTY TRUST AND SUBSIDIARIES

FORM 10-Q

INDEX

	Page
Part I: Financial Information	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets as of March 31, 2015 (unaudited) and December 31, 2014</u>	1
<u>Consolidated Statements of Income for the three months ended March 31, 2015 and 2014 (unaudited)</u>	2
<u>Consolidated Statements of Comprehensive Income for the three months ended March 31, 2015 and 2014 (unaudited)</u>	3
<u>Consolidated Statement of Shareholders' Equity for the three months ended March 31, 2015 (unaudited)</u>	4
<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and 2014 (unaudited)</u>	5
<u>Notes to Consolidated Financial Statements</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	36
<u>Item 4. Controls and Procedures</u>	36
Part II: Other Information	
<u>Item 1. Legal Proceedings</u>	37
<u>Item 1A. Risk Factors</u>	37
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
<u>Item 3. Defaults Upon Senior Securities</u>	37
<u>Item 4. Mine Safety Disclosures</u>	37
<u>Item 5. Other Information</u>	37

<u>Item 6.</u>	<u>Exhibits</u>	<u>37</u>
	<u>Signatures</u>	<u>38</u>
	<u>Exhibit Index</u>	<u>39</u>

Part I. Financial Information

Item 1. Financial Statements.

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(dollars in thousands)	March 31, 2015 (unaudited)	December 31, 2014
ASSETS		
Operating real estate		
Land	\$498,321	\$424,661
Buildings and improvements	1,510,444	1,329,080
Construction in progress	10,861	7,464
	2,019,626	1,761,205
Less: accumulated depreciation	270,372	256,015
Net operating real estate	1,749,254	1,505,190
Real estate under development	484,676	447,390
Notes receivable and preferred equity investments, net	98,560	102,286
Investments in and advances to unconsolidated affiliates	184,500	184,352
Cash and cash equivalents	119,555	217,580
Cash in escrow	59,508	20,358
Restricted cash	5,401	30,604
Rents receivable, net	38,380	36,962
Deferred charges, net	32,042	30,679
Acquired lease intangibles, net	45,660	44,618
Prepaid expenses and other assets	53,330	56,508
Assets of properties held for sale	—	56,073
Total assets	\$2,870,866	\$2,732,600
LIABILITIES		
Mortgage and other notes payable	\$1,304,739	\$1,130,481
Distributions in excess of income from, and investments in, unconsolidated affiliates	12,361	12,564
Accounts payable and accrued expenses	36,454	34,026
Dividends and distributions payable	17,675	39,339
Acquired lease intangibles, net	30,713	29,585
Other liabilities	27,196	25,148
Liabilities of properties held for sale	—	25,500
Total liabilities	1,429,138	1,296,643
EQUITY		
Shareholders' Equity		
Common shares, \$.001 par value, authorized 100,000,000 shares; issued and outstanding 68,731,681 and 68,109,287 shares, respectively	69	68
Additional paid-in capital	1,048,457	1,027,861
Accumulated other comprehensive loss	(6,848	) (4,005
Retained earnings	31,678	31,617
Total shareholders' equity	1,073,356	1,055,541
Noncontrolling interests	368,372	380,416
Total equity	1,441,728	1,435,957
Total liabilities and equity	\$2,870,866	\$2,732,600

See accompanying notes

1

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(dollars in thousands, except per share amounts)	Three Months Ended		
	March 31, 2015	2014	
Revenues			
Rental income	\$38,187	\$33,818	
Interest income	3,408	3,164	
Expense reimbursements	10,066	8,790	
Other	820	913	
Total revenues	52,481	46,685	
Operating Expenses			
Property operating	7,731	7,124	
Other operating	2,120	687	
Real estate taxes	6,292	5,670	
General and administrative	7,532	6,896	
Depreciation and amortization	13,658	11,587	
Total operating expenses	37,333	31,964	
Operating income	15,148	14,721	
Equity in earnings of unconsolidated affiliates	6,593	3,029	
Loss on debt extinguishment	(109) (203)
Gain on disposition of property	27,143	12,387	
Interest and other finance expense	(8,821) (10,651)
Income from continuing operations before income tax provision	39,954	19,283	
Income tax provision	(1,417) (168)
Net income	38,537	19,115	
Net (income) loss attributable to noncontrolling interests	(21,990	) 2,480
Net income attributable to Common Shareholders	\$16,547	\$21,595	
Basic and diluted earnings per share	\$0.24	\$0.38	
See accompanying notes			

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
(dollars in thousands)		
Net income	\$38,537	\$19,115
Other comprehensive (loss) income		
Unrealized (loss) on valuation of swap agreements	(4,319	) (2,329
Reclassification of realized interest on swap agreements	1,053	837
Other comprehensive (loss)	(3,266	) (1,492
Comprehensive income	35,271	17,623
Comprehensive (income) loss attributable to noncontrolling interests	(21,567	) 2,433
Comprehensive income attributable to Common Shareholders	\$13,704	\$20,056
See accompanying notes		

3

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2015

(unaudited)

(amounts in thousands, except per share amounts)	Common	Additional	Accumulated	Other	Retained	Total	Noncontrolling	Total
	Shares								Paid-In	Other	Earnings	Shareholders'	Interests	Equity
	Shares	Amount	Capital	(Loss)	Income	Equity		
Balance at December 31, 2014	68,109	\$68	\$1,027,861	\$ (4,005	) \$31,617	\$1,055,541	\$ 380,416	\$1,435,957
Conversion of OP Units to Common Shares by limited partners of the Operating Partnership	44	—	1,094	—	—	1,094	(1,094) —
Issuance of Common Shares, net of issuance costs	571	1	19,332	—	—	19,333	—	19,333
Dividends declared (\$0.24 per Common Share)	—	—	—	—	(16,486	) (16,486	) (1,186	) (17,672
Employee and trustee stock compensation, net	8	—	170	—	—	170	1,708	1,878
Noncontrolling interest distributions	—	—	—	—	—	—	(33,089	) (33,089
Noncontrolling interest contributions	—	—	—	—	—	—	50	50
	68,732	69	1,048,457	(4,005	) 15,131	1,059,652	346,805	1,406,457
Comprehensive (loss) income:								
Net income	—	—	—	—	16,547	16,547	21,990	38,537
Unrealized loss on valuation of swap agreements	—	—	—	(3,536	) —	(3,536	) (783	) (4,319
Reclassification of realized interest on swap agreements	—	—	—	693	—	693	360	1,053
Total comprehensive (loss) income	—	—	—	(2,843	) 16,547	13,704	21,567	35,271
Balance at March 31, 2015	68,732	\$69	\$1,048,457	\$ (6,848	) \$31,678	\$1,073,356	\$ 368,372	\$1,441,728

See accompanying notes

4

ACADIA
REALTY TRUST
AND
SUBSIDIARIES
CONSOLIDATED
STATEMENTS
OF CASH
FLOWS