

ACADIA REALTY TRUST
Form 10-Q
August 06, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 June 30, 2009

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)

10605
(Zip Code)

(914) 288-8100

(Registrant's telephone number, including area 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).

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>

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

As of August 6, 2009 there were 39,678,826 common shares of beneficial interest, par value \$.001 per share, outstanding.

ACADIA REALTY TRUST AND SUBSIDIARIES

FORM 10-Q

INDEX

	Page	
<u>Part I:</u>	<u>Financial Information</u>	
<u>Item 1.</u>	<u>Financial Statements</u>	
	<u>Consolidated Balance Sheets as of June 30, 2009 (unaudited) and December 31, 2008</u>	1
	<u>Consolidated Statements of Income for the three and six months ended June 30, 2009 and 2008 (unaudited)</u>	2
	<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2009 and 2008 (unaudited)</u>	3
	<u>Notes to Consolidated Financial Statements</u>	5
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosure About Market Risk</u>	38
<u>Item 4.</u>	<u>Controls and Procedures</u>	39
<u>Part II:</u>	<u>Other Information</u>	
<u>Item 1.</u>	<u>Legal Proceedings</u>	39
<u>Item 1A.</u>	<u>Risk Factors</u>	39
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	39
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	39
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>	39
<u>Item 5.</u>	<u>Other Information</u>	39
<u>Item 6.</u>	<u>Exhibits</u>	39
	<u>Signatures</u>	40
	<u>Exhibit Index</u>	41

Part I. Financial Information

Item 1. Financial Statements.

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands)	June 30, 2009 (unaudited)	December 31, 2008 as adjusted
ASSETS		
Real estate		
Land	\$ 309,806	\$ 294,132
Buildings and improvements	795,118	729,159
Construction in progress	84,647	70,423
	1,189,571	1,093,714
Less: accumulated depreciation	179,370	165,803
Net real estate	1,010,201	927,911
Cash and cash equivalents	107,739	86,691
Cash in escrow	7,344	6,794
Investments in and advances to unconsolidated affiliates	52,967	54,978
Rents receivable, net	13,655	12,660
Notes receivable and preferred equity investment, net	124,500	125,587
Deferred charges, net of amortization	24,511	21,899
Acquired lease intangibles, net of amortization	26,899	19,476
Prepaid expenses and other assets, net of amortization	27,478	31,735
Assets of discontinued operations	-	3,652
Total assets	\$ 1,395,294	\$ 1,291,383
LIABILITIES AND SHAREHOLDERS' EQUITY		
Mortgage notes payable	\$ 753,269	\$ 653,543
Convertible notes payable, net of unamortized discount of \$2,610 and \$6,597, respectively	47,549	100,403
Acquired lease and other intangibles, net of amortization	8,964	6,506
Accounts payable and accrued expenses	23,132	22,193
Dividends and distributions payable	7,361	25,514
Distributions in excess of income from, and investments in, unconsolidated affiliates	20,781	20,633
Other liabilities	17,229	18,912
Liabilities of discontinued operations	-	1,451
Total liabilities	878,285	849,155
Equity		
Common shares	40	32
Additional paid-in capital	298,706	218,527
Accumulated other comprehensive loss	(3,227)	(4,508)
Retained earnings	16,784	13,671
Total Common Shareholders equity	312,303	227,722
Noncontrolling interests in subsidiaries	204,706	214,506
Total equity	517,009	442,228

Total liabilities and equity	\$	1,395,294	\$	1,291,383
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See accompanying notes

1

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008

(unaudited)

(dollars in thousands, except per share amounts)	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Revenues				
Minimum rents	\$ 23,870	\$ 21,135	\$ 45,192	\$ 39,469
Percentage rents	128	58	329	238
Expense reimbursements	4,941	3,497	10,424	7,956
Lease termination income	-	24,500	-	24,500
Other property income	908	174	1,414	398
Management fee income	444	387	1,200	2,406
Interest income	5,028	1,891	10,171	4,696
Other	-	-	1,700	-
Total revenues	35,319	51,642	70,430	79,663
Operating Expenses				
Property operating	7,282	5,421	14,669	10,517
Real estate taxes	4,108	3,113	7,793	5,843
General and administrative	5,208	6,257	11,349	12,310
Depreciation and amortization	8,468	7,080	17,060	13,301
Abandonment of project costs	2,415	-	2,415	-
Reserve for notes receivable	1,734	-	1,734	-
Total operating expenses	29,215	21,871	55,020	41,971
Operating income	6,104	29,771	15,410	37,692
Equity in earnings (losses) of unconsolidated affiliates	49	4,469	(3,258)	17,704
Interest and other finance expense	(7,631)	(7,377)	(15,452)	(13,973)
Gain on debt extinguishment	3,895	-	7,045	-
Gain on sale of land	-	763	-	763
Income from continuing operations before income taxes	2,417	27,626	3,745	42,186
Income tax provision	(1,096)	(343)	(1,622)	(2,200)
Income from continuing operations	1,321	27,283	2,123	39,986
Discontinued Operations				
Operating income from discontinued operations	-	240	178	987
Gain on sale of property	-	7,182	5,637	7,182