

ACADIA REALTY TRUST
Form 10-Q
July 28, 2017

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 June 30, 2017

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 23-2715194
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

411 THEODORE FREMD
AVENUE, SUITE 300, RYE, 10580
NY (Zip Code)
(Address of principal executive
offices)
(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).

YES NO

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer Accelerated Filer Emerging Growth Company

Non-accelerated Filer Smaller Reporting Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes No
As of July 25, 2017 there were 83,659,353 common shares of beneficial interest, par value \$0.001 per share, outstanding.

ACADIA REALTY TRUST AND SUBSIDIARIES
FORM 10-Q
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q (the "Report") may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and as such may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project" or the negative thereof or other variations thereon or comparable terminology. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to those set forth under the headings "Item 1A. Risk Factors" and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of this Report. These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference herein.

SPECIAL NOTE REGARDING CERTAIN REFERENCES

All references to "Notes" throughout the document refer to the footnotes to the consolidated financial statements of the registrant referenced in Part I, Item 1. Financial Statements, below.

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

ACADIA REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2017 (Unaudited)	December 31, 2016
(dollars in thousands, except per share amounts)		
ASSETS		
Investments in real estate, at cost		
Operating real estate, net	\$2,957,544	\$2,551,448
Real estate under development, at cost	208,966	543,486
Net investments in real estate	3,166,510	3,094,934
Notes receivable, net	249,848	276,163
Investments in and advances to unconsolidated affiliates	272,736	272,028
Other assets, net	207,203	192,786
Cash and cash equivalents	43,442	71,805
Rents receivable, net	50,096	43,842
Restricted cash	24,311	22,904
Assets of properties held for sale	34,699	21,498
Total assets	\$4,048,845	\$3,995,960
LIABILITIES		
Mortgage and other notes payable, net	\$1,122,131	\$1,055,728
Unsecured notes payable, net	397,622	432,990
Unsecured line of credit	24,000	—
Accounts payable and other liabilities	215,621	208,672
Capital lease obligation	70,367	70,129
Dividends and distributions payable	23,349	36,625
Distributions in excess of income from, and investments in, unconsolidated affiliates	15,358	13,691
Total liabilities	1,868,448	1,817,835
Commitments and contingencies		
EQUITY		
Acadia Shareholders' Equity		
Common shares, \$0.001 par value, authorized 100,000,000 shares, issued and outstanding 83,659,353 and 83,597,741 shares, respectively	84	84
Additional paid-in capital	1,592,069	1,594,926
Accumulated other comprehensive loss	(520)	(798)
Distributions in excess of accumulated earnings	(21,439)	(5,635)
Total Acadia shareholders' equity	1,570,194	1,588,577
Noncontrolling interests	610,203	589,548
Total equity	2,180,397	2,178,125
Total liabilities and equity	\$4,048,845	\$3,995,960

The accompanying notes are an integral part of these consolidated financial statements

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
(in thousands except per share amounts)	2017	2016	2017	2016
Revenues				
Rental income	\$48,468	\$35,186	\$97,053	\$73,776
Expense reimbursements	10,074	7,769	22,390	15,728
Other	962	963	2,060	2,459